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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

SECURITIES AND EXCHANGE COMMISSION, Civil Action No. C-01-21067 (JW)  
Plaintiff,  
vs.  
KEN C. CHOW,  
Defendant.

~~PROPOSED~~ FINAL JUDGMENT OF  
PERMANENT INJUNCTION AND LEGAL  
AND OTHER EQUITABLE RELIEF  
AGAINST KEN C. CHOW

Plaintiff Securities and Exchange Commission (“Commission”) has filed its Complaint for Permanent Injunction and Legal and Other Equitable Relief (“Complaint”) in this action. Defendant Ken C. Chow (“Chow”) has submitted a Consent to the Entry of Permanent Injunction and Legal and Other Equitable Relief (“Consent”), which was filed simultaneously with this Final Judgment of Permanent Injunction and Legal and Other Equitable Relief (“Final Judgment”) and incorporated herein by reference. In the Consent, Chow waived service of the Summons and Complaint, admitted the jurisdiction of this Court over him and over the subject matter of this action, admitted that he was fully advised and informed of the right to a judicial determination of this matter, waived findings of fact and conclusions of law as provided by Rule

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52 of the Federal Rules of Civil Procedure, consented to the entry of this Final Judgment, without admitting or denying any of the allegations in the Complaint except as set forth in the Consent, and waived notice of hearing upon the entry of this Final Judgment. Good cause appearing, the court orders as follows:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Chow, his agents, servants, employees, attorneys, and all persons acting in concert or participation with him, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, are permanently enjoined and restrained from, directly or indirectly, violating Section 10(b) of the Securities and Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by:

- A. employing any device, scheme, or artifice to defraud;
- B. making any untrue statement of material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of the securities of any issuer, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Chow disgorge profits from his securities purchase that is the subject of this action in the amount of \$200,025.00, plus prejudgment interest in the amount of \$32, 455.36. Payment of the disgorged amount and interest shall be made by cashier's check, certified check or postal money order payable to the United States Treasury within thirty (30) days of the entry of the Final Judgment. Such payment

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2 shall be sent by certified mail to: Comptroller, Securities Exchange Commission, Operations  
3 Center, 6432 General Green Way, Alexandria, VA 22312-0003, under cover of a letter which  
4 identifies the defendant, the caption and civil action number of this matter, this Court, and the  
5 Commission's internal case number (SF-2366-A). Copies of each of the cover letters shall be  
6 simultaneously transmitted to the attention of Helane Morrison, District Administrator, at the  
7 Commission's San Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco,  
8 CA 94104.

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10 III.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Chow pay a civil  
12 penalty pursuant to Section 21A(a)(1)(A) of the Exchange Act [15 U.S.C. § 78u-1(a)(1)(A)] in  
13 the amount of \$200,025.00. Payment of the penalty shall be made by cashier's check, certified  
14 check or postal money order payable to the United States Treasury within thirty (30) days of the  
15 entry of the Final Judgment. Chow shall pay postjudgment interest, as calculated pursuant to 28  
16 U.S.C. § 1961, on any amount of the \$200,025.00 penalty that remains outstanding ninety (90)  
17 days after the entry of this Final Judgment. All payments shall be made by cashier's check,  
18 certified check or postal money order, payable to the United States Treasury. Such payments  
19 shall be sent by certified mail to: Comptroller, Securities Exchange Commission, Operations  
20 Center, 6432 General Green Way, Alexandria, VA 22312-0003, under cover of a letter which  
21 identifies the defendant, the caption and civil action number of this matter, this Court, and the  
22 Commission's internal case number (SF-2366-A). Copies of each of the cover letters shall be  
23 simultaneously transmitted to the attention of the District Administrator at the Commission's San  
24 Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco, CA 94104.

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26 IV.

27 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent  
28 of Chow, filed concurrently with this Final Judgment, is incorporated herein with the same force

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and effect as if fully set forth herein and that Chow shall fully comply with all of the undertakings and agreements incorporated in both documents.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

Dated: DEC.20, 2002

/S/ JAMES WARE  
United States District Court Judge

APPROVED AS TO FORM:

\_\_\_\_\_  
Ken Chow

SUBMITTED BY:

\_\_\_\_\_  
Helane L. Morrison  
John S. Yun  
Michael S. Dicke  
Patrick Thomas Murphy  
  
Attorneys for Plaintiff  
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