

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**United States District Court**  
For the Northern District of California

NOT FOR CITATION

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

SECURITIES and EXCHANGE  
COMMISSION,

Plaintiff,

v.

KEN C. CHOW, JACK C. LAU and  
JOHN C. LIN,

Defendants.

NO. C 01-21067 JW

FINAL JUDGMENT OF  
PERMANENT INJUNCTION AND  
LEGAL AND OTHER EQUITABLE  
RELIEF WITH RESPECT TO  
DEFENDANT JACK C. LAU

Based on the Findings of Fact and Conclusions of Law entered by the Court with respect to Defendant Jack C. Lau ("Lau"), the Court enters judgment as follows:

Defendant Lau, his agents, servants, employees, attorneys and all persons acting in concert or participation with him, who receive actual notice of this 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:

- 1. employing any device, scheme or artifice to defraud;

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

8           Defendant Lau is also ordered to disgorge profits from his securities purchase that is the

9 subject of this action in the amount of \$71,102.50, plus interest at the lawful rate from March 10,

10 2000. Payment of the disgorged amount and interest shall be made by cashier's check, certified check

11 or postal money order payable to the United States Treasury within thirty (30) days of the date of this

12 Judgment. Such payment shall be sent certified mail to: Comptroller, Securities Exchange

13 Commission, Operations Center, 6432 General Green Way, Alexandria, VA 22312-0003, under cover

14 of a letter which identifies the Defendant, the caption and civil action number of this matter, this Court,

15 and the Commission's internal case number (SF-2366-A). Copies of each of the cover letters shall be

16 simultaneously transmitted to the attention of Helane Morrison, District Administrator, at the

17 Commission's San Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco, CA

18 94104.

19           Defendant Lau is further ordered to pay a civil penalty pursuant to Section 21A(a)(1)(A) of the

20 Exchange Act [15 U.S.C. § 78u-1(a)(1)(A)] in the amount of \$50,000.00. Payment of the penalty shall

21 be made by cashier's check, certified check or postal money order payable to the United States

22 Treasury within thirty (30) days of the date of this Judgment. Defendant Lau shall pay postjudgment

23 interest, as calculated pursuant to 28 U.S.C. § 1961, on any amount of the \$50,000.00 penalty that

24 remains outstanding ninety (90) days after entry of this Judgment. All payments shall be made by

25 cashier's check, certified check or postal money order, payable to the United States Treasury. Such

26 payment shall be sent certified mail to: Comptroller, Securities Exchange Commission, Operations

27 Center, 6432 General Green Way, Alexandria, VA 22312-0003, under cover of a letter which

1 identifies the Defendant, the caption and civil action number of this matter, this Court, and the  
2 Commission's internal case number (SF-2366-A). Copies of each of the cover letters shall be  
3 simultaneously transmitted to the attention of Helane Morrison, District Administrator, at the  
4 Commission's San Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco, CA  
5 94104.

6 It is further ordered that the Court shall retain jurisdiction over this action for the purpose of  
7 implementing and carrying out the terms of all orders and decrees which may be entered herein and to  
8 entertain any suitable application or motion for additional relief within the jurisdiction of the Court.

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

11 Dated: June 17, 2003

/s/ James Ware  
JAMES WARE  
United States District Judge

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

01cv21067jud

1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN MAILED TO:**

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Helane L. Morrison  
Robert L. Michell  
Securities and Exchange Commission  
44 Montgomery Street, Suite 1100  
San Francisco, Ca. 94104

Robert J. Breakstone  
Rogers, Joseph, O'Donnell & Quinn  
311 California Street  
San Francisco, Ca. 94104  
Attorney for John C. Lin

Richard P. Duane  
Suzanne M. Alves-Tarango  
Duane & Seltzer, LLP  
2000 Center Street, Suite 300  
Berkeley, California 94704  
Attorney for Ken C. Chow

David P. Bancroft  
Jeffrey C. Hallam  
Sideman & Bancroft LLP  
One Embarcadero Center, Eighth Floor  
San Francisco, California 94111  
Attorney for Jack C. Lau

**Dated: 6/18/03**

**Richard W. Wiekling, Clerk**

By: chambers  
**Ronald L. Davis**  
**Courtroom Deputy**