

(NOT FOR CITATION)

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

\_\_\_\_\_  
SECURITIES AND EXCHANGE COMMISSION, )  
Plaintiff, )  
vs. )  
NED SNEIDERMAN, )  
Defendant. )  
\_\_\_\_\_

Civil Action No.  
C-02-0001 (JW)

**JUDGMENT OF  
PERMANENT  
INJUNCTION AND  
OTHER RELIEF  
AGAINST NED  
SNEIDERMAN**

DATE: Jan. 13, 2003  
TIME: 9:00 a.m.  
JUDGE: James Ware

**DEFAULT JUDGMENT**

Pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure, plaintiff Securities and Exchange Commission ("Commission") brought an Application for Default Judgment against defendant Ned Sniderman ("Sniderman") after giving the necessary written notice. Previously, on May 4, 2002, the Court entered a written order striking Sniderman's answer and placing him in default after he failed to appear for a case management conference in April 2002 and failed to submit any response to the two separate written show cause orders that were directed to Mr. Sniderman by the Court.

Based upon the Commission's papers, the Court finds that the Complaint's well-pleaded allegations establish Sniderman's liability for violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder by posting a false press release on an internet chat board so as to mislead investors into believing that Extreme Networks had made a cash tender offer for Viasource Communication, Inc. ("Viasource") as part of Sniderman's scheme to profit from his purchase and sale of Viasource shares. Additionally, based upon the Complaint's allegations and the Supporting Declaration of Marc J. Fagel ("Fagel Declaration"), the Court's default judgment should (i) permanently enjoin Sniderman from further violations of Section 10(b) and Rule 10b-5 and (ii) impose a \$60,000 civil monetary penalty under Section 21 of the Exchange Act: the ease with which Mr. Sniderman could engage in another stock manipulation scheme persuades the Court that there is a reasonable likelihood of recurrence and that a strong deterrence message should be sent to Mr. Sniderman and other potential violators.

THEREFORE:

IT IS ORDERED, ADJUDGED AND DECREED that Sniderman, 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

1 thereunder [17 C.F.R. § 240.10b-5] by:

2 A. employing any device, scheme, or artifice to defraud;

3 B. making any untrue statement of material fact or omitting to state a material fact  
4 necessary in order to make the statements made, in the light of the circumstances under which they  
5 were made, not misleading; or

6 C. engaging in any transaction, practice, or course of business which operates or would  
7 operate as a fraud or deceit upon any person, in connection with the purchase or sale of the securities  
8 of any issuer, by the use of any means or instrumentality of interstate commerce, or of the mails, or  
9 of any facility of any national securities exchange.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sneiderman pay a civil  
11 penalty pursuant to Section 21(d)(3)(B)(ii) of the Exchange Act [15 U.S.C. § 78u(d)(3)(B)(ii)] in the  
12 amount of \$60,000.00 (sixty thousand dollars and no cents) within thirty (30) days of entry of this  
13 Judgment. Payment shall be made by cashier's check, certified check or postal money order, payable  
14 to the United States Treasury. Such payments shall be sent by certified mail to: Comptroller,  
15 Securities Exchange Commission, Operations Center, 6432 General Green Way, Alexandria, VA  
16 22312-0003, under cover of a letter which identifies the defendant, the caption and civil action  
17 number of this matter, and this Court. Copies of each of the cover letters shall be simultaneously  
18 transmitted to the attention of the District Administrator at the Commission's San Francisco District  
19 Office, 44 Montgomery Street, Suite 1100, San Francisco, CA 94104.

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

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26 There being no just reason for delay, the Clerk of the Court is hereby directed to enter  
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1 this Judgment forthwith.

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4 Dated: January 13, 2003

\_\_\_\_\_/s/James Ware

JAMES WARE

United States District Court Judge