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RICHARD W. WIEKING  
CLERK U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

FILED  
NOV 10 2003

RICHARD W. WIEKING  
CLERK U.S. DISTRICT COURT,  
NORTHERN DISTRICT OF CALIFORNIA

10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA

12 SECURITIES AND EXCHANGE COMMISSION,

Case No. C-02-4193-CRB

13 Plaintiff,

14 vs.

[REDACTED] FINAL JUDGMENT AGAINST  
FRED ALBERT SCHLUEP

15 FRED ALBERT SCHLUEP,

16 Defendant.

17 Plaintiff Securities and Exchange Commission (the "Commission") has filed its Complaint in  
18 this action. Defendant Fred Albert Schluep, represented by counsel, has entered a general  
19 appearance; has admitted the jurisdiction of this Court over himself and over the subject matter of this  
20 action; has consented, without admitting or denying the allegations in the Complaint (except as  
21 specifically set forth in that consent) to the entry of a Judgment of Permanent Injunction and Other  
22 Legal and Equitable Relief Against Fred Albert Schluep, which the Court entered on October 9, 2002;  
23 consented to the entry of this Final Judgment Against Fred Albert Schluep ("Final Judgment"),  
24 without admitting or denying any of the allegations in the Complaint, except as to the Court's  
25 jurisdiction over him and over the subject matter of this action, which he admits; waived findings of  
26 fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; and  
27 waived any right to appeal from this Final Judgment. The Court, being fully advised in the premises,  
28 orders as follows:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Schluep is liable for disgorgement of \$1,597,115, together with prejudgment interest thereon in the amount of \$236,993, for a total of \$1,834,108.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Schluep shall pay a civil penalty in the amount of \$120,000, pursuant to Section 21(d)(3) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78u(d)(3)] and pursuant to Section 209(3) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-9].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Schluep shall satisfy his obligations set forth in I. and II., above, by paying \$1,954,108 within ten (10) business days of the Court's entry of this Final Judgment to the Clerk of this Court, under cover of a letter identifying Fred Albert Schluep as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to counsel for the Commission in this action. Defendant relinquishes all legal and equitable right, title, and interest in such funds as he agrees to pay, and no part of the funds shall be returned to Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid

1 as civil penalties pursuant to this Final Judgment shall be treated as penalties paid to the government  
2 for all purposes, including all tax purposes.

3 IV.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant's Consent to  
5 this Final Judgment is incorporated herein with the same force and effect as if fully set forth herein,  
6 and that Defendant shall comply with all of the undertakings and agreements set forth therein.

7 V.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
9 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

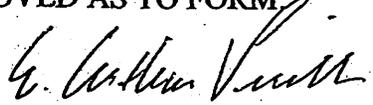
10 VI.

11 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil  
12 Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

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16 Dated: Nov. 10, 2003

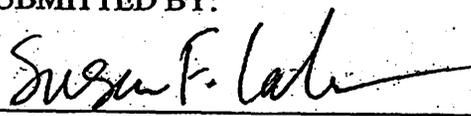
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United States District Judge

1 APPROVED AS TO FORM:

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