

1 Kenneth J. Guido, Cal. Bar No. 40020
2 Plaintiff's Trial Counsel
3 Securities and Exchange Commission
4 450 Fifth Street, N.W.
5 Washington, DC 20549-0911
6 Telephone: (202) 942-7933
7 Facsimile: (202) 942-9581

FILED
CLERK, U.S. DISTRICT COURT
JUN 27 2002

ENTERED
CLERK, U.S. DISTRICT COURT
JUN 28 2002

Send
Enter
Closed _____
JS-5/JS-6 _____
JS-2/JS-3 _____
Scan Only _____

CENTRAL DISTRICT OF CALIFORNIA
DEPUTY CLERK BY

ORIGINAL

Handwritten signature and initials.

8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

02-4555

NM

(MANX)

THIS CONSTITUTES NOTICE OF ENTRY AS REQUIRED BY FRCP, RULE 77(d).

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 v.

16 AURA SYSTEMS, INC. et al.

17 Defendants.

Case No.

FINAL JUDGMENT AS TO
SULTAN W. KHAN

Docketed
 Copies / NTC Sent
 JS - 5 / JS - 6
 JS - 2 / JS - 3
 CLSD

19
20 Plaintiff Securities and Exchange Commission ("Commission"), having
21 commenced this action by filing its Complaint alleging that Defendant Sultan W. Khan
22 ("Khan") violated Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934
23 ("Exchange Act") [15 U.S.C. §§ 78j(b), 78m(b)(5)], and Rules 10b-5 and 13b2-1 [17
24 C.F.R. ¶ 240.10b-5, 24013b2-1] promulgated thereunder, and Defendant Khan, having
25 in his Consent and Undertaking of Sultan W. Khan ("Consent"), which is attached
26 hereto and expressly incorporated herein, acknowledged service of process, entered a
27
28

13

1 general appearance, admitted the jurisdiction of this Court over him and over the subject
2 matter of this action, waived the entry of findings of fact and conclusions of law
3
4 pursuant to Rule 52 of the Federal Rules of Civil Procedure, waived filing of an Answer
5 to the Complaint, waived any right he might have to appeal from the entry of this Final
6 Judgment as to Sultan W. Khan (“Final Judgment”) and, without admitting or denying
7 the allegations of the Complaint, except as to jurisdiction which he admits, consented to
8 the entry without further notice of this Final Judgment, permanently restraining and
9 enjoining him from engaging in acts, practices or courses of business which constitute
10 or would constitute violations of Sections 10(b) and 13(b)(5) of the Exchange Act [15
11 U.S.C. §§ 78j(b), 78m(b)(5)], and Rules 10b-5 and 13b2-1 [17 C.F.R. §§ 240.10b-5,
12 240.13b2-1] promulgated thereunder; and it further appearing that this Court has
13 jurisdiction over Defendant Khan and the subject matter of this action, and the Court
14 being fully advised in the premises, and there being no just reason for delay:
15
16
17
18

19 **I.**

20 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant
21 Khan, his agents, servants, employees, attorneys-in-fact, and those persons in active
22 concert or participation with them who receive actual notice of the Final Judgment by
23 personal service or otherwise, and each of them, be and hereby are permanently
24 restrained and enjoined from violating Section 10(b) of the Exchange Act [15 U.S.C. §§
25 78j(b)] and Exchange Act Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by, directly or
26 indirectly, singly or in concert, by the use of any means or instrumentality of interstate
27
28

1 commerce, or of the mails, or of any facility of any national securities exchange:

- 2 1. employing any device, scheme or artifice to defraud;
- 3
- 4 2. making any untrue statement of material fact or omitting to state a material
- 5 fact necessary in order to make the statements made, in the light of the
- 6 circumstances under which they were made, not misleading; or
- 7
- 8 3. engaging in any act, practice or course of business which operates or would
- 9 operate as a fraud or deceit upon any person,

10 in connection with the purchase or sale of any security.

11

12 **II.**

13 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that

14 Defendant Khan and his agents, servants, employees, attorneys-in-fact, and those

15 persons in active concert or participation with them, and each of them who receive

16 actual notice of this Final Judgment by personal service or otherwise, be and hereby

17 are permanently restrained and enjoined from directly or indirectly violating

18 Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)], or Rule 13b2-1 [17

19 C.F.R. ¶240.13b2-1], by

20

21

22

23 -- knowingly circumventing or knowingly failing to implement a system

24 of internal accounting controls, or knowingly falsifying any book, record,

25 or account described in 15 U.S.C. § 78m(b)(2); or

26

27 -- directly or indirectly falsifying or causing to be

28 falsified, any book, record or account subject to 15

U.S.C. § 78m(b)(2)(A).

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based on Defendant's sworn representations in his Statement of Financial Condition dated November 5, 2001, and other documents submitted to the Commission, the Court is not ordering him to pay a civil penalty. The determination not to impose a civil penalty is contingent upon the accuracy and completeness of his Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant to pay the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1)

1 challenge the validity of this Consent or the Final Judgment; (2) contest the
2 allegations in the Complaint filed by the Commission; (3) assert that payment of a
3 civil penalty should not be ordered; (4) contest the imposition of the maximum civil
4 penalty allowable under the law; or (5) assert any defense to liability or remedy,
5 including, but not limited to, any statute of limitations defense.
6

7
8 **IV.**

9 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the
10 annexed Consent be incorporated herein with the same force and effect as if fully set
11 forth herein.
12

13 **V.**

14 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant
15 Sultan W. Khan shall fully comply with his undertakings as set forth in the annexed
16 Consent.
17


18 **VI.**

19 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Court
20 shall retain jurisdiction of this action for purposes of enforcing this Final Judgment.
21
22
23
24
25
26
27
28

VII.

1
2 There being no reason for delay, the Clerk of Court is hereby directed, pursuant to
3
4 Rule 54(b) of the Federal Rules of Civil Procedure to enter this Final Judgment
5 forthwith.
6

7
8 Dated: June 25, 2002

9
10 
11 _____
12 UNITED STATES DISTRICT JUDGE
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28