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CENTRAL DISTRICT OF CALIFORNIA
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**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

02-4555 NM (MANx)

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 AURA SYSTEMS, INC. et al.

16 Defendants.

Case No.

FINAL JUDGMENT AS TO
STEVEN C. VEEN

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

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19 Plaintiff Securities and Exchange Commission ("Commission"), having
20 commenced this action by filing its Complaint alleging that Defendant Steven Conrad
21 Veen ("Veen") violated Section 17(a) of the Securities Act of 1933 ("Securities Act")
22 [15 U.S.C. § 77q(a)], and Sections 10(b) and 13(b)(5) of the Securities Exchange Act
23 of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78m(b)(5)], and Rules 10b-5,
24 13b2-1, and 13b2-2 [17 C.F.R. §§ 240.10b-5, 240.13b2-1, and 240.13b2-2]
25 promulgated thereunder, and Defendant Veen, having in his Consent and Undertaking
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1 of Steven C. Veen ("Consent"), which is attached hereto and expressly incorporated
2 herein, acknowledged service of process, entered a general appearance, admitted the
3 jurisdiction of this Court over him and over the subject matter of this action, waived the
4 entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules
5 of Civil Procedure, waived filing of an Answer to the Complaint, waived any right he
6 might have to appeal from the entry of this Final Judgment as to Steven C. Veen ("Final
7 Judgment") and, without admitting or denying the allegations of the Complaint, except
8 as to jurisdiction which he admits, consented to the entry without further notice of this
9 Final Judgment,
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13 (a) permanently restraining and enjoining him from engaging in acts, practices or
14 courses of business which constitute or would constitute violations of Section 17(a)
15 of the Securities Act [15 U.S.C. §77q(a)], and Sections 10(b) and 13(b)(5) of the
16 Exchange Act [15 U.S.C. §§ 78j(b) and 78m(b)(5)], and Rules 10b-5, 13b2-1, and
17 13b2-2 [17 C.F.R. §§ 240.10b-5, 240.13b2-1, and 240.13b2-2] promulgated
18 thereunder;
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22 (b) ordering Veen to pay a civil penalty in the amount of \$50,000.00 pursuant to
23 Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d)(3) of the
24 Exchange Act [15 U.S.C. §78u(d)(3)]; and
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26 (c) ordering that Veen be prohibited for a period of five (5) years from the date of this
27 Final Judgment from acting as an officer or director of any issuer having a class of
28 equity securities registered with the Commission pursuant to Section 12 of the

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Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. 78o(d)], pursuant to Section 20(e) of the Securities Act [15.U.S.C. § 77t(e)] Section 21(d)(2) of the Exchange Act [15 U.S.C. § 77u(d)(2)], and the Court’s equitable jurisdiction;

and it further appearing that this Court has jurisdiction over Veen and the subject matter of this action, and the Court being fully advised in the premises, and there being no just reason for delay:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Veen and his agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, and each of them, who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by,

in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly --

-- employing any device, scheme, or artifice to defraud, or

-- obtaining money or property by means of any untrue

statement of a material fact or any omission to state a material

fact necessary in order to make the statements made, in the light

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of the circumstances under which they were made, not misleading; or -- engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Veen, his agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)] and Exchange Act Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by, directly or indirectly, singly or in concert, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

1. employing any device, scheme or artifice to defraud;
2. 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
3. engaging in any act, 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 any security.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that

Defendant Veen and his agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, and each of them who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently restrained and enjoined from directly or indirectly violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)], or Rules 13b2-1 and 13b2-2 thereunder [17 C.F.R. §§240.13b2-1 and 240.13b2-2], by

- knowingly circumventing or knowingly failing to implement a system of internal accounting controls, or knowingly falsifying any book, record, or account described in 15 U.S.C. § 13(b)(2); or
- directly or indirectly falsifying or causing to be falsified, any book, record or account subject to 15 U.S.C. § 13(b)(2)(A); or
- as director or officer of an issuer, directly or indirectly --
 - making or causing to be made a materially false or misleading statement; or
 - omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with

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-- any audit or examination of the financial statements of the issuer required to be made pursuant to Section 13(b)(2) of the Exchange Act [15 U.S.C. §78m(b)(2)] and rules promulgated thereunder or -- the preparation or filing of any document or report required to be filed with the Commission pursuant to Section 13(b)(2) of the Exchange Act [15 U.S.C. §78m(b)(2)] and rules promulgated thereunder or otherwise.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Veen shall pay a civil penalty in the amount of \$50,000.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Veen shall deliver three certified or cashiers checks in the amounts of \$ 15,000⁰⁰, \$ 15,000⁰⁰, and \$ 20,000⁰⁰, representing in total the \$50,000 penalty pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act, as described in Section IV, above, on the following schedule: the first check (for \$ 15,000⁰⁰) within ten (10) business days of the entry of this Final Judgment; the

1 second check (for \$ 15,000⁰⁰) thirty (30) days thereafter; and the final check (for
2 \$ 20,000⁰⁰) an additional thirty (30) days thereafter. Each check shall be sent to
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4 the Office of the Comptroller, Securities and Exchange Commission, Operations
5 Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312. Each check shall
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7 be made payable to the "SECURITIES AND EXCHANGE COMMISSION" and bare
8 on its face the caption "SEC v. VEEN (HO-3379)." Defendant Veen also shall send a
9 photocopy of each check within five business days of its due date to Cheryl J.
10 Scarboro, Esq., Assistant Director, Securities and Exchange Commission, 450 Fifth
11 Street, N.W., Washington, D.C. 20549-0706.
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13 **VI.**

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15 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that pursuant
16 to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the
17 Exchange Act [15 U.S.C. § 78u(d)(2)] and the Court's equitable jurisdiction,
18 Defendant Veen is prohibited for a period of five (5) years from the date of this Final
19 Judgment from acting as an officer or director of any issuer that has a class of
20 securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. §78l] or
21 that is required to file reports pursuant to Section 15(d) of the Exchange Act [15
22 U.S.C. § 78o].
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26 **VII.**

27 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the
28 annexed Consent be incorporated herein with the same force and effect as if fully set

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forth herein.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Veen shall fully comply with his undertakings as set forth in the annexed Consent.


IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this action for purposes of enforcing this Final Judgment.

X.

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

Dated: June 25, 2002


UNITED STATES DISTRICT JUDGE