

UNITED STATES DISTRICT COURT  
FOR THE  
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION, :  
450 5<sup>th</sup> St., NW :  
Washington, DC 20549 :

Plaintiff, :

v. :

UMESH MALHOTRA, :  
PAUL CHOPRA, and :  
DAVID MANIGAULT, :

Defendants. :

03 0211

**FILED**

MAY 20 2003

NANCY MAYER WHITTINGTON, CLERK  
U.S. DISTRICT COURT

**JUDGMENT OF PERMANENT INJUNCTION AND  
OTHER RELIEF AS TO DEFENDANT PAUL CHOPRA**

Plaintiff Securities and Exchange Commission ("Commission") having filed a complaint ("Complaint"), and Defendant Paul Chopra ("Chopra"), in the attached Consent and Undertakings of Defendant Paul Chopra ("Consent"), having entered a general appearance, having admitted the jurisdiction of this Court over him and over the subject matter of this action, having waived the filing of an answer to the Complaint, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having waived any right he may have to appeal from the entry of this Judgment of Permanent Injunction and Other Relief as to Defendant Paul Chopra ("Judgment"), and, without admitting or denying any of the allegations of the Complaint, except as to jurisdiction, which he admits, having consented to the entry of this Judgment, and it further appearing that this Court has jurisdiction over Defendant Paul Chopra and the subject matter of this action, and the Court being fully advised in the premises:

(2)

**I.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant Chopra, his agents, servants, employees, attorneys-in-fact, and all those persons having active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from, violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 CFR § 240.10b-5] promulgated thereunder, directly or indirectly, through the use of any means or instrumentality of interstate commerce or of the mails, or of the facilities of a national securities exchange by:

- (1) employing any device, scheme or artifice to defraud,
- (2) making any untrue statement of a 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 on any person,

in connection with the purchase or sale of any security.

**II.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant Chopra, his agents, servants, employees, attorneys-in-fact, and all those persons having active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from, knowingly circumventing or knowingly failing to implement a system of internal accounting controls, or

knowingly falsifying, or directly or indirectly, falsifying or causing to be falsified, any book, record, or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)], in violation of Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Exchange Act Rule 13b2-1 [17 C.F.R. § 240.13b2-1].

**III.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant Chopra, his agents, servants, employees, attorneys-in-fact, and all those persons having active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from violating Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2] by, as a director or officer of any issuer:

- (a) making or causing to be made a materially false or misleading statement, or
- (b) 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 (1) any audit or examination of the financial statements of an issuer required to be made pursuant to the rules and regulations under the Exchange Act [17 C.F.R. §§ 240.0-1 et seq.], or (2) the preparation or filing of any document or report required to be filed with the Commission pursuant to the rules and regulations under the Exchange Act [17 C.F.R. §§ 240.0-1 et seq.]

**IV.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant Chopra, his agents, servants, employees, attorneys-in-fact, and all those persons having active concert and

participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from aiding and abetting the filing with the Commission of any periodic report on behalf of any issuer pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Exchange Act Rules 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13] promulgated thereunder, which contains any untrue statement of material fact, or which omits 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 which fails to comply in any respect with the requirements of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and the rules and regulations thereunder.

V.

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant Chopra, his agents, servants, employees, attorneys-in-fact, and all those persons having active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from aiding and abetting violations of Sections 13(b)(2)(A) and (B) of the Exchange Act [15 U.S.C. §§78m(a) and 78m(b)(2)(A) and (B)] by directly or indirectly,

(a) failing or causing the failure to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of an issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. §78l] or is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)]; or

(b) failing or causing the failure to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization; and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that based on Defendant's sworn representations in his Statement of Financial Condition dated August 31, 2002, and other documents and information submitted to the Commission, the Court is not ordering Defendant to pay a civil penalty, and payment of disgorgement in the amount of \$220,000 and pre-judgment interest thereon is waived. The determination not to impose a civil penalty and to waive payment of disgorgement of \$220,000 and pre-judgment interest is contingent upon the accuracy and completeness of Defendant's 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 unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and 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) challenge the validity of this Consent or the Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

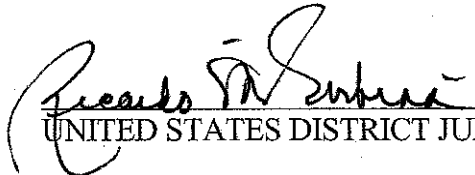
**VII.**

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

**VIII.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Court shall retain jurisdiction of this action for all purposes, including the implementation and enforcement of this Judgment.

Date: May 20, 2003

  
UNITED STATES DISTRICT JUDGE