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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION
11

12 SECURITIES AND EXCHANGE COMMISSION,
13 Plaintiff,
14 v.
15 JEREMY R. LENT, JOHN V. HASHMAN, YINZI
16 CAI, DOUGLAS WACHTEL and BRUCE
RIGIONE,
17 Defendants,
18 THE LENT FAMILY TRUST,
19 Relief Defendant.

Case No. C-04-4088-CW (EMC)

FINAL JUDGMENT AGAINST DOUGLAS
WACHTEL

20
21 The Securities and Exchange Commission having filed a Complaint and Defendant
22 Douglas Wachtel (“Defendant”) having signed a Consent of Defendant Douglas Wachtel to Entry of
23 Final Judgment (“Consent”), in which he entered a general appearance; consented to the Court’s
24 jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final
25 Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction);
26 waived findings of fact and conclusions of law; and waived any right to appeal from this Final
27 Judgment:
28

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit 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
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;

- 1 (b) to obtain money or property by means of any untrue statement of a material fact
2 or any omission of a material fact necessary in order to make the statements
3 made, in light of the circumstances under which they were made, not misleading; or
4 (c) to engage in any transaction, practice, or course of business which operates or
5 would operate as a fraud or deceit upon the purchaser.

6 III.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and his
8 agents, servants, employees and attorneys-in-fact, and all persons in active concert or participation
9 with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise,
10 and each of them, are permanently enjoined and restrained from aiding and abetting any violation of
11 Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13
12 promulgated thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13] by knowingly providing
13 substantial assistance to an issuer which has a class of securities registered pursuant to Section 12 of
14 the Exchange Act [15 U.S.C. § 78l] or Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in failing
15 to file with the Commission such accurate and complete information, reports, and documents as are
16 required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §
17 78m(a)] and the Rules thereunder, including but not limited to, annual reports on Form 10-K [17
18 C.F.R. § 249.310] as prescribed by Exchange Act Rule 13a-1 [17 C.F.R. § 240.13a-1], quarterly
19 reports on Form 10-Q [17 C.F.R. § 249.308a] as prescribed by Exchange Act Rule 13a-13 [17 C.F.R.
20 § 240.13a-13], such information and documents to contain, in addition to such information as is
21 expressly required to be included in a statement or report to the Commission, such further material
22 information, if any, as may be necessary to make the required statements, in the light of the
23 circumstances under which they are made, not misleading, as prescribed by Rule 12b-20 of the
24 Exchange Act[17 C.F.R. § 240.12b-20].

25 IV.

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and his
27 agents, servants, employees and attorneys-in-fact, and all persons in active concert or participation
28 with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise,

1 and each of them, are permanently enjoined and restrained from aiding and abetting any violation of
2 Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by causing any issuer which
3 has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or
4 Section 15(d) of the Exchange Act [15 U.S.C. § 78o] to fail to make or keep books, records or
5 accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of
6 the issuer's assets.

7 V.

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
9 Defendant is liable for disgorgement of \$21,000, representing proceeds from his sales of NextCard,
10 Inc. ("NextCard") common stock, together with prejudgment interest thereon in the amount of
11 \$1,223, and a civil penalty of \$21,000 pursuant to Section 21A(a)(1)(A) of the Exchange Act [15
12 U.S.C. § 78u-1(a)(1)(A)], and a civil penalty of \$50,000 pursuant to Section 20(d)(2) of the Securities
13 Act [15 U.S.C. § 77t(d)(2)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], for a
14 total of \$93,223. Defendant shall satisfy this obligation by paying \$93,223 within ten (10) business
15 days after entry of this Final Judgment to the Clerk of this Court, together with a cover letter
16 identifying Douglas Wachtel as a defendant in this action; setting forth the title and civil action
17 number of this action and the name of this Court; and specifying that payment is made pursuant to
18 this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter
19 to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal
20 and equitable right, title, and interest in such funds, and no part of the funds shall be returned to
21 Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28
22 USC § 1961.

23 The Clerk shall deposit the funds into an interest bearing account with the Court
24 Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by
25 the Court. These funds, together with any interest and income earned thereon (collectively, the
26 "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance
27 with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the
28 United States Courts, the Clerk is directed, without further order of this Court, to deduct from the

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VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VIII.

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

IX.

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

10/26

Dated: _____, 2006



UNITED STATES DISTRICT JUDGE

Approved as to form:

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