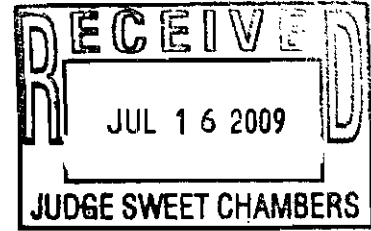


*Return to Cashiers  
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*Sweet, S.*

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**



**UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,**

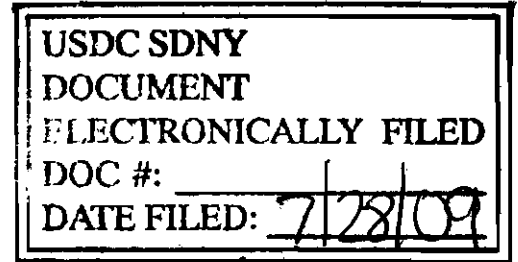
**Plaintiff,**

v.

**RICHARD D. POWER, EDWARD  
FEDERMAN, and RICHARD J. "SKIP"  
HEGER,**

**Defendants.**

06-CV-15343 (RWS)  
ECF Case



**FINAL JUDGMENT AS TO DEFENDANT RICHARD D. POWER**

The United States Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant Richard D. Power ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

**I.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant and Defendant's agents, servants, employees, attorneys, 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 of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the

*SR*

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;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- or
- (c) to engage 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 HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant and Defendant's agents, servants, employees, attorneys, 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, and from aiding and abetting violations of, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [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.

**III.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant and Defendant's agents, servants, employees, attorneys, 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 Exchange Act Rule 13b2-1 [17 C.F.R. § 240.13b2-1], by directly or indirectly, falsifying or causing to be falsified, any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

**IV.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant and Defendant's agents, servants, employees, attorneys, 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 aiding and abetting any violation of 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] by knowingly

providing substantial assistance to an issuer that files with the Commission any periodic report pursuant to Exchange Act Section 13(a) and the rules and regulations 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 light of the circumstances under which they were made, not misleading, or which fails to comply in any material 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 FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant and Defendant's agents, servants, employees, attorneys, 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 aiding and abetting any violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by knowingly providing substantial assistance to an issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], or which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] that fails to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

VI.

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant shall pay disgorgement of \$425,000, and a civil penalty in the amount of \$100,000 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)]. Defendant shall satisfy this obligation to pay \$525,000, in accordance with the provisions of Section VII of this Final Judgment, by making payment to the Clerk of this Court for deposit in the Court Registry Investment System (“CRIS”) account established by this Court in SEC v. Tyco International Ltd., No. 06-CV-2942 (RWS) (“Tyco CRIS account”). Payment should be sent to the Clerk of this Court, together with a cover letter identifying Richard D. Power as a defendant in this action; setting forth the title and civil action number of this case and the name of this Court; specifying that payment is to be deposited in the Tyco CRIS account under the civil action number for that case, No. 06-CV-2942 (RWS), and case name designation, SEC v. Tyco International Ltd.; and specifying that the payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and cover letter to the Commission’s counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, the funds paid in by Defendant are to be added to and become part of the Tyco CRIS account.

The Clerk shall deposit the funds into the Tyco CRIS account under its docket number, No. 06-CV-2942 (RWS), and case name designation, SEC v. Tyco International Ltd., and shall

make appropriate entries in the docket of this case, and in the docket in the SEC v Tyco International Ltd. case, noting the date, amount, and identity of the payer of the funds so deposited. The Commission may by motion propose a plan to distribute all monies in the Tyco CRIS account, subject to the Court's approval. Such a plan may provide that those monies 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 as civil penalties pursuant to this Final Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Final Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

**VII.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant shall pay the \$525,000 ordered in this Final Judgment in two installments pursuant to the following schedule: (1) \$75,000 within 270 days of entry of this Final Judgment plus post-judgment interest pursuant to 28 U.S.C. § 1961; and (2) \$450,000 within 365 days of entry of this Final Judgment plus post-judgment interest pursuant to 28 U.S.C. § 1961.

The Agreement of Partial Settlement between Defendant and Tyco International (US) Inc., entered into as of March 31, 2006 in the case styled Richard D. Power v. Tyco International (US) Inc., No. 02 Civ. 06444 (S.D.N.Y. filed Aug. 14, 2002)(GEL), provides that Tyco shall receive a payment from Defendant in the amount of \$250,000 as a result of the entry of the Final Judgment in this case. Defendant's \$425,000 disgorgement obligation under this Final Judgment shall be deemed partially satisfied by any payments made by Defendant to Tyco of that \$250,000 in accordance with the terms of the Agreement of Partial Settlement. The partial satisfaction of Defendant's disgorgement obligation under this Final Judgment shall be contingent on Defendant providing satisfactory evidence of payment to the staff of the Commission.

If Defendant fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including post-judgment interest, minus any payments made or deemed satisfied in accordance with this Section, shall become due and payable immediately without further application to the Court.

**VIII.**

**IT IS HEREBY 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.

**IX.**

**IT IS HEREBY 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.

Dated: 7.22, 2009

  
\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

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THIS DOCUMENT WAS ENTERED  
ON THE DOCKET ON \_\_\_\_\_