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MAR - 1 2006
CENTRAL DISTRICT OF CALIFORNIA
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U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,
v.

ALAN CAO AND JUN SHI,
Defendants.

Case No. CVU6-1269 DSF (RC)

[PROPOSED] FINAL
JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST ALAN CAO

20 Plaintiff Securities and Exchange Commission having filed a Complaint and
21 Defendant Alan Cao having entered a general appearance; consented to the
22 Court's jurisdiction over Defendant and the subject matter of this action;
23 consented to entry of this Final Judgment without admitting or denying the
24 allegations of the Complaint (except as to jurisdiction); waived findings of fact
25 and conclusions of law; and waived any right to appeal from this Final Judgment;

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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 ("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;
- (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 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, 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;

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1 (b) to make any untrue statement of a material fact or to omit to state a
2 material fact necessary in order to make the statements made, in the
3 light of the circumstances under which they were made, not
4 misleading; or

5 (c) to engage in any act, practice, or course of business which operates or
6 would operate as a fraud or deceit upon any person.

7 **III.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
9 Defendant is liable for disgorgement of \$48,352, representing profits gained as a
10 result of the conduct alleged in the Complaint, together with prejudgment interest
11 thereon in the amount of \$1,267, for a total of \$49,619. Defendant shall satisfy
12 this obligation by paying \$49,619 within ten (10) business days after entry of this
13 Final Judgment by certified check, bank cashier's check, or United States postal
14 money order payable to the Securities and Exchange Commission. The payment
15 shall be delivered or mailed to the Office of Financial Management, Securities and
16 Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop
17 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying
18 Alan Cao as a defendant in this action; setting forth the title and civil action
19 number of this action and the name of this Court; and specifying that payment is
20 made pursuant to this Final Judgment. A copy of the cover letter shall be
21 simultaneously transmitted to counsel for the Commission in this action at the
22 Commission's Pacific Regional Office in Los Angeles, California. Defendant
23 shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C.
24 § 1961.

25 **IV.**

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
27 Defendant shall pay a civil penalty in the amount of \$48,352 pursuant to Section
28 21A of the Exchange Act. Defendant shall make this payment within ten (10)

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1 business days after entry of this Final Judgment by certified check, bank cashier's
 2 check, or United States postal money order payable to the Securities and Exchange
 3 Commission. The payment shall be delivered or mailed to the Office of Financial
 4 Management, Securities and Exchange Commission, Operations Center, 6432
 5 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
 6 accompanied by a letter identifying Alan Cao as a defendant in this action; setting
 7 forth the title and civil action number of this action and the name of this Court;
 8 and specifying that payment is made pursuant to this Final Judgment. A copy of
 9 the cover letter shall be simultaneously transmitted to counsel for the Commission
 10 in this action at the Commission's Pacific Regional Office in Los Angeles,
 11 California. Defendant shall pay post-judgment interest on any delinquent amounts
 12 pursuant to 28 U.S.C. § 1961.

13 V.

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

18 VI.

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

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VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that 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.

DATED: 3/1/06

Wahed Serchen
UNITED STATES DISTRICT JUDGE

Presented by:

Andrew J. Dunbar
Andrew J. Dunbar
Attorney for Plaintiff
Securities and Exchange Commission