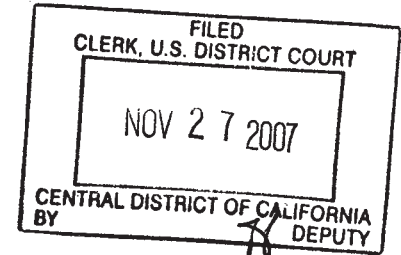


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✓ JS-6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CV07-07033 ODW JTLx

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

QUAN ZHU,

Defendant.

Case No.

~~PROPOSED~~ FINAL JUDGMENT
OF PERMANENT INJUNCTION
AND OTHER RELIEF AGAINST
QUAN ZHU

Plaintiff Securities and Exchange Commission having filed a Complaint and Defendant Quan Zhu 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

1 by personal service or otherwise are permanently restrained and enjoined from
 2 violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C.
 3 § 77q(a), in the offer or sale of any security by the use of any means or instruments
 4 of transportation or communication in interstate commerce or by use of the mails,
 5 directly or indirectly:

- 6 (a) to employ any device, scheme, or artifice to defraud;
- 7 (b) to obtain money or property by means of any untrue statement
 8 of a material fact or any omission of a material fact necessary
 9 in order to make the statements made, in light of the
 10 circumstances under which they were made, not misleading; or
- 11 (c) to engage in any transaction, practice, or course of business
 12 which operates or would operate as a fraud or deceit upon the
 13 purchaser.

14 II.

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

- 24 (a) to employ any device, scheme, or artifice to defraud;
- 25 (b) to make any untrue statement of a material fact or to omit to
 26 state a material fact necessary in order to make the statements
 27 made, in the light of the circumstances under which they were
 28 made, not misleading; or

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

3 **III.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant is liable for disgorgement of \$35,547.93, representing profits gained and
6 losses avoided as a result of the conduct alleged in the Complaint, together with
7 prejudgment interest thereon in the amount of \$2,196.33, for a total of \$37,744.26.
8 Defendant shall satisfy this obligation by paying \$37,744.26 within ten (10)
9 business days after entry of this Final Judgment by certified check, bank cashier's
10 check, or United States postal money order payable to the Securities and Exchange
11 Commission. The payment shall be delivered or mailed to the Office of Financial
12 Management, Securities and Exchange Commission, Operations Center, 6432
13 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
14 accompanied by a letter identifying Quan Zhu as a defendant in this action; setting
15 forth the title and civil action number of this action and the name of this Court; and
16 specifying that payment is made pursuant to this Final Judgment. A copy of the
17 cover letter shall be simultaneously transmitted to counsel for the Commission in
18 this action at the Commission's Los Angeles Regional Office in Los Angeles,
19 California. Defendant shall pay post-judgment interest on any delinquent amounts
20 pursuant to 28 U.S.C. § 1961.

21 **IV.**

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
23 Defendant shall pay a civil penalty in the amount of \$71,095.86 pursuant to
24 Section 21A(a) of the Exchange Act, 15 U.S.C. § 78u-1(a). Defendant shall make
25 this payment within ten (10) business days after entry of this Final Judgment by
26 certified check, bank cashier's check, or United States postal money order payable
27 to the Securities and Exchange Commission. The payment shall be delivered or
28 mailed to the Office of Financial Management, Securities and Exchange

Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Quan Zhu as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. A copy of the cover letter shall be simultaneously transmitted to counsel for the Commission in this action at the Commission's Los Angeles Regional Office in Los Angeles, California. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

V.

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.

VI.

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.

DATED: 11-26-07


UNITED STATES DISTRICT JUDGE