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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

RETAIL PRO, INC. (fka Island Pacific, Inc.),
BARRY M. SCHECHTER, RAN H. FURMAN,
and HARVEY BRAUN,

Defendants.

Case No. 08 CV 1620 WQH (RBB)

**FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT RAN H.**

FURMAN

20 This matter having been tried to a jury regarding the liability of Defendant Ran H.
21 Furman (“Furman”), and the jury having returned verdicts in favor of Plaintiff Securities and
22 Exchange Commission (“Commission”) on its claims that Furman violated Section 10(b) of the
23 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5
24 thereunder, 17 C.F.R. § 240.10b-5, aided and abetted one or more violations by Island Pacific,
25 Inc., of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and
26 13a-13 thereunder, 15 U.S.C. §§ 240.12b-20, 240-13a-1 & 240.13a-13, and violated Exchange
27 Act Rule 13a-14, 17 C.F.R. § 240.13a-14; the Court having entered Findings of Fact and
28 Conclusions of Law pursuant to Fed. R. Civ. P. 52(a)(1) as to the appropriate relief against

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2 Furman; the Court having issued an Order on November 18, 2009, granting the Commission
3 partial summary judgment on its claims that Furman violated Section 13(b)(5) of the Exchange
4 Act, 15 U.S.C. § 78m(b)(5), and Exchange Act Rules 13b2-1 and 13b2-2, 17 C.F.R. §§ 240.13b2-1
5 & 240.13b2-2:

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7 **I.**

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

- 15 (a) to employ any device, scheme, or artifice to defraud;
- 16 (b) to make any untrue statement of a material fact or to omit to state a material fact
17 necessary in order to make the statements made, in the light of the circumstances
18 under which they were made, not misleading; or
- 19 (c) to engage in any act, practice, or course of business which operates or would operate
20 as a fraud or deceit upon any person.

21 **II.**

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Furman and his agents, servants,
23 employees, attorneys, and all persons in active concert or participation with any of them who
24 receive actual notice of this Final Judgment by personal service or otherwise are permanently
25 restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange
26 Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20,
27 240.13a-1 & 240.13a-13, by knowingly providing substantial assistance to any issuer that files
28 annual reports with the Commission on Forms 10-K and quarterly reports with the Commission on
Forms 10-Q that fail to contain such further material information as may be necessary to make the
required statements, in the light of the circumstances under which they are made, not misleading.

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3 **III.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Furman and his agents,
5 servants, employees, attorneys, and all persons in active concert or participation with any of them
6 who receive actual notice of this Final Judgment by personal service or otherwise are permanently
7 restrained and enjoined from violating Exchange Act Rule 13a-14, 17 C.F.R. § 240.13a-14, by
8 falsely certifying that quarterly reports filed with the Commission on Forms 10-Q fully comply
9 with the requirements of the Exchange Act and fairly present, in all material respects, the financial
10 condition and results of operations of the company.

11 **IV.**

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Furman and his agents, servants,
13 employees, attorneys, and all persons in active concert or participation with any of them who
14 receive actual notice of this Final Judgment by personal service or otherwise are permanently
15 restrained and enjoined from violating Section 13(b)(5) of the Exchange Act, 15 U.S.C. §
16 78m(b)(5), by knowingly circumventing or knowingly failing to implement a system of internal
17 accounting controls, or by knowingly falsifying any book, record or account required to be kept by
18 Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), in order to, in reasonable
19 detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

20 **V.**

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Furman and his agents,
22 servants, employees, attorneys, and all persons in active concert or participation with any of them
23 who receive actual notice of this Final Judgment by personal service or otherwise are permanently
24 restrained and enjoined from violating Rule 13b2-1 of the Exchange Act, 17 C.F.R. § 240.13b2-1,
25 by, directly or indirectly, falsifying or causing to be falsified, any book, record, or account subject
26 to Section 13(b)(2)(A) of the Exchange Act.
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3 **VI.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Furman and his agents,
5 servants, employees, attorneys, and all persons in active concert or participation with any of them
6 who receive actual notice of this Final Judgment by personal service or otherwise are permanently
7 restrained and enjoined from violating, directly or indirectly, Rule 13b2-2 of the Exchange Act, 17
8 C.F.R. § 240.13b2-2, while an officer or director of an issuer by:

- 9 A. making or causing to be made a materially false or misleading statement; or
10 B. omitting to state, or causing another person to omit to state, any material fact
11 necessary in order to make statements made, in light of the circumstances under
12 which such statements are made, not misleading;

13 to an accountant in connection with:

- 14 1. any audit, review or examination of the financial statements of the issuer
15 required to be made, or
16 2. the preparation or filing of any document or report required to be filed with
17 the Commission.

18 **VII.**

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section
20 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), Furman is prohibited, for a period of seven
21 years following the date of entry of this Final Judgment, from acting as an officer or director of any
22 issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C.
23 § 78l or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. §
24 78o(d).

25 **VIII.**

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Furman shall pay a third tier civil
27 penalty in the amount of \$75,000 pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
28 78u(d)(3). Furman shall make this payment within 30 days after entry of this Final Judgment by
certified check, bank cashier's check, or United States postal money order payable to the Securities
and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial

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2 Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way,
3 Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying
4 Furman as a defendant in this action; setting forth the title and civil action number of this action
5 and the name of this Court; and specifying that payment is made pursuant to this Final Judgment.
6 Furman shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.
7 The Commission shall remit the funds paid pursuant to this paragraph to the United States
8 Treasury. Furman shall not seek or accept, directly or indirectly, reimbursement or indemnification
9 from any source, including but not limited to payment made pursuant to any insurance policy, with
10 regard to any civil penalty amounts that Furman pays pursuant to this Final Judgment. Furman
11 shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or
12 local tax for any penalty amounts that he pays pursuant to this Final Judgment

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14 **IX.**

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

17 **X.**

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

20 DATED: July 8, 2011

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22 **WILLIAM Q. HAYES**
23 United States District Judge