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

SECURITIES AND EXCHANGE
COMMISSION,

vs.

RETAIL PRO, INC. (fka Island Pacific, Inc.),
et al.,

Plaintiff,

Defendants.

CASE NO. 08cv1620 WQH RBB

FINAL JUDGMENT OF
PERMANENT INJUNCTION AND
OTHER RELIEF AGAINST
DEFENDANT BARRY SCHECHTER

HAYES, Judge:

The Securities and Exchange Commission ("Commission") having filed a Complaint ("Complaint") and Defendant Barry Schechter ("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

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

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

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12 **II.**

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

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

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28 **III.**

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's
2 agents, servants, employees, attorneys, and all persons in active concert or participation with them
3 who receive actual notice of this Final Judgment by personal service or otherwise are permanently
4 restrained and enjoined from violating Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5),
5 by knowingly circumventing or knowingly failing to implement a system of internal accounting
6 controls, or by knowingly falsifying any book, record or account required to be kept by Section
7 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), in order to, in reasonable detail,
8 accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

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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 Rule 13b2-1 of the Exchange Act, 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.

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V.

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, Rule 13b2-2 of the Exchange Act, 17
C.F.R. § 240.13b2-2, while an officer or director of an issuer by:

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

to an accountant in connection with:

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

VI.

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's

8 agents, servants, employees, attorneys, and all persons in active concert or participation with them

9 who receive actual notice of this Final Judgment by personal service or otherwise are permanently

10 restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act,

11 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20,

12 240.13a-1 & 240.13a-13, by knowingly providing substantial assistance to an issuer that files annual

13 reports with the Commission on Forms 10-K or quarterly reports with the Commission on Forms 10-Q

14 that fail to contain material information necessary to make the required statements in the Forms 10-K

15 or 10-Q, in light of the circumstances under which they are made, not misleading.

VII.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 20(e)

19 of the Securities Act, 15 U.S.C. § 77t(e), and Section 21(d)(2) of the Exchange Act, 15 U.S.C. §

20 78u(d)(2), Defendant is prohibited, for ten years following the date of entry of this Final Judgment,

21 from acting as an officer or director of any issuer that has a class of securities registered pursuant to

22 Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section

23 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

VIII.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for

27 disgorgement of \$488,410, representing profits gained as a result of the conduct alleged in the

28 Complaint, together with prejudgment interest thereon in the amount of \$27,437, for a total of

1 \$515,847, and civil penalty in the amount of \$120,000 pursuant to Section 20(d) of the Securities Act,
2 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall
3 satisfy this obligation by paying \$635,847 within ten (10) business days after entry of this Final
4 Judgment by certified check, bank cashier's check, or United States postal money order payable to the
5 Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of
6 Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green
7 Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying
8 Barry Schechter as a defendant in this action; setting forth the title and civil action number of this
9 action and the name of this Court; and specifying that payment is made pursuant to this Final
10 Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the
11 Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and
12 equitable right, title, and interest in such funds, and no part of the funds shall be returned to
13 Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28
14 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United
15 States Treasury.

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17 **IX.**

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

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X.

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.

XI.

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: October 15, 2008


WILLIAM Q. HAYES
United States District Judge