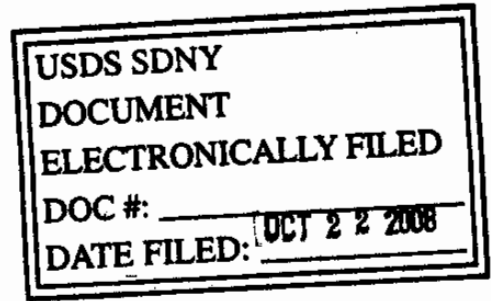


**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**



**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**No. 08 CIV 4520 (PAC)**

**CRISTIAN DE COLLI,**

**Defendant.**

**~~PROPOSED~~ FINAL JUDGMENT AND ORDER  
AS TO DEFENDANT CRISTIAN DE COLLI**

WHEREAS, pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure and Rule 55.2 of the Local Civil Rules for the United States District Courts for the Southern and Eastern Districts of New York, Plaintiff United States Securities and Exchange Commission ("Commission") has applied for the entry of judgment by default against Defendant Cristian De Colli ("Defendant" or "De Colli") based on De Colli's failure to answer or otherwise respond to the Commission's Complaint, and the Court having considered the prima facie case for relief shown by the Commission in this matter, which is supported by the full record and those materials submitted by the Commission in support of its Application for Default Judgment, which showing has not been rebutted by the Defendant;

WHEREAS, on May 15, 2008, the Commission commenced this action by filing a Complaint against De Colli, and a summons was issued on that date to De Colli;

WHEREAS, in accordance with Rule 4(f)(3) of the Federal Rules of Civil Procedure, and as ordered by this Court, the Commission served a copy of the summons and complaint on De Colli by international certified mailing;

WHEREAS, De Colli has not answered the Complaint, or otherwise appeared before this Court, and the time for answering the Complaint has expired pursuant to Rule 12(a)(1)(A) of the Federal Rules of Civil Procedure; and

WHEREAS, the Court accepts as true the following factual allegations in the Complaint against De Colli, who has defaulted, and finds:

1. This Court has jurisdiction over this matter pursuant to Sections 21(e), 21A, and 27 of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(e), 78u-1, and 78aa].

2. De Colli has directly or indirectly made use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the acts, practices, transactions, and courses of business alleged in the Complaint.

3. On April 4, 2008, De Colli opened a margin account ending in the number "1161" with E\*Trade Financial Corporation ("E\*Trade"), a broker dealer registered with the Commission and based in New York, New York. On April 10, 16, and 18, De Colli wired money into the account in three tranches, \$78,963, \$240,963, and \$101,963, respectively, for a total of \$421,889.

4. On April 10, 2008, the day of the first wire transfer into the account, De Colli began purchasing common shares of DRS Technologies, Inc. ("DRS"), a defense contractor headquartered in New Jersey and incorporated in Delaware. Between April 10 and April 29,

2008, De Colli purchased 5,700 shares of DRS common stock. In addition, beginning on April 15, 2008 and continuing through May 7, De Colli systematically purchased four series of call options to acquire DRS common stock. These options were scheduled to expire in the near-term and were, at various times between April 15 and May 7, 2008, out-of-the-money by between \$1.26 and \$6.71. On April 28, 2008, De Colli liquidated securities in two other companies he had bought a week earlier in order to purchase more DRS call options. On May 6, 2008, De Colli entered orders to sell all 5,700 of his DRS common shares and used the proceeds to purchase additional DRS call options.

5. De Colli purchased these DRS securities while in possession of material, non-public information concerning the unannounced advanced merger negotiations between DRS and Finmeccanica S.p.A. ("Finmeccanica"). On May 8, 2008, the Wall Street Journal reported that Finmeccanica was in advanced talks to acquire DRS, at a price constituting at least a 25% premium to DRS's closing share price of \$63.74 on the last trading day prior to the announcement. Before this report was issued, information concerning advanced merger negotiations between DRS and Finmeccanica was confidential, nonpublic information. In an interview with the Commission staff, De Colli stated that no family members, friends, or anyone else he knew had ever worked for Finmeccanica or DRS when, in fact, his older brother worked for Finmeccanica between at least 2004 and 2005, contrary to his statement to the Commission.

6. On May 8, 2008, following the article in the Wall Street Journal, De Colli entered orders to sell his DRS call options. De Colli earned illicit profits of \$2,145,595 from the sale of DRS call options and realized illicit profits of \$16,223.42 from the sale of DRS common stock, all of which were purchased prior to the publication of the Wall Street Journal article. De Colli realized a total of \$2,161,818.42 in illicit profits from his insider trading in DRS securities. As

of May 31, 2008, De Colli's E\*Trade account has a total value of \$2,605,240.40. This includes the illicit profits detailed above, plus \$13,477.59 in realized profit from DRS stock bought on May 8th and 9th after the Wall Street Journal article, an unrealized profit of approximately \$16,710 on DRS stock still held in De Colli's account, and approximately \$413,234.39 in funds originally contributed to the account.

7. A hearing is unnecessary to determine the basis of the Commission's damages, because the Declaration of Kevin Guerrero, supplemented by the Court's personal knowledge of the record to date, provides sufficient information in order to calculate the appropriate sum of disgorgement, prejudgment interest, and civil monetary penalty with mathematical certainty.

Now, therefore,

**I.**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Application is GRANTED.

**II.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant De Colli and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Default 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;

- (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 FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$2,161,818.42, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$19,861.72, and a civil penalty in the amount of \$2,161,818.42, pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1].

**IV.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, in partial satisfaction of his obligation to pay disgorgement, prejudgment interest, and a civil penalty, Defendant shall forfeit all funds and assets within his account with E\*Trade Financial ("E\*Trade"), account number 70611161 within ten (10) business days after entry of this Default Judgment, which were frozen by the Court through a Temporary Restraining Order and, later, Preliminary Injunction in this matter.

**V.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that E\*Trade shall sell all securities remaining in De Colli's account, including the remaining 3,000 shares of DRS common stock at market price and remit the proceeds, after deducting reasonable brokerage fees, along with all other funds presently being held in De Colli's account, number 70611161, to the



Clerk of Court for the U.S. District Court for the Southern District of New York ("Clerk of Court") within ten (10) business days of the entry of this Final Judgment. The funds shall be remitted by certified check or bank cashier's check payable to the Clerk of Court, in partial satisfaction of this judgment. The payment shall be delivered or mailed to the Clerk of Court, U.S. District Court for the Southern District of New York, 500 Pearl Street, New York, New York, 10007-1312, and shall be accompanied by a letter identifying Cristian De Colli 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 Default Judgment.

**VI.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Clerk of Court shall create an interest-bearing account in the Court Registry Investment System for this case and shall deposit the funds from E\*Trade into this account.

**VII.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

**VIII.**

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 Default Judgment.

Dated this 22<sup>nd</sup> day of October, 2008.

  
\_\_\_\_\_  
PAUL A. CROTTY  
UNITED STATES DISTRICT JUDGE

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

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**CRISTIAN DE COLLI,**

**Defendant.**

**No. 08 CIV 4520 (PAC)**

**CLERK'S CERTIFICATE**

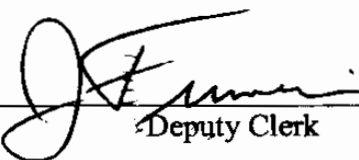
I, J. MICHAEL MCMAHON, Clerk of the United States District Court for the Southern District of New York, do hereby certify that this action commenced on May 15, 2008 with the filing of a summons and complaint, a copy of the summons and complaint was served on defendant by serving Cristian De Colli through Federal Express, pursuant to paragraph four of the Temporary Restraining Order, and proof of such service thereof was filed on May 28, 2008.

I further certify that the docket entries indicate that the defendant has not filed an answer or otherwise moved with respect to the complaint herein. The default of the defendant is hereby noted.

Dated: New York, New York

8/27/08

**J. MICHAEL MCMAHON**  
Clerk of the Court

By:   
Deputy Clerk