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NORTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN JOSE DIVISION

JF

RS

CV 08

5127

SECURITIES AND EXCHANGE COMMISSION,

Case No. \_\_\_\_\_

Plaintiff,

v.

**[PROPOSED] FINAL JUDGMENT AS TO  
DEFENDANT ROBERT P. VERHEECKE**

BLUE COAT SYSTEMS, INC. and  
 ROBERT P. VERHEECKE,

Defendants.

The Securities and Exchange Commission having filed a complaint and Defendant Robert P. Verheecke ("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 restrained and enjoined from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] by:

- (a) employing any device, scheme, or artifice to defraud;
  - (b) obtaining money or property by means of any untrue statement of a material fact or any omission to state 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) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser,
- in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce, or by use of the mails.

## II.

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, 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 [17 C.F.R. § 240.10b-5] promulgated thereunder, 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 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 aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11, and 13a-13 promulgated thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13] by knowingly providing substantial assistance to an issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78f] or Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in failing to file with the Commission such accurate and complete information, reports, statements, or documents as are required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and the Commission's rules thereunder, including, but not limited to, quarterly reports on Form 10-Q [17 C.F.R. § 249.308a] as prescribed by Commission Rule 13a-13 [17 C.F.R. § 240.13a-13], current reports on Form 8-K [17 C.F.R. § 249.308] as prescribed by Commission Rule 13a-11 [17 C.F.R. § 240.13a-11], and annual reports on Form 10-K [17 C.F.R. § 249.308] as prescribed by Commission Rule 13a-1 [17 C.F.R. § 240.13a-1], and which contain, in addition to the information expressly required to be included such statements or reports, such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading, as prescribed by Commission Rule 12b-20 [17 C.F.R. § 240.12b-20].

### IV.

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 aiding and abetting any violation of Section 13(b)(2)(A) of the

1 Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by knowingly providing substantial assistance to any  
 2 issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act [15  
 3 U.S.C. § 78l] or Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in failing to make or keep  
 4 books, records, or accounts, which, in reasonable detail, accurately and fairly reflect the transactions  
 5 and dispositions of the assets of the issuer.

6 V.

7 IT IS HEREBY 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(b)(2)(B) of the  
 11 Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by knowingly providing substantial assistance to any issuer  
 12 which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. §  
 13 78l] or Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in failing to devise and maintain a  
 14 system of internal accounting controls sufficient to provide reasonable assurances that:

15 A. transactions are executed in accordance with management's general or specific  
 16 authorization;

17 B. transactions are recorded as necessary (i) to permit preparation of financial  
 18 statements in conformity with generally accepted accounting principles or any other criteria  
 19 applicable to such statements, and (ii) to maintain accountability for assets;

20 C. access to assets is permitted only in accordance with management's general or  
 21 specific authorization; and

22 D. the recorded accountability for assets is compared with the existing assets at  
 23 reasonable intervals and appropriate action is taken with respect to any differences.

24 VI.

25 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's  
 26 agents, servants, employees, attorneys, and all persons in active concert or participation with them  
 27 who receive actual notice of this final judgment by personal service or otherwise are permanently  
 28

1 restrained and enjoined from aiding and abetting any violation of Section 14(a) of the Exchange Act  
2 [15 U.S.C. § 78n(a)] and Rule 14a-9 promulgated thereunder [17 C.F.R. § 240.14a-9] by knowingly  
3 providing substantial assistance to any issuer in making or causing to be made solicitations by means  
4 of a proxy statement, form of proxy, notice of meeting, or other communication, written or oral,  
5 containing a statement which, at the time and in the light of the circumstances under which it was  
6 made, was false or misleading with respect to any material fact, or which omitted to state any material  
7 fact necessary in order to make the statements therein not false or misleading or necessary to correct  
8 any statement in any earlier communication with respect to the solicitation of a proxy for the same  
9 meeting or subject matter which has become false or misleading.

10 VII.

11 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's  
12 agents, servants, employees, attorneys, and all persons in active concert or participation with them  
13 who receive actual notice of this final judgment by personal service or otherwise are permanently  
14 restrained and enjoined from violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)]  
15 by knowingly failing to implement a system of internal accounting controls or knowingly falsifying  
16 any book, record, or account described in Section 13(b)(2) of the Exchange Act.

17 VIII.

18 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's  
19 agents, servants, employees, attorneys, and all persons in active concert or participation with them  
20 who receive actual notice of this final judgment by personal service or otherwise are permanently  
21 restrained and enjoined from violating, directly or indirectly, Rule 13b2-1 under the Exchange Act  
22 [17 C.F.R. § 240.13b2-1] by falsifying or causing to be falsified any book, record, or account  
23 described in Section 13(b)(2) of the Exchange Act.

24 IX.

25 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's  
26 agents, servants, employees, attorneys, and all persons in active concert or participation with them  
27 who receive actual notice of this final judgment by personal service or otherwise are permanently  
28

1 restrained and enjoined from violating, directly or indirectly, Rule 13b2-2 under the Exchange Act  
2 [17 C.F.R. § 240.13b2-2] by making or causing to be made a materially false or misleading statement  
3 or omitting to state or causing another person to omit to state any material fact necessary in order to  
4 make statements made, in light of the circumstances under which such statements were made, not  
5 misleading to an accountant in connection with any audit, review, or examination of the financial  
6 statements of an issuer required to be made or the preparation or filing of any document or report  
7 required to be filed with the Commission.

8 X.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's  
10 agents, servants, employees, attorneys, and all persons in active concert or participation with them  
11 who receive actual notice of this final judgment by personal service or otherwise are permanently  
12 restrained and enjoined from violating Rule 13a-14 of the Exchange Act [17 C.F.R. § 240.13a-14] by  
13 falsely certifying annual or quarterly reports filed with the Commission under Section 13(a) of the  
14 Exchange Act.

15 XI.

16 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
17 liable for disgorgement of \$30,000, representing profits gained as a result of the conduct alleged in  
18 the complaint, together with prejudgment interest thereon in the amount of \$5,946, for a total of  
19 \$35,946. Defendant shall make this payment within ten (10) business days after entry of this final  
20 judgment by certified check, bank cashier's check, or United States postal money order payable to the  
21 Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of  
22 Financial Management, Securities and Exchange Commission, Operations Center, 6432 General  
23 Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter  
24 identifying Robert P. Verheecke as a defendant in this action; setting forth the title and civil action  
25 number of this action and the name of this Court; and specifying that payment is made pursuant to  
26 this final judgment. Defendant shall simultaneously transmit photocopies of such payment and letter  
27 to the attention of Marc J. Fagel, Regional Director, at the Commission's San Francisco Regional  
28

Office, 44 Montgomery Street, Suite 2600, San Francisco, California 94104. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. 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.

## XII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty in the amount of \$150,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall make this payment within ten (10) business 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 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 Robert P. Verheecke 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. Defendant shall simultaneously transmit photocopies of such payment and letter to the attention of Marc J. Fagel, Regional Director, at the Commission's San Francisco District Office, 44 Montgomery Street, Suite 2600, San Francisco, California 94104. 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

## XIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited, for five years following the date of entry of this final judgment, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].



XIV.

IT IS HEREBY 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.

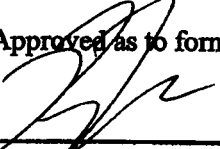
XV.

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: 11-17, 2008


  
UNITED STATES DISTRICT JUDGE

Approved as to form:

  
\_\_\_\_\_  
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