

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

MARTIN G. FRASER; DON W.
WATSON; EDWARD W. O'BRIEN; and
GARY M. OPPER,

Defendants.

Case No. CV 09-443-PHX-DGC

**JUDGMENT AS TO DON W.
WATSON**

The Securities and Exchange Commission having filed a Complaint and Defendant Don W. Watson 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 Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this 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 Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;

1 (b) to obtain money or property by means of any untrue statement of a
2 material fact or any omission of a material fact necessary in order to make the
3 statements made, in light of the circumstances under which they were made, not
4 misleading; or

5 (c) to engage in any transaction, practice, or course of business which
6 operates or would operate as a fraud or deceit upon the purchaser.

7 II.

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

17 (a) to employ any device, scheme, or artifice to defraud;

18 (b) to make any untrue statement of a material fact or to omit to state a
19 material fact necessary in order to make the statements made, in the light of the
20 circumstances under which they were made, not misleading; or

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

23 III.

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
25 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in
26 active concert or participation with them who receive actual notice of this Judgment by
27 personal service or otherwise are permanently restrained and enjoined from aiding and
28 abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and

1 Rules 12b-20 and 13a-1 thereunder, [17 C.F.R. §§ 240.12b-20 and 240.13a-1] by
2 knowingly providing substantial assistance to an issuer that files annual and/or periodic
3 reports with the Commission that are materially false or that fail to include information
4 necessary to make required statements, in light of the circumstances under which they are
5 made, not misleading.

6 IV.

7 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
8 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in
9 active concert or participation with them who receive actual notice of this Judgment by
10 personal service or otherwise are permanently restrained and enjoined from aiding and
11 abetting any violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C.
12 § 78m(b)(2)(A)], and Rule 13b2-1 [17 C.F.R. §§ 240.13b2-1] by knowingly providing
13 substantial assistance to an issuer that fails to make or keep books, records, and accounts,
14 which, in reasonable detail accurately and fairly reflect its transactions and disposition of
15 assets, or files annual and/or periodic reports with the Commission that are materially
16 false or that fail to include information necessary to make required statements, in light of
17 the circumstances under which they are made, not misleading.

18 V.

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
20 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in
21 active concert or participation with them who receive actual notice of this Judgment by
22 personal service or otherwise are permanently restrained and enjoined from aiding and
23 abetting any violation of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C.
24 § 78m(b)(2)(B)], by knowingly providing substantial assistance to an issuer that fails to
25 devise and maintain a system of internal accounting controls sufficient to provide
26 reasonable assurances that transactions were recorded as necessary to permit preparation
27 of financial statements in accordance with GAAP and to maintain the accountability of
28 assets.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

VI.

IT IS HEREBY 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 Judgment by personal service or otherwise are permanently restrained and enjoined from any violation of Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)], by knowingly circumventing or failing to implement a system of internal accounting controls or, directly or indirectly, by knowingly falsifying or causing to be falsified any CSK books, records, or accounts described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)]

VII.

IT IS HEREBY 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 Judgment by personal service or otherwise are permanently restrained and enjoined from any violation of Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2], by directly or indirectly, (i) making, or causing to be made, materially false or misleading statements; or (ii) omitting to state, or causing others to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, to an accountant in connection with an audit, review or examination of financial statements or the preparation or filing of a document or report required to be filed with the Commission.

VIII.

IT IS HEREBY 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 Judgment by personal service or otherwise are permanently restrained and enjoined from any violation of Rule 13a-14 of the Exchange Act [17 C.F.R. § 240.13a-14], by signing certifications

1 of disclosure in annual and/or periodic reports that contain false statements.

2 IX.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to
4 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited
5 from acting as an officer or director of any issuer that has a class of securities registered
6 pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file
7 reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

8 X.

9 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
10 Defendant shall reimburse O'Reilly Automotive Inc. ("O'Reilly"), which acquired CSK
11 Auto Corporation ("CSK") \$614,107.17 for (i) bonuses and other incentive-based or
12 equity-based compensation, and (ii) profits from stock sales pursuant to Section 304 of
13 the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7243. The Commission may enforce the
14 Court's judgment for reimbursement by moving for civil contempt (and/or through other
15 collection procedures authorized by law) at any time after 14 days following entry of this
16 Final Judgment. In response to any such civil contempt motion by the Commission, the
17 defendant may assert any legally permissible defense. Payments under this paragraph
18 shall be made to O'Reilly Automotive, together with a cover letter identifying Don W.
19 Watson as a defendant in this action; setting forth the title and civil action number of this
20 action and the name of this Court; and specifying that payment is made pursuant
21 to this Final Judgment. Defendant shall simultaneously transmit photocopies of each
22 such payment and letter to the Commission's counsel in this action. Defendant
23 relinquishes all legal and equitable right, title, and interest in such payments, and no part
24 of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest
25 on any delinquent amounts pursuant to 28 U.S.C. § 1961.

26 XI.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is
28 incorporated herein with the same force and effect as if fully set forth herein.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

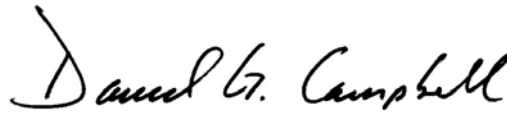
XII.

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 Judgment.

XIII.

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 Judgment forthwith and without further notice.

Dated this 18th day of April, 2012.



David G. Campbell
United States District Judge
