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5 COMMISSION  
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FILED

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9 UNITED STATES DISTRICT COURT  
10 NORTHERN DISTRICT OF CALIFORNIA  
11 SAN JOSE DIVISION  
12

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14 SECURITIES AND EXCHANGE COMMISSION, Case No. 10-cv-1358 RMW  
15 Plaintiff,  FINAL JUDGMENT  
16 vs.  
17 STEPHEN C. BOND,  
18 Defendant.

19 The Securities and Exchange Commission having filed a Complaint and Defendant  
20 Stephen C. Bond having entered a general appearance; consented to the Court’s jurisdiction  
21 over Defendant and the subject matter of this action; consented to entry of this Final  
22 Judgment without admitting or denying the allegations of the Complaint (except as to  
23 jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal  
24 from this Final Judgment:

25 I.

26 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and  
27 Defendant’s agents, servants, employees, attorneys, and all persons in active concert or  
28 participation with them who receive actual notice of this Final Judgment by personal service

1 or otherwise are permanently restrained and enjoined from violating, directly or indirectly,  
2 Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5  
3 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of  
4 interstate commerce, or of the mails, or of any facility of any national securities exchange, in  
5 connection with the purchase or sale of any security:

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

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

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

12 II.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
14 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active  
15 concert or participation with them who receive actual notice of this Judgment by personal  
16 service or otherwise are permanently restrained and enjoined from aiding and abetting any  
17 violation of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act")  
18 [15 U.S.C. §§ 80b-6(1) and 80b-6(2)], by knowingly providing substantial assistance to an  
19 investment adviser, as defined by Section 202(a)(11) of the Advisers Act [15 U.S.C.  
20 § 80b-2(a)(11)], by use of the mails or any means or instrumentality of interstate commerce,  
21 directly or indirectly:

22 (a) to employ any device, scheme, or artifice to defraud any client or prospective  
23 client; or

24 (b) to engage in any transaction, practice, or course of business which operates or  
25 would operate as a fraud or deceit upon any client or prospective client.

26 III.

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
28 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active

1 concert or participation with them who receive actual notice of this Judgment by personal  
2 service or otherwise are permanently restrained and enjoined from aiding and abetting any  
3 violation of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8  
4 promulgated thereunder [17 C.F.R. § 275.206(4)-8], by knowingly providing substantial  
5 assistance to an investment adviser to a pooled investment vehicle, as defined by  
6 Rule 206(4)-8(b) promulgated under the Advisers Act [17 C.F.R. § 275.206(4)-8(b)] by use of  
7 the mails or any means or instrumentality of interstate commerce, directly or indirectly:

8 (a) to make any untrue statement of a material fact or to omit to state a material  
9 fact necessary to make the statements made, in the light of the circumstances under which  
10 they were made, not misleading, to any investor or prospective investor in the pooled  
11 investment vehicle; or

12 (b) otherwise to engage in any act, practice, or course of business that is  
13 fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in  
14 the pooled investment vehicle.

#### 15 IV.

16 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
17 Defendant is liable for disgorgement of \$855,742, representing profits gained as a result of  
18 the conduct alleged in the Complaint, together with prejudgment interest thereon in the  
19 amount of \$318,670, for a total of \$1,174,412. Based on Defendant's sworn representations  
20 in his Statement of Financial Condition dated July 15, 2012, as re-affirmed by affidavit dated  
21 April 26, 2013, and other documents and information submitted to the Commission, however,  
22 the Court is not ordering Defendant to pay a civil penalty and payment of all but \$60,000 of  
23 the disgorgement and prejudgment interest thereon is waived.

24 Defendant may transmit payment electronically to the Commission, which will  
25 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made  
26 directly from a bank account via Pay.gov through the SEC Web site at  
27 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank  
28

1 cashier's check, or United States postal money order payable to the Securities and Exchange  
2 Commission, which shall be delivered or mailed to—

3           Enterprise Services Center  
4           Accounts Receivable Branch  
5           6500 South MacArthur Boulevard  
6           Oklahoma City, OK 73169

7 and shall be accompanied by a letter identifying the case title, civil action number, and name  
8 of this Court; identifying Stephen C. Bond as a defendant in this action; and specifying that  
9 payment is made pursuant to this Final Judgment.

10           Defendant shall simultaneously transmit photocopies of evidence of payment and case  
11 identifying information to the Commission's counsel in this action. By making this payment,  
12 Defendant relinquishes all legal and equitable right, title, and interest in such funds and no  
13 part of the funds shall be returned to Defendant. The Commission shall send the funds paid  
14 pursuant to this Final Judgment to the United States Treasury.

15           The Commission may enforce the Court's judgment for disgorgement and  
16 prejudgment interest by moving for civil contempt (and/or through other collection  
17 procedures authorized by law) at any time after 14 days following entry of this Final  
18 Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to  
19 28 U.S.C. § 1961.

20           The determination not to impose a civil penalty and to waive payment of all but  
21 \$60,000 of the disgorgement and prejudgment interest is contingent upon the accuracy and  
22 completeness of Defendant's Statement of Financial Condition. If at any time following the  
23 entry of this Final Judgment the Commission obtains information indicating that Defendant's  
24 representations to the Commission concerning his assets, income, liabilities, or net worth  
25 were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time  
26 such representations were made, the Commission may, at its sole discretion and without prior  
27 notice to Defendant, petition the Court for an order requiring Defendant to pay the unpaid  
28 portion of the disgorgement, prejudgment and post-judgment interest thereon, and the

1 maximum civil penalty allowable under the law. In connection with any such petition, the  
2 only issue shall be whether the financial information provided by Defendant was fraudulent,  
3 misleading, inaccurate, or incomplete in any material respect as of the time such  
4 representations were made. In its petition, the Commission may move this Court to consider  
5 all available remedies, including, but not limited to, ordering Defendant to pay funds or  
6 assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment.  
7 The Commission may also request additional discovery. Defendant may not, by way of  
8 defense to such petition: (1) challenge the validity of the Consent or this Final Judgment; (2)  
9 contest the allegations in the Complaint filed by the Commission; (3) assert that payment of  
10 disgorgement, prejudgment and post-judgment interest or a civil penalty should not be  
11 ordered; (4) contest the amount of disgorgement and prejudgment and post-judgment interest;  
12 (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert  
13 any defense to liability or remedy, including, but not limited to, any statute of limitations  
14 defense. Defendant shall also pay post-judgment interest on any delinquent amounts pursuant  
15 to 28 U.S.C. § 1961.

16 V.

17 Defendant shall pay the total of disgorgement and prejudgment interest due of \$60,000  
18 in five installments to the Commission according to the following schedule: (1) \$25,000  
19 within 10 days of entry of this Final Judgment; (2) \$10,000 within nine months of entry of  
20 final judgment; (3) \$10,000 within 18 months of entry of final judgment; (4) \$10,000 within  
21 27 months of entry of final judgment; and (5) \$5,000 within 36 months of entry of final  
22 judgment. Payments shall be deemed made on the date they are received by the Commission  
23 and shall be applied first to post judgment interest, which accrues pursuant to 28 U.S.C.  
24 § 1961 on any unpaid amounts due after 14 days of the entry of Final Judgment. Prior to  
25 making the final payment set forth herein, Defendant shall contact the staff of the  
26 Commission for the amount due for the final payment.

27 If Defendant fails to make any payment by the date agreed and/or in the amount  
28 agreed according to the schedule set forth above, all outstanding payments under this Final

1 Judgment, including post-judgment interest, minus any payments made, shall become due and  
2 payable immediately at the discretion of the staff of the Commission without further  
3 application to the Court.

4 VI.

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

8 VII.

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

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14 Dated:           1 11 2013          , \_\_\_\_\_

*Ronald M. Whyte*

UNITED STATES DISTRICT JUDGE

15  
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17  
18  
19 Approved as to form:

20  
21 /s/ Gail Shifman  
22 GAIL SHIFMAN  
23 LAW OFFICES OF GAIL SHIFMAN  
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