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

13 SECURITIES AND EXCHANGE COMMISSION, Case No. CV-11-4795-RS (KW)

14 Plaintiff,

15 v.

16 KURT S. HOVAN, LISA B. HOVAN,
EDWARD J. HOVAN, JR., and HOVAN
17 CAPITAL MANAGEMENT, LLC,

18 Defendants.
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**[PROPOSED] FINAL JUDGMENT AS TO
DEFENDANT LISA B. HOVAN**

1 Plaintiff Securities and Exchange Commission (“Commission”), having filed a
2 complaint in this matter, and defendant Lisa B. Hovan (“defendant” or “Lisa Hovan”) having
3 entered a general appearance and executed the Consent of Defendant Lisa B. Hovan to Entry
4 of Final Judgment (“Consent”), in which among other things, defendant consented to the
5 Court’s jurisdiction over her and the subject matter of this action; consented to entry of this
6 Final Judgment without admitting or denying the allegations of the complaint (except as to
7 jurisdiction, which defendant admits); waived findings of fact and conclusions of law; and
8 waived any right to appeal from this Final Judgment:

9 I.

10 IT IS HEREBY ORDERED THAT defendant Lisa Hovan and her agents, servants,
11 employees, attorneys, and those persons in active concert or participation with any of them,
12 who receive actual notice of this Final Judgment, by personal service or otherwise, and each
13 of them, are permanently restrained and enjoined from, directly or indirectly, by the use of
14 any means or instrumentality of interstate commerce, or of the mails, or of any facility of any
15 national securities exchange:

- 16 a. employing any device, scheme, or artifice to defraud;
17 b. making any untrue statement of a material fact or omitting to state a material
18 fact necessary in order to make the statements made, in the light of the
19 circumstances under which they were made, not misleading; or
20 c. engaging in any act, practice, or course of business which operates or would
21 operate as a fraud or deceit upon any person;

22 in connection with the purchase or sale of any security, in violation of Section 10(b) of the
23 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Exchange Act
24 Rule 10b-5 [17 C.F.R. § 240.10b-5.

25 II.

26 IT IS FURTHER ORDERED THAT defendant Lisa Hovan and her agents, servants,
27 employees, attorneys, and those persons in active concert or participation with any of them,
28 who receive actual notice of this Final Judgment, by personal service or otherwise, and each

1 of them, are permanently restrained and enjoined from, directly or indirectly, while acting as
2 an investment adviser, by use of the mails or any means or instrumentality of interstate
3 commerce:

4 (1) employing any device, scheme, or artifice to defraud any client or
5 prospective client; or

6 (2) engaging in any transaction, practice, or course of business which operates
7 as a fraud or deceit upon any client or prospective client,

8 in violation of Section 206(1) and (2) of the Investment Advisers Act of 1940 ("Advisers
9 Act"), 15 U.S.C. §§ 80b-6(1) & (2).

10 III.

11 IT IS FURTHER ORDERED THAT defendant Lisa Hovan and her agents, servants,
12 employees, attorneys, and those persons in active concert or participation with any of them,
13 who receive actual notice of this Final Judgment, by personal service or otherwise, and each of
14 them, are permanently restrained and enjoined from, willfully making any untrue statements of
15 material fact in any registration application or report filed with the Commission under Sections
16 203, or 204 of the Advisers Act, including but not limited to a Form ADV, or willfully
17 omitting to state in any such registration application or report a material fact which is required
18 to be stated therein, in violation of Section 207 of the Advisers Act, 15 U.S.C. § 80b-7.

19 IV.

20 IT IS FURTHER ORDERED THAT defendant Lisa Hovan shall pay a civil penalty in
21 the amount of \$50,000 to the Securities and Exchange Commission pursuant to Section 21(d)
22 of the Exchange Act, 15 U.S.C. § 78u(d), and Section 209 of the Advisers Act, 15 U.S.C. §
23 80b-9. Defendant shall make this payment by paying a minimum of \$5,000 within 14 days
24 after entry of this Final Judgment, and by paying the remaining amount within 90 days after
25 entry of this Final Judgment. Defendant shall make these payments by one of the following
26 means: defendant may transmit payment electronically to the Commission, which will
27 provide detailed ACH transfer/Fedwire instructions upon request. Alternatively, defendant
28 may make payment directly from a bank account via Pay.gov through the SEC website at

1 <http://www.sec.gov/about/offices/ofm.htm>. Alternatively, defendant may make payment by
2 certified check, bank cashier's check, or United States postal money order payable to the
3 Securities and Exchange Commission, which shall be delivered or mailed to:

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

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

11 Regardless of the method used for payment, defendant shall simultaneously transmit
12 photocopies of evidence of payment and case identifying information to the Commission's
13 counsel in this action. By making these payments, Lisa Hovan relinquishes all legal and
14 equitable right, title, and interest in such funds and no part of the funds shall be returned to
15 her. The Commission shall send the funds paid pursuant to this Final Judgment to the United
16 States Treasury. Defendant shall pay post-judgment interest on any delinquent amounts
17 pursuant to 28 USC § 1961.

18 V.

19 IT IS FURTHER ORDERED THAT the Consent is incorporated herein with the same
20 force and effect as if fully set forth herein, and that defendant Lisa Hovan shall comply with
21 all of the undertakings and agreements set forth therein.

22 VI.

23 IT IS FURTHER ORDERED THAT this Court shall retain jurisdiction of this matter
24 for the purposes of enforcing the terms of this Final Judgment.
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1 IT IS SO ORDERED.

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6 Date: 1/14/13, ~~2012~~


UNITED STATES DISTRICT JUDGE

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1 Approved as to form:

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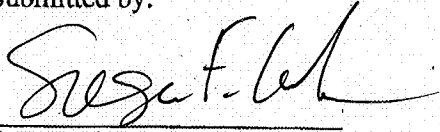
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1 Submitted by:

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