

RECEIVED

JAN 09 2004

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ROBERT QUATTRONE, *et al.*,

Defendants.

AT 8:30 _____ M
WILLIAM T. WALSH
CLERK

Civil Action No. 04-33 (SRC)

**JUDGMENT OF PERMANENT INJUNCTION AND
OTHER RELIEF AS TO DEFENDANT ROBERT QUATTRONE**

Plaintiff Securities and Exchange Commission (the "SEC") having filed a Complaint and Defendant Robert Quattrone ("Quattrone") having entered a general appearance; consented to the Court's jurisdiction over Quattrone and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction, which he admits); waived findings of fact and conclusions of law; waived any right to a trial by jury of any and all claims asserted by the SEC in the Complaint; and waived any right to appeal from this Judgment:

I.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Quattrone, his agents, servants, employees, attorneys, and all those persons in active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from, directly or indirectly,

through the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of a national securities exchange:

- (a) employing any device, scheme, or artifice to defraud,
- (b) making any untrue statement of a material fact or omitting 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) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit on any person,

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

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Quattrone, his agents, servants, employees, attorneys, and all those persons in active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from aiding and abetting any violation of Exchange Act Rule 13b2-2 [17 C.F.R. §240.13b2-2] by knowingly providing substantial assistance to an officer or director of any issuer who, directly or indirectly, (a) makes or causes to be made a materially false or misleading statement; or (b) omits to state, or causes another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with (1) any audit or examination of the financial statements of any

issuer of a security registered pursuant to Section 12 of the Exchange Act [15 U.S.C. §78l] or any issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] or (2) the preparation or filing of any document or report required to be filed with the SEC.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Quattrone, his agents, servants, employees, attorneys, and all those persons in active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby 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 and 13a-13 thereunder [17 C.F.R. §§240.12b-20, 240.13a-1 and 240.13a-13] by knowingly providing substantial assistance to any issuer of a security registered pursuant to Section 12 of the Exchange Act [15 U.S.C. §78l] that files or causes to be filed with the SEC any report required to be filed with the SEC pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and the rules and regulations promulgated thereunder, which contains any untrue statement of material fact, which omits to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or which omits to disclose any information required to be disclosed.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Quattrone, his agents, servants, employees, attorneys, and all those persons in active concert and participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of

them, bc and they hereby are permanently restrained and enjoined from aiding and abetting any violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C.

§§78m(b)(2)(A) and 78m(b)(2)(B)] by knowingly providing substantial assistance to any issuer of a security registered pursuant to Section 12 of the Exchange Act [15 U.S.C. §78l] or to any issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] that:

- (a) fails to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; or
- (b) fails to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (1) transactions are executed in accordance with management's general or specific authorization; (2) transactions are recorded as necessary (a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (b) to maintain accountability for assets; (3) access to assets is permitted only in accordance with management's general or specific authorization; and (4) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. §78u(d)(2)], Quattrone is permanently prohibited 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. §781] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)].

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, upon motion by the SEC or at the instance of the Court, the Court will make a determination as to the appropriate amount of disgorgement and civil penalties and order Quattrone to disgorge all ill-gotten gains, including prejudgment interest thereon, and to pay civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)]. Quattrone understands and agrees that in connection with the Court's determination of the amounts of disgorgement and civil penalties, he will be precluded from arguing that he did not violate the federal securities laws in the manner described in the Complaint. Quattrone further understands and agrees that, solely for the purposes of this determination, the allegations of the Complaint shall be accepted as and deemed true by the Court, and that he may not challenge the validity of his Consent or this Judgment. Quattrone agrees that the Court may determine the amounts of disgorgement and civil penalties on the basis of affidavits, declarations, deposition excerpts and exhibits, or any other information deemed appropriate by the Court.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the parties are expressly authorized to engage in continued discovery regarding any unresolved issue in the case with respect to Quattrone, which shall include, but is not limited to, discovery for the purposes of

determining the amounts of disgorgement and civil penalties that should be obtained from or imposed against Quattrone.

VIII.


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

IX.

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.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, there being no just reason for delay, the Clerk of the Court is ordered to enter this Judgment forthwith and without further notice.

Dated:  , 2004
Trenton, New Jersey


UNITED STATES DISTRICT JUDGE