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NORTHERN DISTRICT OF CALIFORNIA

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,
vs.
PAUL C. JAIN and STEVEN J. ALLAN,
Defendants.

Case No. C-98-2684 MJJ

~~PROPOSED~~ FINAL JUDGMENT
IMPOSING PENALTIES AND
DISGORGEMENT AGAINST PAUL C.
JAIN AND STEVEN J. ALLAN

This matter originally came before the Court on plaintiff Securities and Exchange Commission's ("Commission") Motion for Summary Judgment Regarding Remedies. On June 13, 2005, the Court entered the Order Granting Plaintiff's Motion for Summary Judgment on Remedies ("Order").

In the Order, the Court found that defendant Paul C. Jain should pay a civil monetary penalty of \$286,720, and that Jain should disgorge his losses avoided of \$286,720. The Court also ordered Steven J. Allan to pay a civil monetary penalty of \$158,648, and to disgorge Allan's losses avoided of \$158,648. The Court further found that Jain and Allan should each pay prejudgment interest on the amounts each is respectively required to disgorge, at the post-judgment rate set forth in 28 U.S.C. §

1 1961, and requested that the Commission submit, by no later than July 12, 2005, a proposed order
2 computing prejudgment interest owed by defendants through the date of the Order.

3 The Commission has submitted the Declaration of Susan F. LaMarca ("Declaration") with
4 attached calculations of prejudgment interest owed by the defendants on their respective
5 disgorgement obligations through June 13, 2005, the date of the Order. The Declaration describes the
6 calculation made pursuant to 28 U.S.C. § 1961.

7 Based on the Court's Order of June 13, 2005, and the subsequent submission by the
8 Commission, the Court orders the following consistent therewith. To the extent there are any
9 inconsistencies between the Court's Order of June 13, 2005 and the instant Final Judgment, this Final
10 Judgment shall control.

11 I.

12 IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Defendant Jain is liable
13 for disgorgement of \$286,720, representing the losses he avoided as a result of the conduct alleged in
14 the Complaint, together with prejudgment interest thereon, through June 13, 2005, in the amount of
15 \$139,269, for a total of \$425,988. Defendant Jain shall pay \$425,988 within thirty (30) days to the
16 Clerk of this Court, and shall specify to the Clerk that payment is made pursuant to this Final
17 Judgment.

18 II.

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Allan is liable
20 for disgorgement of \$158,648, representing the losses he avoided as a result of the conduct alleged in
21 the Complaint, together with prejudgment interest thereon, through June 13, 2005, in the amount of
22 \$75,432, for a total of \$234,080. Defendant Allan shall pay \$234,080 within thirty (30) days to the
23 Clerk of this Court, and shall specify to the Clerk that payment is made pursuant to this Final
24 Judgment.

1 III.

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Jain shall pay a
3 civil penalty in the amount of \$286,720 within thirty (30) days to the Clerk of this Court, and shall
4 specify to the Clerk that payment is made pursuant to this Final Judgment.

5 IV.

6 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Allan shall pay
7 a civil penalty in the amount of \$158,648 within thirty (30) days to the Clerk of this Court, and shall
8 specify to the Clerk that payment is made pursuant to this Final Judgment.

9 V.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, in making the respective
11 payments ordered against them in paragraphs I through IV. above, Defendants Jain and Allan
12 relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall
13 be returned to either of the Defendants. The Clerk shall deposit the funds into an interest bearing
14 account with the Court Registry Investment System ("CRIS"). These funds, together with any
15 interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further
16 order of the Court. In accordance with the guidelines set by the Director of the Administrative Office
17 of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from
18 the income earned on the money in the Fund a fee equal to ten percent of the income earned on the
19 Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The
20 Commission may by motion propose a plan to distribute the Fund subject to the Court's approval.
21 Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of
22 Section 308(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7246. Regardless whether any such
23 Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Final
24 Judgment shall be treated as penalties paid to the government for all purposes, including all tax
25 purposes.

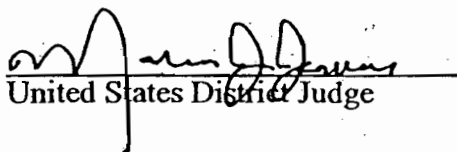
VI.

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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees entered herein, and for all other purposes as the Court may deem necessary and just.

IT IS SO ORDERED.

DATED: 6/23/2005


United States District Judge