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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CERTAIN UNKNOWN PURCHASERS OF COMMON  
STOCK OF FINANCIAL SECURITY ASSURANCE  
HOLDINGS, LTD.

Defendants.

**DOC # 5**



00 CIV. 2029 (GEL)

# 010145

**FINAL JUDGMENT  
OF PERMANENT INJUNCTION  
AS TO DEFENDANT SERGE HADDAD**

Plaintiff Securities and Exchange Commission (the "Commission") having filed its Complaint, and defendant Serge Haddad in his Consent ("Consent") filed simultaneously with this Final Judgment of Permanent Injunction as to Defendant Serge Haddad ("Final Judgment") and incorporated herein by reference, having waived service of the Complaint, having admitted that he purchased 8,300 shares of Financial Security Assurance Holdings, Ltd. common stock on March 9, 2000 through Israel Discount Bank and that he is a defendant in this matter and having admitted the Court's jurisdiction over him and over the subject matter of this action, having waived the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying that he committed any of the violations alleged in the Complaint and having consented to the entry of this Final Judgment, and it further

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appearing that this Court has jurisdiction over Defendant Serge Haddad and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED that Serge Haddad, his agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise are hereby permanently enjoined and restrained from violating Section 10(b) of the Securities 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 by directly or indirectly, by use of the means or instrumentality of interstate commerce, the mails, or any facility of any national securities exchange:

- (1) employing any device, scheme, or artifice to defraud,
- (2) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in the light of the circumstances under which they were made, not misleading; or
- (3) engaging in any act, practice, or course of business which operate or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Serge Haddad disgorge \$177,433 representing profits he allegedly made on transactions in securities of Financial Security Assurance Holdings, Ltd. purchased through Israel Discount Bank, plus

prejudgment interest thereon in the amount of \$9,462.62 for a total of \$186,898.62 in disgorgement and prejudgment interest.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Serge Haddad pay a civil penalty in the amount of \$50,000 pursuant to Section 21A(a) of the Exchange Act, 15 U.S.C. 78u-1(a).

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Serge Haddad pay the disgorgement, prejudgment interest and civil penalty, which total \$236,898.62, from assets frozen by the Preliminary Injunction entered in this matter on March 30, 2000. Accordingly:

V.

*M*  
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Preliminary Injunction entered in this matter on March 30, 2000 is hereby amended to order Deutsche Bank to pay \$236,898.62 to the Clerk of the Court, 500 Pearl Street, New York, NY 10007, by certified check or wire transfer (to ABA 021030004, Agent Location # 4654) within ten days of service on it (at 130 Liberty Street, New York, New York, 1006 attn., Will Christoph) of this Final Judgment using funds derived from the purchase of 8,300 shares of FSA common stock through Israel Discount Bank on March 9, 2000.

VI.

IT IS FURTHER ORDERED that Deutsche Bank shall cause said check or wire transfer to be accompanied by a written communication to the Clerk of the Court referencing this Final

Judgment, the docket number of this action, and the SEC's internal file number for this matter, HO-8949-B.

VII.

IT IS FURTHER ORDERED that the Clerk of the Court shall cause said funds to be deposited into the Registry of the Court pending further order, with a notation that \$50,000 of such funds, paid as a penalty, be held for deposit into the U.S. Treasury.

VIII.

IT IS FURTHER ORDERED that Deutsche Bank forward a copy of said check or wire transfer instruction to the Plaintiff Securities and Exchange Commission at the following address:

Securities & Exchange Commission  
Attn: L. Hilton Foster  
450 5th Street, NW  
Washington, DC 20549-0707  
(202) 942-9639 (Fax)

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that once the payments required herein have been made, any remaining assets derived from the purchase through Israel Discount Bank on March 9, 2000 of 8,300 shares of FSA common stock shall no longer be subject to the asset freeze provisions of the Preliminary Injunction.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Serge Haddad comply with his undertakings to: (1) cooperate with the Commission and its staff and truthfully to disclose all information with respect to his activities and the activities of others

which the Commission or its staff may inquire in this or any related matter; (2) provide testimony in all investigations and proceedings related to or concerning this matter in which the Commission or its staff makes reasonable requests for his testimony; (3) produce any documents within his possession, custody or control which concern or relate to this or any related matter and which are requested by the Commission or its staff.

XI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Serge Haddad's accompanying Consent be, and it hereby is, incorporated herein with the same force and effect as if fully set forth herein.

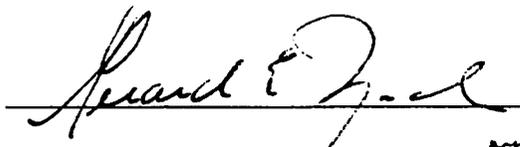
XII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction for the purpose of enforcing this Final Judgment.

XIII.

There being no cause for delay, the Clerk of the Court hereby is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

Dated: 1/27, 2001

  
UNITED STATES DISTRICT JUDGE *per*

THIS DOCUMENT WAS ENTERED  
ON THE DOCKET ON 1/26/01