

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Elaine E. Bucklo	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	00 C 4240	DATE	10/3/2002
CASE TITLE	SEC vs. System Software Associates, et al.		

[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

MOTION:

DOCKET ENTRY:

- (1) Filed motion of [use listing in "Motion" box above.]
- (2) Brief in support of motion due _____.
- (3) Answer brief to motion due _____, Reply to answer brief due _____.
- (4) Ruling/Hearing on _____ set for _____ at _____.
- (5) Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (6) Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (7) Trial[set for/re-set for] on _____ at _____.
- (8) [Bench/Jury trial] [Hearing] held/continued to _____ at _____.
- (9) This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
 - FRCP4(m) Local Rule 41.1 FRCP41(a)(1) FRCP41(a)(2).
- (10) [Other docket entry] Pursuant to Consent of defendant Roger Covey, defendant shall pay disgorgement of \$127,000, representing bonuses received as a result of the conduct alleged in the complaint, plus interest thereon of \$89,205.38. Defendant shall also pay \$100,000 pursuant to section 21 (d)(3) of the Exchange Act 15 U.S.C. Section 78u(d)(3). This civil penalty shall be paid within 30 days of this order to the Clerk of the Court, together with a letter specifying that payment is made pursuant to this order. The Clerk shall hold these funds in the Court Registry Investment System Interest Bearing Account. Enter Final Judgment against defendant Roger Covey.
- (11) [For further detail see order attached to the original minute order.]

<input type="checkbox"/>	No notices required, advised in open court.	U.S. DISTRICT COURT CLERK 02 OCT - 3 PM 5:11 Date/time received in central Clerk's Office	number of notices	Document Number 42
<input type="checkbox"/>	No notices required.		OCT 04 2002 date docketed	
<input type="checkbox"/>	Notices mailed by judge's staff.		<i>gff</i> docketing deputy initials	
<input type="checkbox"/>	Notified counsel by telephone.		date mailed notice	
<input checked="" type="checkbox"/>	Docketing to mail notices.		mailing deputy initials	
<input type="checkbox"/>	Mail AO 450 form.			
<input type="checkbox"/>	Copy to judge/magistrate judge.			
MPJ	courtroom deputy's initials			

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOCKETED
OCT 04 2002

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 00 C 4240
	:	
SYSTEM SOFTWARE ASSOCIATES, INC.,	:	(Judge Elaine E. Bucklo)
ROGER COVEY and	:	
JOSEPH SKADRA,	:	
	:	
Defendants.	:	

FINAL JUDGMENT AGAINST DEFENDANT ROGER COVEY

Defendant Roger Covey ("Defendant") having (i) entered a general appearance; (ii) consented to the Court's jurisdiction over Defendant and the subject matter of this action; (iii) withdrawn the answer he filed in this action; (iv) without admitting or denying the allegations of the Complaint, consented to entry of this Judgment without further notice, which consent is incorporated herein by reference; (iv) waived findings of fact and conclusions of law; and (v) waived any right to appeal from this Judgment, it is now hereby **ORDERED, ADJUDGED AND DECREED** as follows.

I.

Defendant and Defendant's officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] by, in the offer or sale of any securities, using any means or instruments of transportation or communication in interstate commerce, or using the mails, directly or

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indirectly to:

- (1) employ any device, scheme, or artifice to defraud;
- (2) obtain money or property by means of any untrue statement of a material fact or any omission 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
- (3) engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser.

II.

Defendant and Defendant's officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] ("Exchange Act") and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by, directly or indirectly through the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (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 statements 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 operates or would operate as a fraud or deceit upon any person.

III.

Defendant and Defendant's officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from violating Sections 13(a), 13(b)(2)(A) and (B), and 13(b)(5) of the Exchange Act [15 U.S.C. §§78m(a), 78m(b)(2)(A) and (B), and 78m(b)(5)] and Rules 13a-1, 13a-13, 13b2-1, 13b2-2 and 12b-20 thereunder [17

C.F.R. §§ 240.13a-1, 240.13a-13, 240.13b2-1, 240.13b2-2 and 240.12b-20] by directly or indirectly, or by aiding and abetting,

(1) filing or causing to be filed with the Securities and Exchange Commission (“SEC”) any quarterly or annual report, or any Form 8-K, on behalf of any issuer pursuant to Section 13(a) of the Exchange Act and the rules and regulations promulgated thereunder, which:

(a) contains any untrue statement of material fact;

(b) omits to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(c) omits to disclose any information required to be disclosed;

(d) fails to contain information required to be contained in such report or form; or

(e) otherwise fails to comply in any material respect with the requirements of Section 13(a) of the Exchange Act and the rules and regulations promulgated thereunder;

(2) failing to:

(a) make and keep accurate books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; or

(b) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

(i) transactions are executed in accordance with management’s general or specific authorization;

(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

(iii) access to assets is permitted only in accordance with management's general or specific authorization; and

(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(3) falsifying or causing to be falsified any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act;

(4) knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act; or

(5) as a director or officer of an issuer of securities registered pursuant to Section 12 of the Exchange Act, making or causing to be made a materially false or misleading statement, or omitting to state, or causing 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:

(a) any audit or examination of the financial statement of the issuer required to be made pursuant to Exchange Act Regulation 13A; or

(b) the preparation or filing of any document or report required to be filed with the SEC pursuant to Exchange Act Regulation 13A or otherwise.

IV.

Defendant shall pay disgorgement of \$127,000, representing bonuses received as a result of the conduct alleged in the Complaint, plus prejudgment interest thereon of \$89,205.38. Such disgorgement and prejudgment interest shall be paid within 30 days of this Order to the Clerk of this Court, together with a letter specifying that payment is made pursuant to this Order. Defendant shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. Pending further order, the Clerk shall hold these funds in the Court Registry Investment System ("CRIS") Interest Bearing Account

to be established by this Court with respect to this action. By making this payment, Defendant relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Defendant.

V.

Defendant shall pay a civil penalty of \$100,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. This civil penalty shall be paid within 30 days of this Order to the Clerk of this Court, together with a letter specifying that payment is made pursuant to this Order. Defendant shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. Pending further order, the Clerk shall hold these funds in the Court Registry Investment System ("CRIS") Interest Bearing Account to be established by this Court with respect to this action. By making this payment, Defendant relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Defendant.

There being no just reason for delay, the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated: 10/3, 2002



ELAINE E. BUCKLO
UNITED STATES DISTRICT JUDGE