

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

KFIR BARZILAY, *et al.*

Defendants.

DOCKETED
SEP 23 2002

99 C 5023

Judge Ronald A. Guzman

FINAL JUDGMENT AGAINST DEFENDANT GARRI ZHIGUN

Plaintiff Securities and Exchange Commission ("Commission") has filed a Complaint for Permanent Injunction and Other Equitable Relief ("Complaint") in this matter, and Defendant Garri Zhigun ("Defendant Zhigun") has, in his Consent and Stipulation attached hereto and incorporated herein, acknowledged receipt of the Complaint, admitted the jurisdiction of this Court over him and over the subject matter thereof, and without admitting or denying the allegations of the Complaint, except as to jurisdiction, and without trial, argument or adjudication of any facts or law herein, consented to the entry of this Final Judgment Against Defendant Garri Zhigun ("Judgment"). The Commission and Defendant Zhigun have waived the entry of findings of fact and conclusions of law, as provided by Rule 52 of the Federal Rules of Civil Procedure. The Court having jurisdiction over the parties and the subject matter hereof, and being fully advised in the premises:

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I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Zhigun pay disgorgement in the amount of \$26,792.22, representing \$18,349.75 as a result of the conduct alleged in the Complaint, together with pre-judgment interest in the amount of \$8,442.47. Based upon Defendant's sworn representations in his Statement of Financial Condition dated July 24, 2002 and other documents submitted to the Commission, payment of the disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition and other documents submitted to the Commission.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon Defendant's sworn representations in his Statement of Financial Condition dated July 24, 2002, and other documents submitted to the Commission, the Court is not ordering him to pay a civil penalty. The determination not to impose a civil penalty and to waive payment of the disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of Defendant Zhigun's Statement of Financial Condition and other documents submitted to the Commission. If at any time following the entry of this Judgment, the Commission obtains information indicating that Defendant Zhigun's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant

Zhigun to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant Zhigun was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In any such petition, the Commission may move the Court to consider all available remedies, including, but not limited to, ordering Defendant Zhigun to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Judgment. The Commission may also request additional discovery. Defendant may not, by way of a defense to such petition: (1) challenge the validity of the Consent or this Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent and Stipulation of Defendant Garri Zhigun be, and is hereby, incorporated herein with the same force and effect as if fully set out herein.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court grants leave to Defendant Zhigun to withdraw his answer to the Complaint and all other pleadings and papers filed by him in this case, which are hereby withdrawn.


V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to entertaining any applications for additional relief, and implementing and enforcing this Order.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Final Judgment Against Defendant Garri Zhigun.

IT IS SO ORDERED.


RONALD A. GUZMAN, JUDGE
United States District Court
Northern District of Illinois

Dated: 9/17/02