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7 **UNITED STATES DISTRICT COURT**
8 **NORTHERN DISTRICT OF CALIFORNIA**
9 **SAN FRANCISCO DIVISION**

10 SECURITIES AND EXCHANGE COMMISSION,
11 Plaintiff,
12 vs.
13 JEREMY R. LENT, JOHN V. HASHMAN, YINZI
14 CAI, DOUGLAS WACHTEL and BRUCE
15 RIGIONE,
16 Defendants,
17 THE LENT FAMILY TRUST,
18 Relief Defendant.

Case No. C-04-4088-CW (EMC)

FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST JEREMY R. LENT

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20 The Securities and Exchange Commission having filed a Complaint and Defendant
21 Jeremy R. Lent (“Defendant”) having filed a Consent of Jeremy R. Lent to Entry of Final Judgment
22 of Permanent Injunction And Other Relief (“Consent”) in which he, among other things, consented to
23 the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of
24 this Final Judgment without admitting or denying the allegations of the Complaint (except as to
25 jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from
26 this Final Judgment:
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I.

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2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and
3 Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation
4 with them who receive actual notice of this Final Judgment by personal service or otherwise are
5 permanently restrained and enjoined from violating Section 17(a)(2) or 17(a)(3) of the Securities Act
6 of 1933 ("Securities Act") [15 U.S.C. §§ 77q(a)(2), 77q(a)(3)] in the offer or sale of any security by
7 the use of any means or instruments of transportation or communication in interstate commerce or by
8 use of the mails, directly or indirectly:

- 9 (a) to obtain money or property by means of any untrue statement of a material fact or any
10 omission of a material fact necessary in order to make the statements made, in light of
11 the circumstances under which they were made, not misleading; or
12 (b) to engage in any transaction, practice, or course of business which operates or
13 would operate as a fraud or deceit upon the purchaser.

14 II.

15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
16 Defendant is liable for disgorgement of \$800,000, representing losses avoided as a result of the
17 conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of
18 \$44,000, and a civil penalty of \$50,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. §
19 77t(d), for a total of \$894,000. Defendant shall satisfy this obligation by paying this entire amount
20 within ten (10) business days after entry of this Final Judgment to the Clerk of this Court, together
21 with a cover letter identifying Jeremy Lent as a defendant in this action; setting forth the title and
22 civil action number of this action and the name of this Court; and specifying that payment is made
23 pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such
24 payment and letter to the Commission's counsel in this action. By making this payment, Defendant
25 relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds
26 shall be returned to Defendant. The Clerk shall deposit the funds into an interest bearing account
27 with the Court Registry Investment System ("CRIS") or any other type of interest bearing account
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1 that is utilized by the Court. These funds, together with any interest and income earned thereon
2 (collectively, the "Fund"), shall be held in the interest bearing account until further order of the
3 Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the
4 Administrative Office of the United States Courts, the Clerk is directed, without further order of this
5 Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the
6 income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of
7 the United States.

8 The Commission may by motion propose a plan to distribute the Fund subject to the
9 Court's approval. Such a plan may provide that Fund shall be distributed pursuant to the Fair Fund
10 provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such
11 Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this
12 Judgment shall be treated as penalties paid to the government for all purposes, including all tax
13 purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
14 reduction of any award of compensatory damages in any Related Investor Action based on
15 Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further
16 benefit by, offset or reduction of such compensatory damages award by the amount of any part of
17 Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related
18 Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final
19 order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount
20 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs.
21 Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the
22 amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related
23 Investor Action" means a private damages action brought against Defendant by or on behalf of one or
24 more investors based on substantially the same facts as alleged in the Complaint in this action. The
25 Commission may propose a plan to distribute the Fund subject to the Court's approval. Defendant
26 shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

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III.

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

IV.

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 Final Judgment.

V.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: 10/26 _____, 2006



UNITED STATES DISTRICT JUDGE

Approved as to Form:

SHIRLI F. WEISS
PAUL REYNOLDS
DLA Piper Rudnick Gray Carey LLP
Attorneys for Defendant
JEREMY R. LENT