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8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN JOSE DIVISION**

11 SECURITIES AND EXCHANGE
12 COMMISSION

13 Plaintiff,

14 v.

15 KEN C. CHOW, JACK C. LAU, and
16 JOHN C. LIN,

17 Defendants.

CASE NO. C 01-21067 (JW)

**STIPULATED MODIFIED
FINAL JUDGMENT OF PERMANENT
INJUNCTION AND LEGAL AND OTHER
EQUITABLE RELIEF WITH RESPECT
TO DEFENDANT JACK C. LAU AND
ORDER THEREON**

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1 WHEREAS, the Court issued Findings of Fact and Conclusions of Law With Respect To
2 Defendant Jack C. Lau ("Findings") and a Final Judgment of Permanent Injunction and Legal and
3 Other Equitable Relief With Respect To Defendant Jack C. Lau (the "Judgment") on June 17,
4 2003; and

5 WHEREAS, the Court's Findings calculate a total gain by defendant Jack C. Lau of
6 \$72,656.25 on his purchase of 1,250 shares of Nvidia stock on March 6, 2000; and

7 WHEREAS, the Court's Findings require a 5% reduction from that total gain based upon
8 the announcement that Nvidia was being added to the S&P Midcap 400 Index; and

9 WHEREAS, the Court calculated that 5% reduction to be \$2,993; and

10 WHEREAS, 5% of \$72,656.25 is \$3632.81; and

11 WHEREAS, the Court's Judgment requires defendant Jack C. Lau to pay the disgorgement
12 and penalty ordered by the Court to: Comptroller, Securities & Exchange Commission,
13 Operations Center, 6432 General Green Way, Alexandria VA 22312-0003.

14 NOW, THEREFORE,

15 IT IS HEREBY STIPULATED by and between Plaintiff Securities and Exchange
16 Commission and defendant Jack C. Lau as follows:

17 1. The parties stipulate that \$3,632.81 should be subtracted from the \$72,656.25 in
18 total gain calculated by the Court, for total disgorgement in the amount of \$69,023.44 plus
19 prejudgment interest at the lawful rate from March 10, 2000;

20 2. Payment of disgorgement and penalty amounts shall be made to the Clerk of this
21 Court, together with a cover letter identifying Jack C. Lau as a defendant in this action; setting
22 forth the title and civil action number of this action and the name of this Court; and specifying that
23 payment is disgorgement made pursuant to this Modified Final Judgment. Defendant shall
24 simultaneously transmit photocopies of such payment and letter to the attention of Helane
25 Morrison, District Administrator, at the Commission's San Francisco District Office, 44
26 Montgomery Street, Suite 1100, San Francisco, CA 94104. By making this payment, Defendant
27 relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds
28 shall be returned to Defendant, except in the event that this Modified Final Judgment, or any part

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1 thereof, is reversed on appeal entitling Defendant to the return of payment(s) made by defendant
2 pursuant to this Modified Final Judgment . The Clerk shall deposit the funds into an interest
3 bearing account with the Court Registry Investment System ("CRIS"). These funds, together with
4 any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until
5 further order of the Court. In accordance with the guidelines set by the Director of the
6 Administrative Office of the United States Courts, the Clerk is directed, without further order of
7 this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent
8 of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial
9 Conference of the United States. The Commission may by motion propose a plan to distribute the
10 Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed
11 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.

12 3. The Court's Judgment should be modified accordingly pursuant to Federal Rule of
13 Civil Procedure 59.

14
15 SIDEMAN & BANCROFT LLP

16
17 DATED: July 1, 2003

18 By: /s/Jeffrey C. Hallam
19 JEFFREY C. HALLAM
20 Attorneys for Defendant
21 JACK C. LAU

22
23 THE SECURITIES AND EXCHANGE
24 COMMISSION

25 DATED: July 1, 2003

26 By: /s/Patrick Murphy
27 PATRICK MURPHY
28 Attorneys for Plaintiff
THE SECURITIES AND EXCHANGE
COMMISSION

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ORDER

Based upon the foregoing Stipulation, and good cause appearing therefrom,

IT IS HEREBY ORDERED THAT, pursuant to Federal Rule of Civil Procedure 59, the Court's Judgment is hereby modified as follows:

1. Defendant Lau is ordered to disgorge profits from his securities purchase that is the subject of this action in the amount of \$69,023.44 plus interest at the lawful rate from March 10, 2000; and

2. Payment of disgorgement and penalty amounts shall be made to the Clerk of this Court, together with a cover letter identifying Jack C. Lau as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is disgorgement made pursuant to this Modified Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the attention of Helene Morrison, District Administrator, at the Commission's San Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco, CA 94104. 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, except in the event that this Modified Final Judgment, or any part thereof, is reversed on appeal entitling Defendant to the return of payment(s) made by Defendant pursuant to this Modified Final Judgment. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.

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

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5 DATED: July 2, 2003

/s/ James Ware
JAMES WARE
United States District Judge

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