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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,
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Plaintiff,
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- against-
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ROBERT ASTI,
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Defendant.
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Civ. A. No. 03-1417 (LDW)

FILED  
IN CLERK'S OFFICE  
U.S. DISTRICT COURT E.D.N.Y.  
★ APR 23 2015 ★  
LONG ISLAND OFFICE

**FINAL CONSENT JUDGMENT AS TO DEFENDANT ROBERT ASTI**

The Securities and Exchange Commission ("Commission") having filed a Complaint; Defendant Robert Asti ("Asti") having entered a general appearance; consented to the Court's jurisdiction over Asti and the subject matter of this action: consented to the entry of this Final Consent Judgment As To Defendant Robert Asti ("Final Consent Judgment"); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Consent Judgment:

**I.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Asti is permanently restrained and enjoined from violating, directly or indirectly, singly or in concert, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using 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:

- (a) to employ any device, scheme, or artifice to defraud;

- (b) to make any untrue statement of a material fact or to omit 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
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**II.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Asti is permanently restrained and enjoined from, directly or indirectly, singly or in concert:

- (A) 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 [15 U.S.C. § 78m(b)(2)], in violation of Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)]; or
- (B) falsifying, or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)], in violation of Rule 13b2-1 [17 C.F.R. § 240.13b2-1].

**III.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Asti is permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and Exchange Act Rules 12b-20, Rule 13a-1, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13] by knowingly providing substantial assistance to an issuer that:

- (A) fails to file with the Commission any report required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)]

and the rules and regulations promulgated thereunder; or

- (B) files with the Commission a report required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and the rules and regulations promulgated thereunder that (1) contains an untrue statement of material fact; (2) fails to include, in addition to the information required to be stated in such report, such further material information as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading; or (3) fails to disclose any information required to be disclosed therein.

#### IV.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Asti is permanently restrained and enjoined from aiding and abetting violations of Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)] by knowingly providing substantial assistance to an issuer that:

- (A) fails to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of an issuer; or
- (B) fails to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that
  - (1) transactions are executed in accordance with management's general or specific authorization;
  - (2) 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;

- (3) access to assets is permitted only in accordance with management's  
general or specific authorization; and
- (4) the recorded accountability for assets is compared with the existing assets  
at reasonable intervals and appropriate action is taken with respect to any  
differences.

**V.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, pursuant to  
Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] [and/or Section 20(e) of the  
Securities Act [15 U.S.C. § 77t(e)]], Asti is prohibited from acting as an officer or director of any  
issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15  
U.S.C. § 78j] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15  
U.S.C. § 78o(d)].

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Asti is liable for  
disgorgement of \$79,125.81 ("Disgorgement"), representing profits gained as a result of the  
conduct alleged in the Complaint together with prejudgment interest thereon in the amount of  
\$11,826.08, for a total of \$90,951.89. Asti shall satisfy this disgorgement obligation by paying  
\$90,951.89 to the Clerk of this Court within 30 days after entry of this Final Consent Judgment.

This payment shall be accompanied by a cover letter addressed to the Clerk of the Court  
identifying Robert Asti 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 made pursuant

to this Final Consent Judgment. Asti shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action, Todd D. Brody, Esq., U.S. Securities and Exchange Commission, New York Regional Office, Brookfield Place, 200 Vesey Street, Suite 400, New York, NY 10281 and to John Graubard, Esq., U.S. Securities and Exchange Commission, New York Regional Office, Brookfield Place, 200 Vesey Street, Suite 400, New York, NY 10281.

By making this payment, Asti relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Asti. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and 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.

The Commission may enforce the Court's judgment for disgorgement by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 30 days following entry of this Final Consent Judgment. Asti shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

**VII.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that based on the sentence Asti received pursuant to his guilty plea in *U.S. v. Asti* and his cooperation with criminal authorities in *U.S. v. Razmilovic* and in the related Commission enforcement action, the Court is not ordering Asti to pay a civil penalty. If at any time following the entry of this Final Consent Judgment the Commission obtains information indicating that Asti knowingly provided materially false or misleading information or materials to the Commission or in a related proceeding, the Commission may, at its sole discretion and without prior notice to Asti, petition the Court for an order requiring Asti to pay a civil penalty. In connection with any such petition and at any hearing held on such a motion: (a) Asti will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Asti may not challenge the validity of this Final Consent Judgment, his consent hereto, dated January 15, 2015 and filed herewith (the "Consent"), or any related Undertakings; (c) the allegations of the Complaint, solely for the purposes of such motion, shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. Under these circumstances, the parties may take discovery, including discovery from appropriate non-parties.

**VIII.**

**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 Asti shall comply with all of the undertakings and agreements set forth therein.

**IX.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by Asti, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Asti under this Final Consent Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Asti of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

**X.**

**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 Consent Judgment.

**XI.**

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 Consent Judgment forthwith and without further notice.

*CENTRAL ISLIP, NY*  
Dated: APRIL 23, 2015

s/ Leonard D. Wexler  
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UNITED STATES DISTRICT JUDGE