

FILED
IN CLERK'S OFFICE
US DISTRICT COURT E.D.N.Y.

★ **MAR 30 2011** ★

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

BROOKLYN OFFICE

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

IRA ZAR, :

Defendant. :

04 Civ. 1463 (ILG)

**FINAL JUDGMENT IMPOSING
A PERMANENT INJUNCTION AND OTHER
EQUITABLE RELIEF BY CONSENT AGAINST
DEFENDANT IRA ZAR**

The Securities and Exchange Commission having filed a Complaint and Defendant Ira Zar ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to the entry of the Partial Judgment entered April 9, 2004, without admitting or denying the allegations of the Complaint (except as to jurisdiction); consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or

participation with them who receive actual notice of this Final Judgment by personal service or otherwise are, and continue to be, permanently restrained and enjoined from violating, directly or indirectly, 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 HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all people in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are, and continue to be, permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) and of the Exchange Act [15 U.S.C. § 78m(a)], and Rules 12b-20, 13a-1, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13] promulgated thereunder, by knowingly providing substantial assistance to any issuer failing to file with the Commission, in accordance with such rules and regulations as the Commission may prescribe:

- (a) information and documents (and copies thereof) as the Commission shall require to keep reasonably current the information and documents required to be included in or filed with an application or registration statement filed pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l;
- (b) annual reports (and such copies thereof), certified if required by the rules and regulations of the Commission by independent public accountants, and such quarterly reports (and such copies thereof) as the Commission may prescribe; and
- (c) further material information as may be necessary to make the required statements made, in the light of the circumstances in which they are made, not misleading, unless Defendant acts in good faith and does not directly or indirectly induce the act or acts constituting the violation.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all people in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are, and continue to be, permanently restrained and enjoined from violating Section 13(b)(5) of the Exchange Act and violating, or aiding and abetting the violation of, Section 13(b)(2) of the Exchange Act [15 U.S.C. §§ 78m(b)(5), 78m(b)(2)], and violating Rule 13b2-1 [17 C.F.R. § 240.13b2-1] thereunder by:

- (a) falsifying or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) [15 U.S.C. § 78m(b)(2)] of the Exchange Act; and

- (b) 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)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all people in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are, and continue to be, permanently restrained and enjoined from violating Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)], and violating Rule 13b2-2 [17 C.F.R. § 240.13b2-2] thereunder by, while an officer or director of an issuer:

- (a) making or cause to be made a materially false or misleading statement or omission to an accountant in connection with (1) any audit or examination of the financial statements of the issuer required to be made pursuant to Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)] or (2) the preparation or filing of any document or report required to be filed with the Commission pursuant to this subpart or otherwise.

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)], Defendant is, and continues to be, 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. § 781] 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 based on the relief imposed against Defendant in the criminal action United States v. Ira Zar, No. Cr.-04-0331 (ILG), this Court does not impose any disgorgement obligation or civil penalty against Defendant Zar in this action.

VII.

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.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes.

IX.

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 forthwith without further notice.

Dated: *Brooklyn, New York*
March 29, 2011

S/ILG

UNITED STATES DISTRICT JUDGE



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NEW YORK REGIONAL OFFICE
3 World Financial Center, Suite 400
NEW YORK, N.Y. 10279

RECEIVED
3/29/11
Chambers of
I. Leo Glasser
U.S.D.J.

DIRECT DIAL NUMBER
(212) 336-0178

March 28, 2011

VIA UPS

The Honorable I. Leo Glasser
U.S. District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Re: *SEC v. Ira Zar, 04 Civ. 1463 (E.D.N.Y.) (ILG)*

Dear Judge Glasser:

I write to you on behalf of the staff of the Securities and Exchange Commission ("Commission") and defense counsel Andrew Lawler to report that a final settlement has been reached with defendant Ira Zar. The enclosed proposed final judgment and consent by Mr. Zar (the original sent by Federal Express), provides that no disgorgement obligation or civil penalty will be imposed in this action based on the relief imposed by Your Honor in the parallel criminal action United States v. Ira Zar, 04 CR. 0331. The proposed final judgment also includes the permanent injunctions and officer and director bar that the Court previously imposed against defendant Mr. Zar in a partial judgment on consent. The parties respectfully request that the Court enter the proposed final judgment and consent.

If the Court has any questions regarding this proposal or any other matter, I can be reached at (212) 336-0178.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alex Vasilescu".

Alexander Vasilescu

Encl.

cc: Andrew Lawler, Esq. (counsel for Ira Zar)
The Honorable Andrew L. Carter, Jr.

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

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★ **MAR 30 2011** ★

SECURITIES AND EXCHANGE COMMISSION,

BROOKLYN OFFICE

Plaintiff,

04 Civ. 1463 (ILG)

v.

IRA ZAR,

Defendant.

CONSENT OF DEFENDANT IRA ZAR

I.

Defendant Ira Zar ("Defendant") acknowledges that, together with his attorneys, he has reviewed the Complaint in this action and waives service of the Complaint in this action, enters a general appearance, and admits the Court's jurisdiction over himself and over the subject matter of this action.

Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the Final Judgment Imposing A Permanent Injunction And Other Equitable Relief By Consent Against Defendant Ira Zar ("Final Judgment") in the form attached hereto and incorporated by reference herein, which, among other things:

- a) Permanently restrains and enjoins Defendant from violating, or aiding and abetting violations of, Section 10(b) of the Exchange Act of 1934 ("Exchange

Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder; Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)] and Rule 13b2-1 [17 C.F.R. § 240.13b2-1] promulgated thereunder; and Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)];

- b) Permanently restrains and enjoins Defendant from aiding and abetting any issuer’s violation of Section 13(a) of the Exchange [15 U.S.C. § 78m(a)], and Rules 12b-20, 13a-1, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, 240.13a-13] promulgated thereunder;
- c) Permanently restrains and enjoins Defendant from violating Section 13(b)(2) of the Exchange Act [15 U.S.C. §78m(b)(2)], and violating Rule 13b2-2 [17 C.F.R. § 240.13b2-2] thereunder by, and
- d) Prohibits Defendant, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registers pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781], or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 780(d)].

II.

Defendant waives entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and hereby consents to the entry of the Final Judgment without further notice.

III.

Defendant waives the right, if any, to appeal from the entry of the Final Judgment.

IV.

Defendant enters into this Consent voluntarily and represents that no threats, promises, offers, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

V.

Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

VI.

Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

VII.

Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

VIII.

Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent or representative of

the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

IX.

Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendant agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Defendant breaches this agreement, the Commission

may petition the Court to vacate the Final Judgment and restore this action to its active docket for all purposes. Nothing in this paragraph affects Defendant's (i) testimonial obligations; or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings in which the Commission is not a party.

X.

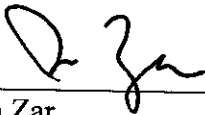
Defendant hereby waives any rights in the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to pursue reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend this action. For these purposes, Defendant agrees that he is not the prevailing party in this action since the parties have reached a good faith settlement.

XI.

Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

XII.


Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.



Ira Zar

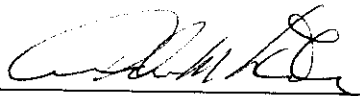
State of New York)
) ss.:
County of New York)

On March 21 2009¹¹, Ira Zar, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



Notary Public
Commission expires:

Approved as to form:



Attorney

SHARON D. FELDMAN
Notary Public, State of New York
No. 31-4818359
Qualified in New York County
Commission Expires October 31, 2014