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UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

 Plaintiff,

 v.

 SMART ONLINE, INC., ET AL.,

 Defendants.

07 Civ. 7960 (PKC)

STIPULATION AND ORDER

The Securities and Exchange Commission ("SEC") having filed a Complaint and Defendant Reeza Eric Nouri ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; and waived any right to appeal from this Stipulation and Order:

IT IS HEREBY STIPULATED AND AGREED BY Plaintiff SEC and Defendant, by and through their undersigned counsel, that:

WHEREAS, on August 12, 2009, the Court entered a Partial Judgment of Permanent Injunctive Relief and Other Relief by Consent Against Reeza Eric Nouri (the "Partial Judgment"), granting certain relief against Defendant, with issues related to Defendant's

disgorgement and civil penalties to be determined by agreement of the parties, or failing that, by the Court;


WHEREAS, on July 2, 2009, following a jury trial in United States v. Nouri, 07 Cr. 1029 (S.D.N.Y.)(DC), Defendant was found guilty of conspiracy to commit securities fraud [18 U.S.C. § 371], securities fraud [15 U.S.C. § 78], wire fraud [18 U.S.C. § 343], and commercial bribery [18 U.S.C. § 1952], and on May 19, 2010, was sentenced to 96 months imprisonment and 2 years supervised release;

WHEREAS, on September 24, 2010, Defendant was ordered to pay restitution of \$1,132,219.54 in United States v. Nouri;

WHEREAS, based on Defendant's criminal sentence and restitution order, Plaintiff SEC has determined to dismiss its claims for disgorgement, prejudgment interest, and civil penalties against Defendant, and Defendant consents to this dismissal;

IT IS HEREBY ORDERED that Plaintiff SEC's claims for disgorgement, prejudgment interest, and civil penalties are hereby dismissed with prejudice, and the Partial Judgment entered on August 12, 2009 shall be deemed the Final Judgment against Defendant in this case.

Securities and Exchange Commission

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Reeza Eric Nouri

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Dated: 12-2-10


UNITED STATES DISTRICT JUDGE