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NORTHERN DISTRICT OF CALIFORNIA

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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA

10 SAN JOSE DIVISION

08

4348

12 SECURITIES AND EXCHANGE COMMISSION,

Civil Action No.

RS

13 Plaintiff,

**FINAL JUDGEMENT AS TO  
DEFENDANT YAIR SHAMIR**

14 vs.

15 IGAL KOHAVI, YAIR SHAMIR and  
16 GIORA YARON

17 Defendants.

18  
19 The Securities and Exchange Commission having filed a Complaint and Defendant Yair  
20 Shamir having entered a general appearance; consented to the Court's jurisdiction over Defendant and  
21 the subject matter of this action; consented to entry of this Final Judgment without admitting or  
22 denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and  
23 conclusions of law; and waived any right to appeal from this Final Judgment:  
24

25 I.

26 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's  
27 agents, servants, employees, attorneys, and all persons in active concert or participation with them  
28

1 who receive actual notice of this Final Judgment by personal service or otherwise are permanently  
2 restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange  
3 Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder  
4 [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the  
5 mails, or of any facility of any national securities exchange, in connection with the purchase or sale of  
6 any security:

- 7
- 8 (a) to employ any device, scheme, or artifice to defraud;
  - 9 (b) to make any untrue statement of a material fact or to omit to state a material fact  
10 necessary in order to make the statements made, in the light of the circumstances  
11 under which they were made, not misleading; or
  - 12 (c) to engage in any act, practice, or course of business which operates or would  
13 operate as a fraud or deceit upon any person.  
14

15 II.

16 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
17 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
18 participation with them who receive actual notice of this Final Judgment by personal service or  
19 otherwise are permanently restrained and enjoined from violating Section 14(a) of the Exchange Act  
20 [15 U.S.C. § 78n(a)] and Rule 14a-9 [17 C.F.R. § 240.14a-9], promulgated thereunder, directly or  
21 indirectly, by making solicitations by means of a proxy statement, form of proxy, notice of meeting or  
22 other communication, written or oral, containing any statement which, at the time and in the light of  
23 the circumstances under which it is made, is false or misleading with respect to any material fact, or  
24 which omits to state any material fact necessary in order to make the statements therein not false or  
25 misleading or necessary to correct any statement in any earlier communication with respect to the  
26 solicitation of a proxy for the same meeting or subject matter which has become false or misleading.  
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## III

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2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
3 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
4 participation with them who receive actual notice of this Final Judgment by personal service or  
5 otherwise are permanently restrained and enjoined from violating Rule 13b2-1 [17 C.F.R. §  
6 240.13b2-1], directly or indirectly, by falsifying or causing to be falsified any book, record, or  
7 account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

## IV.

8  
9 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
10 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
11 participation with them who receive actual notice of this Final Judgment by personal service or  
12 otherwise are permanently restrained and enjoined from aiding and abetting any violation of Sections  
13 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(a), 78m(b)(2)(A), and  
14 78m(b)(2)(B)] and Rules 12b-20, 13a-1, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-  
15 13], promulgated thereunder, directly or indirectly, by knowingly providing substantial assistance to  
16 an issuer having securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78I], or  
17 any issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C.  
18 §78o(d)], by:

- 19 (a) filing or causing to be filed with the Commission any report required to be filed with  
20 the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)]  
21 and the rules and regulations promulgated thereunder, which contains any untrue  
22 statement of material fact, which omits to state any material fact necessary in order to  
23 make the statements made, in light of the circumstances under which they were made,  
24 not misleading, or which omits to disclose any information required to be disclosed; or  
25 (b) failing to make and keep books, records, and accounts which, in reasonable detail,  
26 accurately and fairly reflect the transactions and dispositions of the assets of the issuer;  
27 or  
28

1 (c) failing to devise and maintain a system of internal accounting controls sufficient to  
2 provide reasonable assurances that: (1) transactions are executed in accordance with  
3 management's general or specific authorization; (2) transactions are recorded as  
4 necessary (a) to permit preparation of financial statements in conformity with generally  
5 accepted accounting principles (GAAP) or any other criteria applicable to such  
6 statements and (b) to maintain accountability for assets; (3) access to assets is  
7 permitted only in accordance with management's general or specific authorization; and  
8 (4) the recorded accountability for assets is compared with the existing assets at  
9 reasonable intervals and appropriate action is taken with respect to any differences.

10 V.

11 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall  
12 pay a civil penalty in the amount of \$100,000 pursuant to Section 21(d)(3) of the Exchange Act [15  
13 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$100,000 within ten business  
14 days to the Clerk of this Court, together with a cover letter identifying Yair Shamir as a defendant in  
15 this action; setting forth the title and civil action number of this action and the name of this Court;  
16 and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously  
17 transmit photocopies of such payment and letter to the Commission's counsel in this action. By  
18 making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such  
19 funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment  
20 interest on any delinquent amounts pursuant to 28 USC § 1961.  
21

22 VI.

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

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
2 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.  
3

VIII.

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5 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil  
6 Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.  
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8 Dated: 1/26/09, 2008--

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10 UNITED STATES DISTRICT JUDGE

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