

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CONRAD M. BLACK,

Defendant.

C.A. No. 04 CV 7377

FINAL JUDGMENT AS TO DEFENDANT CONRAD M. BLACK

The Securities and Exchange Commission having filed a Complaint and Defendant Conrad M. Black (“Black” or “Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED THAT Defendant Conrad Black and defendant’s agents, servants, employees, attorneys and assigns who receive actual notice of this Judgment by personal service or otherwise are 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: (1) to employ any device, scheme or artifice to defraud; (2) 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 (3) 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 THAT Defendant Conrad Black and defendant's agents, servants, employees, attorneys and assigns who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from, directly or indirectly, falsifying 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 promulgated thereunder [17 C.F.R. § 240.13b2-1].

III.

IT IS FURTHER ORDERED THAT Defendant Conrad Black and defendant's agents, servants, employees, attorneys and assigns who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly falsifying any book, record or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

IV.

IT IS FURTHER ORDERED THAT Defendant Conrad Black and Defendant's agents, servants, employees, attorneys and assigns who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from directly or indirectly violating Section 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Rules 14a-3 and 14a-9 [17 C.F.R. §§ 240.14a-3 and 240.14a-9] thereunder, by, among other things, using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange or otherwise, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, to solicit or to permit the use of such person's name to solicit proxies, consents, authorizations or notices of meetings in respect of an issuer's securities which contain statements which are false and misleading with respect to material facts or omit to state material facts necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which became false or misleading or which fails to furnish information required under Exchange Act Rule 14a-3.

V.

IT IS FURTHER ORDERED THAT Defendant Conrad Black and Defendant's agents, servants, employees, attorneys and assigns who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from, directly or indirectly, as a control person under Section 20(a) of the Exchange Act, violating Section 13(a) 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 and 240.13a-13] thereunder, by failing to file with the Commission, in

accordance with such rules and regulations as the Commission may prescribe, such annual and quarterly reports containing the information required to be included in such reports and, in addition to the information expressly required to be included in such reports, such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

VI.

IT IS FURTHER ORDERED THAT Defendant Conrad Black and defendant's agents, servants, employees, attorneys and assigns who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from, directly or indirectly, as a control person under Section 20(a) of the Exchange Act, violating Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)], by, among other things, failing to make and keep books, records and accounts, which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

VII.

IT IS FURTHER ORDERED THAT pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant 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. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VIII.

IT IS FURTHER ORDERED THAT Defendant is liable for disgorgement in the amount of \$2,546,586.99, representing compensation gained as a result of the conduct alleged in the

Complaint, plus prejudgment interest in the amount of \$1,547,557.37, for a total of \$4,094,144.36. Payment shall be made within 7 days of the entry of this Final Judgment from the \$6,140,909.50 previously deposited by Defendant in the registry of this Court. The \$4,094,144.36 in disgorgement and prejudgment interest shall be paid to Chicago Newspaper Liquidation Corporation. The check shall be sent to CNLC Liquidating Trust, 1001 17th Street #1100, C/O FTI/Boudreau, Denver, CO 80202. The remaining funds in the registry of this Court, less those funds deducted by the Clerk of this Court pursuant to the Court's December 20, 2012 Order, shall be simultaneously paid to Defendant. The check shall be sent to Conrad M. Black, 26 Park Lane Circle, Toronto, Ontario, M3B 1Z7, Canada.

IX.

IT IS FURTHER ORDERED THAT Defendant shall be responsible for any and all tax compliance obligations arising out of the deposit of monies with the Court Registry Investment System ("CRIS") as well as the earnings thereon. Such compliance obligations shall include, but are not limited to determining whether the monies held in CRIS constitute a qualified settlement fund ("QSF"), as defined in Internal Revenue Code section 468B(g), 26 U.S.C. 468B(g), and the Treasury regulations ("Reg.") promulgated thereunder, 26 C.F.R. section 1.468B-1 *et seq.* Defendant shall be deemed the administrator of the QSF as defined in Reg. section 1.468B-2(k)(3) if and to the extent a QSF has been established. Any taxes due shall be the responsibility of the defendant and shall not be borne by or offset the defendant's monetary obligation under the terms of this settlement whether or not a QSF has been established.

X.

IT IS FURTHER ORDERED 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.

XI.

IT IS FURTHER ORDERED THAT this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated:

August 13, 2013

William T. Hart
UNITED STATES DISTRICT JUDGE