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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**vs.**

**WORLDWIDE ENERGY AND MANUFACTURING USA,  
INC., JIMMY YONG WANG, MINDY MING WANG,  
JEFFREY FORBES WATSON, ,**

**Defendants.**

Case No. 12-cv-4651 YGR

**FINAL JUDGMENT AS TO JEFFREY  
FORBES WATSON AS MODIFIED BY  
THE COURT**

FINAL JUDGMENT  
OF JEFFREY FORBES WATSON

1 The Securities and Exchange Commission having filed a Complaint and Defendant Jeffrey  
2 Forbes Watson (“Defendant”) having entered a general appearance; consented to the Court’s  
3 jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final  
4 Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction);  
5 waived findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil  
6 Procedure; and waived any right to appeal from this Final Judgment:  
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8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s  
10 agents, servants, employees, attorneys, and all persons in active concert or participation with any of  
11 them who receive actual notice of this Final Judgment by personal service or otherwise are  
12 permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the  
13 Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5  
14 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate  
15 commerce, or of the mails, or of any facility of any national securities exchange, in connection with  
16 the purchase or sale of any security:

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

18 (b) to make any untrue statement of a material fact or to omit to state a material act  
19 necessary in order to make the statements made, in the light of the circumstances under which they  
20 were made, not misleading; or

21 (c) to engage in any act, practice, or course of business which operates or would operate  
22 as a fraud or deceit upon any person.

23 II.

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and  
25 Defendant’s agents, servants, employees, attorneys, and all persons in active concert or participation  
26 with them who receive actual notice of this Final Judgment by personal service or otherwise are  
27 permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the  
28 “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or

1 instruments of transportation or communication in interstate commerce or by use of the mails,  
2 directly or indirectly:

- 3 (a) to employ any device, scheme, or artifice to defraud;  
4 (b) to obtain money or property by means of any untrue statement of a material fact or any  
5 omission of a material fact necessary in order to make the statements made, in light of  
6 the circumstances under which they were made, not misleading; or  
7 (c) to engage in any transaction, practice, or course of business which operates or  
8 would operate as a fraud or deceit upon the purchaser.

9 III.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
11 Defendant's agents, servants, employees and attorneys-in-fact, and all persons in active concert or  
12 participation with any of them, who receive actual notice of this Final Judgment, by personal service  
13 or otherwise, and each of them, are permanently enjoined and restrained from aiding and abetting any  
14 violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11  
15 and 13a-13 promulgated thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, 240.13a-13]  
16 by:

- 17 1. knowingly providing substantial assistance to an issuer which has a class of securities  
18 registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or which is  
19 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in  
20 failing to file with the Commission such accurate and complete information, reports, and  
21 documents as are required to be filed with the Commission pursuant to Section 13(a) of  
22 the Exchange Act [15 U.S.C. § 78m(a)] and the Rules thereunder, including but not  
23 limited to, filing any materially untrue, incorrect, false or misleading annual reports on  
24 Form 10-K [17 C.F.R. § 249.310] as prescribed by Exchange Act Rule 13a-1 [17 C.F.R. §  
25 240.13a-1];  
26 2. knowingly providing substantial assistance to an issuer which has a class of securities  
27 registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or which is  
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1 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in  
2 failing to file with the Commission such accurate and complete information, reports, and  
3 documents as are required to be filed with the Commission pursuant to Section 13(a) of  
4 the Exchange Act [15 U.S.C. § 78m(a)] and the Rules thereunder, including but not  
5 limited to, filing any materially untrue, incorrect, false or misleading current reports on, or  
6 failing to file, Form 8-K [17 C.F.R. § 249.308] as prescribed by Exchange Act Rule 13a-  
7 11 [17 C.F.R. § 240.13a-11];

8  
9 3. knowingly providing substantial assistance to an issuer which has a class of securities  
10 registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or which is  
11 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in  
12 failing to file with the Commission such accurate and complete information, reports, and  
13 documents as are required to be filed with the Commission pursuant to Section 13(a) of  
14 the Exchange Act [15 U.S.C. § 78m(a)] and the Rules thereunder, including but not  
15 limited to, filing any materially untrue, incorrect, false or misleading quarterly reports on  
16 Form 10-Q [17 C.F.R. § 249.308a] as prescribed by Exchange Act Rule 13a-13 [17 C.F.R.  
17 § 240.13a-13;

18 4. knowingly providing substantial assistance to an issuer which has a class of securities  
19 registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or which is  
20 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in  
21 failing to file with the Commission such accurate and complete information, reports, and  
22 documents as are required to be filed with the Commission pursuant to Section 13(a) of  
23 the Exchange Act [15 U.S.C. § 78m(a)] and the Rules thereunder, by failing, in addition to  
24 such information as is expressly required to be included in a statement or report to the  
25 Commission, to add such further material information, if any, as may be necessary to  
26 make the required statements, in the light of the circumstances under which they are  
27 made, not misleading, as prescribed by Rule 12b-20 of the Exchange Act [17 C.F.R. §  
28 240.12b-20].

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4 IV.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
6 Defendant's agents, servants, employees, attorneys-in-fact, and all persons in active concert or  
7 participation with any of them, who receive actual notice of this Final Judgment, by personal service  
8 or otherwise, and each of them, are permanently enjoined and restrained from violating Rule 13a-14  
9 of the Exchange Act [17 C.F.R. § 240.13a-14] by, as a principal executive officer or principal  
10 financial officer of an issuer or as a person performing similar functions, falsely certifying any report  
11 filed under Section 13(a) [15 U.S.C. § 78m(a)], including reports filed on Form 10-Q or Form 10-K.

12 V.

13 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
14 Defendant's agents, servants, employees, attorneys-in-fact, and all persons in active concert or  
15 participation with any of them, who receive actual notice of this Final Judgment, by personal service  
16 or otherwise, and each of them, are permanently enjoined and restrained from, directly or indirectly,  
17 violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing  
18 or failing to implement a system of internal accounting controls or knowingly falsifying any book,  
19 record, or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

20 VI.

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
22 Defendant's agents, servants, employees and attorneys-in-fact, and all persons in active concert or  
23 participation with any of them, who receive actual notice of this Final Judgment, by personal service  
24 or otherwise, and each of them, are permanently enjoined and restrained from aiding and abetting any  
25 violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by providing  
26 substantial assistance to any issuer which has a class of securities registered pursuant to Section 12 of  
27 the Exchange Act [15 U.S.C. § 78l] or which is required to file reports pursuant to Section 15(d) of  
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1 the Exchange Act [15 U.S.C. § 78o] in failing to make or keep books, records or accounts, which, in  
2 reasonable detail, accurately and fairly reflect the transactions and dispositions of the issuer's assets.

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5 VII.

6 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
7 Defendant's agents, servants, employees, attorneys-in-fact, and all persons in active concert or  
8 participation with any of them, who receive actual notice of this Final Judgment, by personal service  
9 or otherwise, and each of them, are permanently enjoined and restrained from violating Rule 13b2-1  
10 of the Exchange Act [17 C.F.R. § 240.13b2-1] by, directly or indirectly, falsifying or causing to be  
11 falsified, any book, record or account subject to section 13(b)(2)(A) of the Exchange Act [15 U.S.C.  
12 § 78m(b)(2)(A)].

13 VIII.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
15 Defendant's agents, servants, employees and attorneys-in-fact, and all persons in active concert or  
16 participation with any of them, who receive actual notice of this Final Judgment, by personal service  
17 or otherwise, and each of them, are permanently enjoined and restrained from aiding and abetting any  
18 violation of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by providing  
19 substantial assistance to any issuer which has a class of securities registered pursuant to Section 12 of  
20 the Exchange Act [15 U.S.C. § 78l] or which is required to file reports pursuant to Section 15(d) of  
21 the Exchange Act [15 U.S.C. § 78o] in failing to devise and maintain a system of internal accounting  
22 controls sufficient to provide reasonable assurances that:

23 A. transactions are executed in accordance with management's general or specific  
24 authorization;

25 B. transactions are recorded as necessary (i) to permit preparation of financial statements in  
26 conformity with generally accepted accounting principles or any other criteria applicable to such  
27 statements, and (ii) to maintain accountability for assets;

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1 C. access to assets is permitted only in accordance with management's general or specific  
2 authorization; and

3 D. the recorded accountability for assets is compared with the existing assets at reasonable  
4 intervals and appropriate action is taken with respect to any differences.

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6 IX.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and  
8 Defendant's agents, servants, employees and attorneys-in-fact, and all persons in active concert or  
9 participation with any of them, who receive actual notice of this Final Judgment, by personal service  
10 or otherwise, and each of them, are permanently enjoined and restrained from, directly or indirectly,  
11 violating Rule 13b2-2 under the Exchange Act [17 C.F.R. § 240.13b2-2] by making or causing to be  
12 made a materially false or misleading statement to an accountant, or omitting any material fact  
13 necessary in order to make statements made to an accountant not misleading, in connection with any  
14 audit, review or examination of the financial statements of an issuer.

15 X.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section  
17 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15  
18 U.S.C. § 77t(e)], Defendant is prohibited from acting as an officer or director of any issuer that has a  
19 class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is  
20 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

21 XI.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a  
23 civil penalty in the amount of \$50,000 pursuant to Section 21(d) of the Exchange Act [15 U.S.C. §  
24 78u(d)] and Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]. Defendant shall make this  
25 payment pursuant to the terms of the payment schedule set forth in paragraph XII. below.

26 Defendant may transmit payment electronically to the Commission, which will provide  
27 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from  
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1 a bank account or by credit or debit card via Pay.gov through the SEC website at  
2 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank  
3 cashier's check, or United States postal money order payable to the Securities and Exchange  
4 Commission, which shall be delivered or mailed to:

5 Enterprise Services Center  
6 Accounts Receivable Branch  
7 6500 South MacArthur Boulevard  
8 Oklahoma City, OK 73169

9 and shall be accompanied by a letter identifying the case title, civil action number, and name  
10 of this Court; Jeffrey Watson as a defendant in this action; and specifying that payment is made  
11 pursuant to this Final Judgment.

12 Defendant shall simultaneously transmit photocopies of evidence of payment and case  
13 identifying information to the attention of Marc J. Fagel, Regional Director, at the Commission's San  
14 Francisco Regional Office, 44 Montgomery Street, Suite 2800, San Francisco, California 94104. By  
15 making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such  
16 funds and no part of the funds shall be returned to Defendant. The Commission shall send the funds  
17 paid pursuant to this Final Judgment to the United States Treasury. Defendant shall pay post-  
18 judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

## 19 XII.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Jeffrey Watson shall pay  
21 the penalty due of \$50,000 in two installments to the Commission according to the following  
22 schedule: (1) \$25,000 within ten (10) business days after entry of this Final Judgment; and (2)  
23 \$25,000 within one year of the date of entry of this Final Judgment. Payments shall be deemed made  
24 on the date they are received by the Commission and shall be applied first to post judgment interest,  
25 which accrues pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 14 days of the entry of  
26 Final Judgment. Prior to making the final payment set forth herein, Jeffrey Watson shall contact the  
27 staff of the Commission for the amount due for the final payment.

28 If Jeffrey Watson fails to make any payment by the date agreed and/or in the amount agreed  
according to the schedule set forth above, all outstanding payments under this Final Judgment,



1 including post-judgment interest, minus any payments made, shall become due and payable  
2 immediately at the discretion of the staff of the Commission without further application to the Court.

3 XIII.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendant  
5 Jeffrey Forbes Watson to Entry of Final Judgment, filed concurrently with this Final Judgment, is  
6 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall  
7 comply with all of the undertakings and agreements set forth therein.


8 XIII.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
10 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment FOR A  
11 PERIOD OF ONE YEAR FOLLOWING ENTRY OF JUDGMENT.

12 XIII.

13 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil  
14 Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

15  
16 **October 19, 2012**

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18 YVONNE GONZALEZ ROGERS  
19 UNITED STATES DISTRICT COURT JUDGE  
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