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2 **UNITED STATES DISTRICT COURT**  
3 **NORTHERN DISTRICT OF CALIFORNIA**  
4 **SAN FRANCISCO DIVISION**

5 SECURITIES AND EXCHANGE  
6 COMMISSION,

7 Plaintiff,

8 v.

9 STEVEN NEIL,

10 Defendant.

Case No. 14-cv-122-WHA

**FINAL JUDGMENT AS TO DEFENDANT  
STEVEN NEIL**

11  
12 The Securities and Exchange Commission having filed a Complaint, and defendant  
13 Steven Neil (“Defendant”) having entered a general appearance; consented to the Court’s  
14 jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final  
15 Judgment without admitting or denying the allegations of the Complaint (except as to  
16 jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal  
17 from this Final Judgment:

18 I.

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

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

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- 1 (b) to make any untrue statement of a material fact or to omit to state a material fact  
2 necessary in order to make the statements made, in the light of the circumstances  
3 under which they were made, not misleading; or  
4 (c) to engage in any act, practice, or course of business which operates or would  
5 operate as a fraud or deceit upon any person.

6 II.

7 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
8 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
9 participation with them who receive actual notice of this Final Judgment by personal service or  
10 otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities  
11 Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by  
12 using of any means or instruments of transportation or communication in interstate commerce or  
13 by use of the mails, directly or indirectly:

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

21 III.

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
23 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
24 participation with them who receive actual notice of this Final Judgment by personal service or  
25 otherwise are permanently restrained and enjoined from violating Section 13(b)(5) of the  
26 Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing a system of internal  
27 accounting controls, failing to implement a system of internal accounting controls, or falsifying  
28

1 any book, record, or account described in Paragraph 2 of Section 13(b) of the Exchange Act  
2 [15 U.S.C. § 78m(b)(2)].

3 IV.

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

10 V.

11 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
12 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
13 participation with them who receive actual notice of this Final Judgment by personal service or  
14 otherwise are permanently restrained and enjoined from violating Rule 13b2-2 [17 C.F.R.  
15 § 240.13b2-2], directly or indirectly, as an officer or director of an issuer, by—

- 16 (a) making or causing to be made a materially false or misleading statement to an  
17 accountant; or
- 18 (b) omitting to state, or causing another person to omit to state, any material fact  
19 necessary in order to make a statement made, in light of the circumstances under  
20 which such statements are made, not misleading—  
21 to an accountant in connection with a required audit or examination of the financial statements  
22 of an issuer, or in connection with the preparation or filing of any document or report required to  
23 be filed with the Commission by the issuer.

24 VI.

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
26 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
27 participation with them who receive actual notice of this Final Judgment by personal service or  
28 otherwise are permanently restrained and enjoined from violating Rule 13a-14 [17 C.F.R.

1 § 240.13a-14] by signing false or misleading certifications required to be made pursuant to  
2 Rule 13a-14 of the Exchange Act.

3 VII.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to  
5 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited, for five  
6 (5) years following the date of entry of this Final Judgment, from acting as an officer or director  
7 of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act  
8 [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act  
9 [15 U.S.C. § 78o(d)].

10 VIII.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a  
12 civil penalty in the amount of \$125,000.00 to the Securities and Exchange Commission pursuant  
13 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act  
14 [15 U.S.C. § 78u(d)]. Defendant shall make this payment within 14 days after entry of this Final  
15 Judgment.

16 Defendant may transmit payment electronically to the Commission, which will provide  
17 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly  
18 from a bank account via Pay.gov through the SEC website at [http://www.sec.gov/about/offices/  
19 ofm.htm](http://www.sec.gov/about/offices/ofm.htm). Defendant may also pay by certified check, bank cashier's check, or United States  
20 postal money order payable to the Securities and Exchange Commission, which shall be  
21 delivered or mailed to

22 Enterprise Services Center  
23 Accounts Receivable Branch  
24 6500 South MacArthur Boulevard  
25 Oklahoma City, OK 73169

26 and shall be accompanied by a letter identifying the case title, civil action number, and name of  
27 this Court; Steven Neil as a defendant in this action; and specifying that payment is made  
28 pursuant to this Final Judgment.

1 Defendant shall simultaneously transmit photocopies of evidence of payment and case  
2 identifying information to the Commission's counsel in this action. By making this payment,  
3 Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part  
4 of the funds shall be returned to Defendant.

5 The Commission may enforce the Court's judgment for the civil penalty by moving for  
6 civil contempt (and/or through other collection procedures authorized by law) at any time after  
7 14 days following entry of this Final Judgment. Defendant shall pay post judgment interest on  
8 any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,  
9 together with any interest and income earned thereon (collectively, the "Fund"), pending further  
10 order of the Court.

11 The Commission may propose a plan to distribute the Fund subject to the Court's  
12 approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund  
13 provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain  
14 jurisdiction over the administration of any distribution of the Fund. If the Commission staff  
15 determines that the Fund will not be distributed, the Commission shall send the funds paid  
16 pursuant to this Final Judgment to the United States Treasury.

17 Regardless of whether any such Fair Fund distribution is made, amounts ordered to be  
18 paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the  
19 government for all purposes, including all tax purposes. To preserve the deterrent effect of the  
20 civil penalty, Defendant shall not, after offset or reduction of any award of compensatory  
21 damages in any Related Investor Action, argue that he is entitled to, nor shall he further benefit  
22 by, offset or reduction of such compensatory damages award by the amount of any part of  
23 Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any  
24 Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry  
25 of a final order granting the Penalty Offset, notify the Commission's counsel in this action and  
26 pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the  
27 Commission directs. Such a payment shall not be deemed an additional civil penalty and shall  
28 not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes

1 of this paragraph, a “Related Investor Action” means a private damages action brought against  
2 Defendant by or on behalf of one or more investors based on substantially the same facts as  
3 alleged in the Complaint in this action.

4 IX.

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
6 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant  
7 shall comply with all of the agreements set forth therein, including, but not limited to, his  
8 agreement to waive and release any and all legal and equitable claims, or any potential causes of  
9 action whatsoever, that relate to, or arise out of, any and all of the securities listed in Exhibit A to  
10 the Consent.

11 X.

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
13 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment for five years.

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15 Dated: February 2, 2015.

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18 UNITED STATES DISTRICT JUDGE  
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