

ROBB EVANS & ASSOCIATES LLC

Receiver of

AOB Commerce, Inc., et al.

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Securities and Exchange Commission v. AOB Commerce, Inc., et al.

CASE No. CV 07-04507 CAS (JCx)

**Judgment of Permanent Injunction and Other Relief Against Defendant
Terchi Liao a/k/a Nelson Liao**

Filed January 31, 2008

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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10 SECURITIES AND EXCHANGE
11 COMMISSION,

12 Plaintiff,

13 vs.

14 AOB COMMERCE, INC.; AOB ASIA
FUND I, LLC; and TERCHI LIAO a/k/a
15 NELSON LIAO,

16 Defendants,

17 and

18 AOB MANAGEMENT, INC.; AOB
MEDIA, INC.; AOB TRANSPORTATION,
19 INC.; and AOB VACATIONS, INC.,

20 Relief Defendants.

Case No. CV 07-4507 CAS (JCx)

**JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT TERCHI LIAO
A/K/A NELSON LIAO**

21 The Securities and Exchange Commission having filed a Complaint and
22 Defendant Terchi Liao a/k/a Nelson Liao (“Defendant”) having entered a general
23 appearance; consented to the Court’s jurisdiction over Defendant and the subject
24 matter of this action; consented to entry of this Judgment without admitting or
25 denying the allegations of the Complaint (except as to jurisdiction); waived
26 findings of fact and conclusions of law; and waived any right to appeal from this
27 Judgment:
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I.

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

- (a) to employ any device, scheme, or artifice to defraud;
- (b) 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
- (c) 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, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a

1 material fact or any omission of a material fact necessary in order to
2 make the statements made, in light of the circumstances under which
3 they were made, not misleading; or

- 4 (c) to engage in any transaction, practice, or course of business which
5 operates or would operate as a fraud or deceit upon the purchaser.

6 **III.**

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
8 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
9 in active concert or participation with them who receive actual notice of this
10 Judgment by personal service or otherwise are permanently restrained and enjoined
11 from violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by, directly or
12 indirectly:

- 13 (a) Unless a registration statement is in effect as to a security, making use
14 of any means or instruments of transportation or communication in
15 interstate commerce or of the mails to sell such security through the
16 use or medium of any prospectus or otherwise;
- 17 (b) Unless a registration statement is in effect as to a security, carrying or
18 causing to be carried through the mails or in interstate commerce, by
19 any means or instruments of transportation, any such security for the
20 purpose of sale or for delivery after sale; or
- 21 (c) Making use of any means or instruments of transportation or
22 communication in interstate commerce or of the mails to offer to sell
23 or offer to buy through the use or medium of any prospectus or
24 otherwise any security, unless a registration statement has been filed
25 with the Commission as to such security, or while the registration
26 statement is the subject of a refusal order or stop order or (prior to the
27 effective date of the registration statement) any public proceeding or
28 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

1 **IV.**

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that,
3 pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), and
4 Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), Defendant is prohibited
5 from acting as an officer or director of any issuer that has a class of securities
6 registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is
7 required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C.
8 § 78o(d). The Court shall determine the length of the prohibition upon motion of
9 the Commission.

10 **V.**

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
12 Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon,
13 and a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C.
14 § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). The
15 Court shall determine the amounts of the disgorgement and civil penalty upon
16 motion of the Commission. Prejudgment interest shall be calculated from July 12,
17 2007, based on the rate of interest used by the Internal Revenue Service for the
18 underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2).

19 **VI.**

20 In connection with the Commission's motion(s) for disgorgement, civil
21 penalties, and/or an order prohibiting Defendant from acting as an officer or
22 director of certain issuers, and at any hearing held on such motion: (a) Defendant
23 will be precluded from arguing that he did not violate the federal securities laws as
24 alleged in the Complaint; (b) Defendant may not challenge the validity of the
25 Consent or this Judgment; (c) solely for the purposes of such motion, the
26 allegations of the Complaint shall be accepted as and deemed true by the Court;
27 and (d) the Court may determine the issues raised in the motion on the basis of
28 affidavits, declarations, excerpts of sworn deposition or investigative testimony,

1 and documentary evidence, without regard to the standards for summary judgment
2 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection
3 with the Commission's motion for disgorgement, civil penalties, and/or an order
4 prohibiting Defendant from acting as an officer or director of certain issuers, the
5 parties may take discovery, including discovery from appropriate non-parties.

6 **VII.**

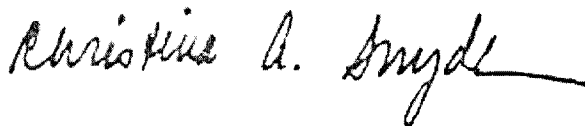
7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
8 Consent is incorporated herein with the same force and effect as if fully set forth
9 herein, and that Defendant shall comply with all of the undertakings and
10 agreements set forth therein.

11 **VIII.**

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

15 **IX.**

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

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20 Dated: January 31, 2008

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HONORABLE CHRISTINA A. SNYDER
22 UNITED STATES DISTRICT JUDGE
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