



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NEW YORK REGIONAL OFFICE
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400
NEW YORK, NEW YORK 10281-1022

ALISON R. LEVINE
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June 7, 2019

BY ECF

The Honorable Joan M. Azrack
United States District Judge
Eastern District of New York
Long Island Courthouse
100 Federal Plaza
Central Islip, New York 11722

Re: Securities and Exchange Commission v. Town of Oyster Bay, New York, et al., 17-CV-06809 (JMA)

Dear Judge Azrack:

Plaintiff Securities Exchange Commission (the “Commission”) respectfully submits this letter seeking to lift the stay in this case for the limited purpose of seeking the Court’s approval of the Commission and the Town of Oyster Bay, New York’s (the “Town”) proposed settlement in the above-referenced action. The U.S. Attorney’s Office for the Eastern District of New York and the Town consent to lifting the stay for that limited purpose.

As reflected in the attached settlement papers, the proposed consent judgment against the Town, would, if approved, provide substantial and meaningful relief, including: (1) a permanent injunction against the Town from violating Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”)¹; and (2) undertakings for the Town, including the retention of an independent consultant appointed by the Court to review the Town’s policies, procedures, and internal controls regarding its disclosures for securities offerings, and to recommend improvements to those policies, procedures, and internal controls with a view towards assuring compliance with the Town’s disclosure obligations under the federal securities laws. The full terms of the undertakings are included in the proposed final consent judgment and consent.

The Commission’s proposed settlement with the Town is fair, reasonable, and in the public interest. “[T]he proper standard for reviewing a proposed consent judgment involving an enforcement agency requires that the district court determine whether the proposed consent decree is fair and reasonable, with the additional requirement that the public interest would not be disserved, . . . in the event that the consent decree includes injunctive relief.” *SEC v. Citigroup Global Markets, Inc.*, 752 F.3d 285, 294 (2d Cir. 2014) (internal quotation marks and citations omitted). The terms of the proposed judgment meet this standard.

¹ A showing of negligence is sufficient to establish a violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act. *Aaron v. United States*, 446 U.S. 680, 701-02 (1980).

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First, a permanent injunction against the Town against future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act is fair, reasonable, and in the public interest. “The job of determining whether the proposed S.E.C. consent decree best serves the public interest...rests squarely with the S.E.C., and its decision merits significant deference.” *Id.* at 296. Here, the Town should be enjoined from committing securities fraud to protect the investing public, because “the commission of past illegal conduct is highly suggestive of the likelihood of future violations” as a matter of law. *SEC v. Mgmt. Dynamics, Inc.*, 515 F.2d 801, 807 (2d Cir. 1975). As part of the settlement, the Commission has agreed to dismiss the claims against the Town under Section 17(a)(1) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder (Claims One and Two), and, thus, it is not seeking injunctive relief for those statutes and rule.

Second, the proposed conduct-based relief requiring the Town to retain an independent consultant with municipal finance experience who is appointed by the Court is fair and reasonable under the circumstances here. The independent consultant, among other things, will review and recommend improvements to the Town’s municipal securities disclosure policies, procedures, and internal controls. This relief will provide safeguards to ensure that the Town will institute appropriate disclosure controls to protect future investors in the Town’s offerings. Moreover, the Commission’s staff believes the proposed length of the independent appointment, which is approximately three years, is reasonable.

Finally, not imposing a civil monetary penalty in this settled resolution is fair and reasonable. Under these circumstances, the injunctive relief and undertakings will provide appropriate relief.

For these reasons, the Court should approve the attached proposed consent judgment.

Respectfully submitted,



Alison R. Levine
Senior Counsel

Encls.

cc: (via email): Michael Liftik, Esq.
Monica Tarazi, Esq.
Lawrence Iason, Esq.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TOWN OF OYSTER BAY, NEW YORK, and
JOHN VENDITTO,

Defendants.

17 Civ. 6809 (JMA)

CONSENT OF DEFENDANT TOWN OF OYSTER BAY, NEW YORK

1. Defendant Town of Oyster Bay, New York (“Defendant” or the “Town”) acknowledges having been served with the complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Defendant hereby consents to the entry of the final judgment in the form attached hereto (the “Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violations of Sections 17(a)(2) and (3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77q(a)(2) and (3)];
- (b) orders that Defendant shall retain an independent consultant with municipal finance experience (the “Independent Consultant”) who is appointed by the Court to review the Town’s policies, procedures, and internal controls regarding its disclosures for securities offerings, and to recommend improvements to those policies, procedures, and internal

controls with a view to assuring compliance with the Town's disclosure obligations under the federal securities laws. Specifically, the Town shall retain the Independent Consultant to conduct reviews and make recommendations in the following areas:

- Due diligence in connection with securities offerings, and the related communications (1) within the Town, including by and between those Town departments and/or groups responsible for managing the Town's securities offerings and compiling and/or providing information in connection with securities offerings, (2) between the Town and external professionals that assist the Town with its securities offerings, including but not limited to disclosure counsel, bond counsel, municipal advisers, auditors, and accountants, (3) with other third parties involved in the Town's securities offerings, including but not limited to ratings agencies and underwriters, and (4) with actual or potential investors in the Town's securities offerings.
- Disclosures in the Town's securities offering documents relating to contingent liabilities and potential or actual litigation.
- Training of Town employees involved with the Town's securities offerings, including implementing active and ongoing mandatory training programs to educate appropriate Town employees involved with the Town's securities offerings, including but not limited to officials from: the Office of the Supervisor; the

Comptroller's Office; the Executive Department, Division of Finance; and the Town Attorney's Office regarding the Town's disclosure obligations under the federal securities laws and any policies and procedures relating to such offerings.

Within five days of the Court's entry of the Judgment, the Town will recommend and submit to the Court three proposed Independent Consultant candidates that are not unacceptable to the Securities and Exchange Commission (the "SEC") staff. The Court will appoint an Independent Consultant from these three candidates or from any other candidates that the Court chooses to consider.

- i. After the Independent Consultant is appointed, it shall have 120 days to issue a report recommending improvements to the Town's securities offerings disclosure policies and procedures.
- ii. The Town will adopt all recommendations contained in the Independent Consultant's report within 60 days of the Town's receipt of that report, provided, however, that within 30 days of the Town's receipt of the report, the Town shall advise the Independent Consultant and the SEC staff in writing of any recommendations that the Town believes are unnecessary, impractical, unduly burdensome, or outside the scope of this Judgment, and the bases for the Town's objections. With respect to any recommendation that the Town considers unnecessary, impractical, unduly burdensome, or outside the

scope of this Judgment, the Town need not adopt that recommendation at that time but shall propose in writing an alternative policy, procedure, controls, or system that it believes will achieve the objectives of the Independent Consultant's recommendation.

- iii. The Town and the Independent Consultant shall engage in good-faith negotiations concerning any objection raised by the Town within 45 days of the Town's receipt of that report. Within 15 days after the conclusion of the discussion and evaluation by the Town and the Independent Consultant, the Town will require that the Independent Consultant inform the Town and the SEC staff in writing of the Independent Consultant's final determination concerning any recommendation that the Town raised pursuant to paragraph 2 (b)(ii) above. The Town shall abide by the determinations of the Independent Consultant and, within 30 days after final agreement between the Town and the Independent Consultant or final determination by the Independent Consultant, whichever occurs first, the Town shall adopt and implement all of the recommendations that the Independent Consultant deems appropriate.
- iv. Within 30 days of the Town's adoption of all of the recommendations in the report that the Independent Consultant

deems appropriate, as determined pursuant to the procedures set forth herein, the Town shall certify in writing to the Independent Consultant and the SEC staff that the Town has adopted and implemented all of the Independent Consultant's recommendations in the report. The Town shall submit the certification and supporting material to Sanjay Wadhwa, Senior Associate Regional Director, Division of Enforcement, New York Regional Office, Securities and Exchange Commission, with a copy to the Office of Chief Counsel of the Enforcement Division.

- v. For two fiscal years thereafter, the Independent Consultant shall review and assess the sufficiency of the Town's implementation of the Independent Consultant's recommendations. The Independent Consultant shall, within 30 days after the end of the first full fiscal year thereafter, issue an interim report regarding the sufficiency of the Town's implementation of the recommendations, and, further, shall, within 30 days after the end of the second full fiscal year thereafter, issue a final report regarding the sufficiency of the Town's implementation of the recommendations.
- vi. The Independent Consultant may, upon motion, seek authority from the Court to engage and employ persons in its discretion to assist in carrying out its duties and responsibilities

hereunder.

- vii. Defendant shall cooperate fully with the Independent Consultant in the discharge of the Independent Consultant's responsibilities. Defendant shall provide all information requested by the Independent Consultant reasonably relevant to Defendant's securities offerings disclosure policies and procedures.
- viii. The Independent Consultant, in undertaking its Court ordered appointment, shall agree that, for the period of the engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Defendant, or any of its present or former divisions, departments, elected officials, affiliates, subsidiaries, directors, officers, employees, or agents acting in their capacity as such. The Independent Consultant will require that any firm with which it is affiliated or of which it is a member, and any person engaged to assist it in performance of its duties under this Consent shall not, without prior written consent of the Court, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Defendant, or any of its present or former divisions, departments, elected officials, affiliates, subsidiaries, directors,

officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years from completion of the agreement.

- ix. Defendant shall provide reasonable compensation to the Independent Consultant relating to fees and expenses, as agreed to by the parties. The Independent Consultant's fees and expenses will be submitted to the Court for approval and the Independent Consultant's proposed fees and expenses will be first reviewed for reasonableness by the Town before the Independent Consultant submits them to the Court.
- x. Defendants' obligations set forth in paragraphs 2(b) of this Consent and the accompanying Judgment shall, for purposes of the undertakings in paragraphs 2(b), automatically terminate upon the expiration of three years from the date on which the Court enters the Judgment, subject to the provisions of the next sentence. If (a) the SEC staff within 30 days after the undertaking described above would otherwise terminate informs Defendant that there is good cause shown, defined as Defendant's failure to comply with its obligations set forth in paragraph 2(b) of this Consent and the accompanying Judgment with respect to that undertaking (the "Notice Requirement"), (b) Defendant does not cure any such failure within 90 days thereafter (the "Opportunity to Cure

Requirement”), and (c) the Court finds following an evidentiary hearing that there is good cause shown and the Notice Requirement and the Opportunity to Cure Requirement have been satisfied and Defendant has failed to cure, the Court may extend the terms of Defendant’s obligations set forth in paragraphs 2(b) of this Consent and the accompanying Judgment with which Defendant failed to comply for the period necessary for Defendant to remedy that failure.

3. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

4. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Judgment.

5. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

6. Defendant agrees that this Consent shall be incorporated into the Judgment with the same force and effect as if fully set forth therein.

7. Defendant will not oppose the enforcement of the Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

8. Defendant waives service of the Judgment and agrees that entry of the Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms

and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that the Supervisor and Board of the Town and the Town Attorney have received and read a copy of the Judgment.

9. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

10. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the

allegations in the complaint or order for proceedings,” and “a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations.” As part of Defendant’s agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; and (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant’s: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

11. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney’s fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

12. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a

party, Defendant (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena.

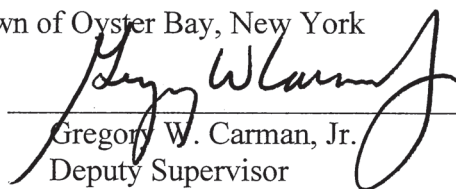
13. Defendant agrees that the Commission may present the Judgment to the Court for signature and entry without further notice.

14. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Judgment.

Dated: May 14, 2019

Town of Oyster Bay, New York

By: _____



Gregory W. Carman, Jr.
Deputy Supervisor
Town of Oyster Bay, New York

On May 14, 2019, Gregory W. Carman, Jr., a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of the Town of Oyster Bay as its Deputy Supervisor.

Bay



Notary Public

Commission expires:

MATTHEW M. ROZEA
Notary Public, State of New York
No. 02RO6326902
Qualified in Nassau County
Commission Expires June 29, 2019

Approved as to form:



Michael Lifuk
Quinn Emanuel Urquhart & Sullivan LLP
Attorney for Defendant

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TOWN OF OYSTER BAY, NEW YORK, and
JOHN VENDITTO,

Defendants.

17 Civ. 6809 (JMA)

FINAL JUDGMENT AS TO DEFENDANT TOWN OF OYSTER BAY, NEW YORK

The Securities and Exchange Commission having filed a Complaint and Defendant Town of Oyster Bay, New York (“Defendant” or the “Town”) 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, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Sections 17(a)(2) and (3) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77q(a)(2) and (3)] 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 obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements

made, in light of the circumstances under which they were made, not misleading;
or

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

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED 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, including but not limited to, the undertakings to retain an independent consultant with municipal finance experience (the "Independent Consultant") who is appointed by the Court to review the Town's policies, procedures, and internal controls regarding its disclosures for securities offerings, and to recommend improvements to those policies, procedures, and internal controls with a view to assuring compliance with the Town's disclosure obligations under the federal securities laws. Specifically, the Town shall retain the Independent Consultant to conduct reviews and make recommendations in the following areas:

- Due diligence in connection with securities offerings, and the related communications (1) within the Town, including by and between those Town departments and/or groups responsible for

managing the Town's securities offerings and compiling and/or providing information in connection with securities offerings, (2) between the Town and external professionals that assist the Town with its securities offerings, including but not limited to disclosure counsel, bond counsel, municipal advisers, auditors, and accountants, (3) with other third parties involved in the Town's securities offerings, including but not limited to ratings agencies and underwriters, and (4) with actual or potential investors in the Town's securities offerings.

- Disclosures in the Town's securities offering documents relating to contingent liabilities and potential or actual litigation.
- Training of Town employees involved with the Town's securities offerings, including implementing active and ongoing mandatory training programs to educate appropriate Town employees involved with the Town's securities offerings, including but not limited to officials from: the Office of the Supervisor; the Comptroller's Office; the Executive Department, Division of Finance; and the Town Attorney's Office regarding the Town's disclosure obligations under the federal securities laws and any policies and procedures relating to such offerings.

Within five days of the Court's entry of the Judgment, the Town will recommend and submit to the Court three proposed Independent Consultant candidates that are not unacceptable to the Securities and

Exchange Commission (the “SEC”) staff. The Court will appoint an Independent Consultant from these three candidates or from any other candidates that the Court chooses to consider.

- i. After the Independent Consultant is appointed, it shall have 120 days to issue a report recommending improvements to the Town’s securities offerings disclosure policies and procedures.
- ii. The Town will adopt all recommendations contained in the Independent Consultant’s report within 60 days of the Town’s receipt of that report, provided, however, that within 30 days of the Town’s receipt of the report, the Town shall advise the Independent Consultant and the SEC staff in writing of any recommendations that the Town believes are unnecessary, impractical, unduly burdensome, or outside the scope of this Judgment, and the bases for the Town’s objections. With respect to any recommendation that the Town considers unnecessary, impractical, unduly burdensome, or outside the scope of this Judgment, the Town need not adopt that recommendation at that time but shall propose in writing an alternative policy, procedure, controls, or system that it believes will achieve the objectives of the Independent Consultant’s recommendation.
- iii. The Town and the Independent Consultant shall engage in good-faith negotiations concerning any objection raised by the

Town within 45 days of the Town's receipt of that report.

Within 15 days after the conclusion of the discussion and

evaluation by the Town and the Independent Consultant, the

Town will require that the Independent Consultant inform the

Town and the SEC staff in writing of the Independent

Consultant's final determination concerning any

recommendation that the Town raised pursuant to paragraph II

above. The Town shall abide by the determinations of the

Independent Consultant and, within 30 days after final

agreement between the Town and the Independent Consultant

or final determination by the Independent Consultant,

whichever occurs first, the Town shall adopt and implement all

of the recommendations that the Independent Consultant deems

appropriate.

- iv. Within 30 days of the Town's adoption of all of the recommendations in the report that the Independent Consultant deems appropriate, as determined pursuant to the procedures set forth herein, the Town shall certify in writing to the Independent Consultant and the SEC staff that the Town has adopted and implemented all of the Independent Consultant's recommendations in the report. The Town shall submit the certification and supporting material to Sanjay Wadhwa, Senior Associate Regional Director, Division of Enforcement, New

York Regional Office, Securities and Exchange Commission, with a copy to the Office of Chief Counsel of the Enforcement Division.

- v. For two fiscal years thereafter, the Independent Consultant shall review and assess the sufficiency of the Town's implementation of the Independent Consultant's recommendations. The Independent Consultant shall, within 30 days after the end of the first full fiscal year thereafter, issue an interim report regarding the sufficiency of the Town's implementation of the recommendations, and, further, shall, within 30 days after the end of the second full fiscal year thereafter, issue a final report regarding the sufficiency of the Town's implementation of the recommendations.
- vi. The Independent Consultant may, upon motion, seek authority from the Court to engage and employ persons in its discretion to assist in carrying out its duties and responsibilities hereunder.
- vii. Defendant shall cooperate fully with the Independent Consultant in the discharge of the Independent Consultant's responsibilities. Defendant shall provide all information requested by the Independent Consultant reasonably relevant to Defendant's securities offerings disclosure policies and procedures.

- viii. The Independent Consultant, in undertaking its Court ordered appointment, shall agree that, for the period of the engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Defendant, or any of its present or former divisions, departments, elected officials, affiliates, subsidiaries, directors, officers, employees, or agents acting in their capacity as such. The Independent Consultant will require that any firm with which it is affiliated or of which it is a member, and any person engaged to assist it in performance of its duties under this Judgment and the accompanying Consent shall not, without prior written consent of the Court, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Defendant, or any of its present or former divisions, departments, elected officials, affiliates, subsidiaries, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years from completion of the agreement.
- ix. Defendant shall provide reasonable compensation to the Independent Consultant relating to fees and expenses, as agreed to by the parties. The Independent Consultant's fees

and expenses will be submitted to the Court for approval and the Independent Consultant's proposed fees and expenses will be first reviewed for reasonableness by the Town before the Independent Consultant submits them to the Court.

- x. Defendants' obligations set forth in paragraph II of this Judgment and the accompanying Consent shall, for purposes of the undertakings in paragraphs II, automatically terminate upon the expiration of three years from the date on which the Court enters the Judgment, subject to the provisions of the next sentence. If (a) the SEC staff within 30 days after the undertaking described above would otherwise terminate informs Defendant that there is good cause shown, defined as Defendant's failure to comply with its obligations set forth in paragraph II of this Judgment and the accompanying Consent with respect to that undertaking (the "Notice Requirement"), (b) Defendant does not cure any such failure within 90 days thereafter (the "Opportunity to Cure Requirement"), and (c) the Court finds following an evidentiary hearing that there is good cause shown and the Notice Requirement and the Opportunity to Cure Requirement have been satisfied and Defendant has failed to cure, the Court may extend the terms of Defendant's obligations set forth in paragraphs II of this Judgment and the accompanying Consent with which Defendant failed to comply

for the period necessary for Defendant to remedy that failure.

- xi. Upon the expiration of three years from the date on which the Court enters the Judgment, Defendant shall certify, in writing, its compliance with the undertakings set forth above, provided that if the Court, pursuant to paragraph II.x. above, has extended the term of any undertaking, such certification with respect to that undertaking shall be made upon the expiration of such extended term for that undertaking. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Defendant agrees to provide such evidence. Defendant shall submit the certification and supporting material to Sanjay Wadhwa, Senior Associate Regional Director, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

III.

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

IV.

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

Dated: _____, 2019

UNITED STATES DISTRICT JUDGE