

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

U.S. SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

URIEL SHAREF, et al.,

Defendants.

Case No. 11-Civ-9073 (SAS)

**MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION FOR
DEFAULT JUDGMENTS AND REMEDIES AGAINST DEFENDANTS
ULRICH BOCK, STEPHAN SIGNER, AND ANDRES TRUPPEL**

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Plaintiff Securities and Exchange Commission (“SEC” or “Commission”) submits this memorandum in support of its motion for default judgments, along with injunctive and monetary remedies, against defendants Ulrich Bock, Stephan Signer, and Andres Truppel.

INTRODUCTION

Defendants Bock, Signer, and Truppel were active participants in a bribery scheme that involved the payment of scores of millions of dollars to top Argentine government officials, including two Presidents and cabinet ministers in two presidential administrations. *Comp.* ¶ 1.

The defendants are former senior executives of Siemens Aktiengesellschaft (“Siemens”), a registered issuer of securities in the United States. *Comp.* ¶¶ 2, 17. The bribes were initially paid to secure a \$1 billion government contract (the “DNI Contract”) for Siemens to produce national identity cards, or *Documentos Nacionales de Identidad*, for all Argentine citizens. *Id.* Siemens was awarded the DNI Contract in 1998. *Id.* After a change in Argentine political administrations resulted in the cancellation of the DNI Contract, Siemens paid additional bribes in a failed effort to reinstate the project. *Id.* Later, after the company instituted an arbitration proceeding to recover its costs and expected profits from the canceled DNI Contract, Siemens paid more bribes to suppress evidence that the contract award had been obtained through corruption. *Id.*

Over the course of the scheme, Siemens paid an estimated total of over \$100 million in bribes, approximately \$31.3 million of which were made after March 12, 2001, when Siemens became subject to U.S. securities laws. *Comp.* ¶ 3. As a result of the bribes it paid, Siemens in 2007 received an award in arbitration against the government of Argentina of over \$217 million, plus interest. *Id.* During the relevant period, defendants Ulrich Bock, Stephan Signer, and

Andres Truppel each had a role in authorizing, negotiating, facilitating, or concealing bribe payments in connection with the DNI Contract. *Id.*

This action was commenced on December 13, 2011, with the filing of a complaint. *Docket 1 (Ex. 1).* On June 27, 2012, pursuant to this Court's order, defendants Bock and Signer were served by publication in the *International Herald Tribune*, along with delivery of the summons and complaint by mail and electronic mail to Bock's and Signer's German counsel. *Docket 9.* On August 3, 2012, defendant Truppel was personally served with a copy of the summons and complaint at his home in Buenos Aires, Argentina. *Docket 18.* Defendants Bock, Signer, and Truppel have neither entered appearances in this action nor filed responsive pleadings. The Clerk entered a notice of default as to defendants Bock and Signer on September 19, 2012, *Docket 17 (Ex. 2)*, and as to Truppel on April 29, 2013. *Docket 37(Ex. 3).*

The SEC seeks a final judgment awarding the following relief:

1. A permanent injunction against defendants Bock, Signer, and Truppel prohibiting them from (a) violating Sections 30A and 13(b)(5) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§ 78dd-1, 78m(b)(5)], and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1]; and (b) aiding and abetting violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A), (B)].
2. An order that defendant Bock pay disgorgement of his ill-gotten gains in the amount of \$316,452, along with prejudgment interest in the amount of \$97,505.
3. An order that defendants Bock, Signer, and Truppel each pay a civil penalty in an amount to be determined by the Court pursuant to Exchange Act Sections 21(d)(3) and 32(c) [15 U.S.C. §§ 78u(d)(3) and 78ff(c)].

FACTUAL BACKGROUND


To assist the Court in determining the appropriate remedies as to the defaulting defendants, the SEC provides this excerpt of relevant allegations pled in its complaint, all of which are deemed admitted for purposes of this motion. *Finkel v. Romanowicz*, 577 F.3d 79, 84 (2d Cir. 2009).

1. The Defendants


Defendant **Ulrich Bock** is a German citizen. *Comp.* ¶ 10. From October 1995 through 2001 he was the Commercial head of Major Projects for Siemens Business Services (“SBS”), the Siemens operating group responsible for managing the DNI Contract. *Id.* As the officer responsible for the DNI Contract, Bock authorized bribe payments to Argentine government officials. *Id.* Bock participated in a meeting in Miami, Florida, at which bribes to Argentine officials were negotiated and promised. *Id.* Bock also provided false testimony in two arbitration proceedings, one of which was filed in Washington, D.C. in an effort to conceal Siemens’ corrupt payments and recover its expected profits from the DNI Contract. *Id.*

Defendant **Stephan Signer** is a German citizen. *Comp.* ¶ 11. Signer replaced Bock as Head of Major Projects for SBS in approximately July 2001. *Id.* From 2002 through at least 2008, Signer was the Head of Business Operations and Finance at Siemens IT Solutions and Services, then a business division of Siemens. *Id.* Signer authorized the payment of bribes to government officials in Argentina. Some of the bribes were paid bank accounts in the United States. *Id.*

Defendant **Andres Truppel** is an Argentine citizen. *Comp.* ¶ 13. From 1996 to 2002, Truppel was the Chief Financial Officer (“CFO”) of Siemens S.A. (Argentina) (“Siemens Argentina”), a regional operating company wholly-owned by Siemens. *Comp.* ¶¶ 13, 20.

Truppel regularly communicated with Argentine government officials regarding illicit bribe payments. *Comp.* ¶ 13. Truppel conveyed Argentine bribe demands to more senior officials at Siemens and urged them to make the bribe payments. *Id.* Truppel participated in meetings in Miami, Florida, and New York, NY, in which bribes to Argentine officials were negotiated and promised. *Id.* He caused Siemens to pay, and promise to pay, millions of dollars in bribes in an effort to retain the DNI Contract for Siemens. *Id.*  Some of those bribes were paid via bank accounts in the United States. *Id.*

2. The Argentina Bribe Scheme

In 1994, the Argentine government, headed by then President Carlos Menem, issued a tender for bids on a \$1 billion contract to replace the country's manually-created national identity booklets with state-of-the-art identity cards. *Comp.* ¶ 25. Siemens won the contract in February 1998. *Id.* Throughout this period, bribes were sought by and paid to Argentine government officials, up to and including the President of Argentina and cabinet ministers. *Id.* 

In August 1999, after Argentina became enveloped in a debt crisis, President Menem suspended the DNI Contract while he campaigned for re-election. *Comp.* ¶ 26. Menem lost his re-election bid to Fernando De la Rúa, who just one month later notified Siemens Argentina that the DNI Contract would be terminated unless Siemens agreed to renegotiate its terms. *Id.*

In late 2000, defendant Bock and other Siemens managers met with payment intermediaries who had earlier been involved in paying bribes on Siemens' behalf. *Comp.* ¶ 28. The intermediaries advised Bock and his colleagues that in order to have the DNI Contract reauthorized Siemens would have to pay bribes that had earlier been promised to officials connected with the former Menem administration, as well as make additional bribe payments to members of the new De la Rúa administration, including President De la Rúa himself. *Id.* The

intermediaries told the Siemens officials that the past and present Argentine officials were demanding a total of \$27 million in corrupt payments to secure the entry of a decree by President De la Rúa reauthorizing the DNI Contract. *Id.*

Bribery was openly discussed at Bock’s meetings with the intermediaries, as documented by handwritten notes and internal memoranda. *Comp.* ¶ 29. Bock’s notes from a November 22, 2000, meeting with defendant Sergi refer to “topics . . . discussed in mutual agreement” with others, including Truppel. *Id.* The notes list the initials of Argentine officials and the bribe amounts due to each. In total, the notes identify \$50.5 million either due or paid to government officials in connection with the DNI Contract, including \$16 million to former President Menem. *Id.* A November 26, 2000, memorandum, written by the payment intermediaries recites that “[t]he commitment with future third parties is 27M.” *Id.*

On January 3, 2001, Siemens entered into a \$27 million sham consulting agreement with MFast Consulting AG (“MFast”), an entity controlled by the payment intermediaries. *Comp.* ¶ 30. Bock co-signed the sham contract. *Id.* The MFast contract did not require MFast to provide any bona fide services. *Id.* Instead, the sole purpose of the contract was to provide a vehicle through which Siemens could funnel bribe payments to Argentine government officials. *Id.*

Despite the efforts of Siemens and its affiliates to reauthorize the DNI Contract through the bribery of government officials, the De la Rúa administration on May 18, 2001, cancelled the DNI Contract. *Comp.* ¶ 33. In July 2001, Siemens prepared to initiate an arbitration proceeding with the World Bank’s International Centre for Settlement of Investment Disputes (“ICSID”) in Washington, DC, to recover its lost profits and out-of-pocket costs resulting from the cancellation. *Comp.* ¶ 35.

Notwithstanding the cancellation, the payment intermediaries advised Siemens that the Argentine government officials who had helped Siemens secure the DNI Contract still expected to be paid the bribes they had been promised but had not yet received. *Comp.* ¶ 36. The intermediaries also demanded that they be reimbursed for the bribes that they had advanced to government officials on Siemens' behalf. *Id.* If the demands were not met, the intermediaries threatened to go public with corruption allegations against Siemens. *Id.*

In order to suppress evidence of bribery from the ICSID arbitration, the defendants, including Truppel and Bock, continuously urged Siemens management to funnel more money to Argentine officials. *Comp.* ¶ 37. Truppel urged Siemens management to pay the outstanding promised bribes to Argentine officials, not only to avoid disqualification from the ICSID arbitration, but also to prevent potential physical harm to him and other Siemens employees in Argentina. *Id.*

On July 6, 2001, Truppel and Bock met with the intermediaries in Miami, Florida, to devise a method of paying the \$27 million in bribes that had originally been intended to be made via the then-terminated MFast contract. *Comp.* ¶ 38. Bock agreed to pay the intermediary \$27 million to satisfy the bribery demands, and the intermediary gave instructions that the money be sent to his Swiss bank account within thirty days. *Id.* Following the Miami meeting, Bock advised Signer of the agreement to pay the \$27 million. *Id.* Bock later tried to initiate the payment but was unable to persuade Siemens' legal and compliance departments that the company had a legitimate commercial basis for making it. *Id.*

In February 2002, defendants Signer and Truppel began applying pressure to Bernd Regendantz, the new CFO of SBS to authorize additional bribe payments to Argentina. *Comp.* ¶ 39. Signer told Regendantz that Siemens had paid or promised approximately \$70 million to

various Argentine officials to obtain the DNI Contract, and that \$27 million remained owing, even though the contract had been cancelled. *Id.* Regendantz initially resisted, but eventually agreed to authorize the advance payment of up to \$10 million in bribes, a portion of which were paid to bank accounts in New York and Miami. *Comp.* ¶ 42.

The first tranche of the \$10 million advance payment consisted of \$5.2 million routed through an intermediary in Uruguay. *Comp.* ¶ 44. Truppel and Signer, with the help of Bock and subordinate SBS employees, generated a series of fictitious documents to facilitate the payment and to obscure the audit trail. *Id.* In the summer of 2002, Signer had Bock and an SBS subordinate sign a backdated consulting agreement with Meder Holding Corporation S.A. (“Meder”), a Uruguay-based front company. *Comp.* ¶ 45. Signer also instructed the SBS employee to sign backdated invoices from Meder totaling approximately \$5.2 million. *Id.*

In May 2002, Truppel sent Signer the Meder invoices, which were backdated to 2001 and early 2002. *Comp.* ¶ 46. The invoices falsely represented to be for “market development in Chile and Uruguay” and included wire transfer instructions to a Standard Chartered bank account in New York. *Id.* The funds were wired to the Standard Chartered account on July 22, 2002. *Comp.* ¶ 47.

In the first half of 2003, most of the promised \$27 million still remained unpaid, and the payment demands on behalf of the Argentine officials continued. *Comp.* ¶ 51. In mid-2003, Truppel and others initiated a plan to have Siemens PTD, a division unrelated to the DNI Contract, funnel €9.6 million (approximately \$11.8 million) through an intermediary company in Dubai. *Id.* By making the bribe payment through PTD, the payment could be falsely recorded in Siemens’ books and records as an expense incurred in connection with an active PTD project, rather than with the then-terminated DNI Contract. *Id.* Defendant Truppel provided PTD with

payment instructions for the €9.6 million to be transferred to bank accounts in the Bahamas. *Comp.* ¶ 53.

The second tranche of the \$10 million “advance payment” authorized by Regendantz was made in 2004. *Comp.* ¶ 55. The payment was in the amount of \$4.7 million and was supported by eight backdated, fictitious invoices. *Comp.* ¶ 56. Defendant Signer instructed an SBS subordinate to sign the phony invoices. *Comp.* ¶ 57. Payments to two of the companies identified in the invoices were made in February 2004 to bank accounts held at the International Bank of Miami. *Comp.* ¶ 58.

In May 2002, Siemens instituted an arbitration proceeding against the government of Argentina through the ICSID in Washington, DC, seeking \$550 million in lost profits and expenses in connection with the DNI Contract termination. *Comp.* ¶ 60. In order to preserve its arbitration claim, Siemens suppressed the evidence of corruption through the false testimony of defendants Truppel, Bock, and others. *Id.* On February 6, 2007, Siemens was awarded \$217,838,430 in the ICSID arbitration. *Comp.* ¶ 61. This award represented the economic benefit that Siemens’ bribery scheme had long sought to obtain. *Id.*

On March 15, 2005, MFast initiated a private arbitration proceeding against SBS with the International Chamber of Commerce (“ICC”) in Zurich, Switzerland, to recover the remainder of the \$27 million in bribe payments that it had been promised under the corrupt January 2001 MFast contract. *Comp.* ¶ 63. Due to his involvement in the DNI project as Head of Major Projects, defendant Bock was called to testify in both the ICSID and MFast arbitration proceedings. *Comp.* ¶ 64. Instead of revealing the corruption and bribery surrounding the DNI and MFast contracts, Bock concealed the illicit bribery activity in Argentina. *Id.* In return for Bock’s silence, defendant Signer and others arranged for Siemens to pay Bock and a family

member approximately \$316,000 from 2005 to 2007 through sham consulting agreements. *Id.* On November 6, 2006, Siemens settled the ICC arbitration by agreeing to pay MFast \$8.8 million. *Comp.* ¶ 65. The payment was made in January 2007. *Id.*

DISCUSSION

Defendants Bock, Signer, and Truppel were instrumental participants in a prolonged bribery scheme of major proportions. The scheme continued for more than a decade and involved tens of millions of dollars in bribes to officials at the highest levels of the Argentine government. The defendants were duly served with the summons and complaint but have failed to plead or otherwise defend this suit. The Court should enter final judgments against them by default under Rule 55(b)(2).

A. Factual Allegations in the Complaint are Deemed Admitted.

When default is entered, the defendant is deemed to have admitted all well-pled factual allegations in the complaint, and a party moving for default judgment is entitled to "all reasonable inferences in its favor." *Finkel v. Romanowicz*, 577 F.3d 79, 84 (2d Cir. 2009). The well-pled allegations in this case, outlined above, demonstrate that Bock, Signer, and Truppel repeatedly violated Section 30A of the Exchange Act, and aided and abetted Siemens' violations of Section 30A, by participating in a scheme to bribe foreign government officials. The defendants violated Exchange Act Section 13(b)(5) and Rule 13b2-1 by knowingly circumventing Siemens' internal controls and knowingly falsifying Siemens' books, records, or accounts. The defendants also aided and abetted Siemens' violations of Exchange Act Sections 13(b)(2)(A) and 13(b)(2)(B) by knowingly providing substantial assistance to the company in its failure (i) to keep accurate books and records and (ii) to maintain a system of internal accounting

controls sufficient to ensure that transactions were executed in accordance with management's authorization.

B. The Court has Subject-Matter and Personal Jurisdiction.

The Court has subject-matter jurisdiction and venue over this action pursuant to Section 27 of the Exchange Act, which gives the district courts of the United States "exclusive jurisdiction of violations of [the Exchange Act] or the rules and regulations thereunder." 15 U.S.C. § 78aa. "Any suit or action to enforce any liability" under the Exchange Act "or to enjoin any violation" of the Act "may be brought in the district wherein any act or transaction constituting the violation occurred." *Id.*

This Court considered the jurisdictional reach of Section 27 in its Order of February 19, 2013, granting the motion to dismiss of defendant Herbert Steffen. *Docket 33*. There the Court held that Section 27 "permits the exercise of personal jurisdiction to the limit of the Due Process Clause of the Fifth Amendment." *Feb. 19, 2013, Order at 11* (quoting *SEC v. Unifund SAL*, 910 F.2d 1028, 1033 (2d Cir. 1990)). "[D]ue process requires that if a defendant 'is not present within the territory of the forum, he [must] have certain minimum contacts with it such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice.'" *Id.* (quoting *International Shoe v. Washington*, 326 U.S. 310, 316 (1945)). The exercise of specific jurisdiction "requires that a defendant has 'purposefully directed his activities towards the forum and the litigation arises out of or is related to the defendant's contact with the forum.'" *Id. at 12* (quoting *In re Astrazeneca Sec. Litig.*, 559 F. Supp. 2d 453, 466-67 (S.D.N.Y. 2008)). If the defendants' contacts with the forum state rise to this minimum level, the defendants may defeat jurisdiction only by presenting "a compelling case that the presence of some other

considerations would render jurisdiction unreasonable.” *Id.* at 14 (quoting *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 477 (1985)).

In this case, each of the three defendants purposefully directed bribery-related activities towards the United States. As set forth in the complaint:

- On July 6, 2001, Truppel and Bock met with payment intermediaries in Miami, Florida, to devise a method of paying the \$27 million in bribes called for under the then-terminated MFast contract. *Comp.* ¶ 38. At the Miami meeting Bock agreed to pay the \$27 million within thirty days. *Id.*
- In early 2002, Signer applied pressure on Regendantz to authorize the \$27 million in bribes. *Comp.* ¶ 39. Regendantz reluctantly agreed to authorize a down payment of \$10 million of that amount, a portion of which was paid into bank accounts in New York and Miami. *Comp.* ¶ 42.
- In May 2002, in order to facilitate and conceal the bribes, defendant Truppel sent Signer a set of phony, backdated invoices -- which Signer had instructed a subordinate to sign -- identifying \$5.2 million in false “market development” activities. *Comp.* ¶¶ 45, 46. The invoices included wire transfer instructions to a Standard Chartered bank account in New York. *Comp.* ¶ 46. The \$5.2 million was wired to the Standard Chartered account on July 22, 2001. *Comp.* ¶ 47.
- In early 2004, Signer instructed an SBS subordinate to sign eight fictitious invoices intended to facilitate and conceal \$4.7 million in bribes. *Comp.* ¶¶ 56-57. Two of the invoices specified payment instructions to accounts at the International Bank of Miami. *Comp.* ¶ 58. Payments were made into the Miami accounts in February 2004. *Id.*
- Bock and Truppel provided false testimony in connection with an arbitration proceeding before the ICSID, which is based in Washington, DC. *Comp.* ¶ 60.

The defendants’ multiple contacts with the United States were both integral to the bribery scheme and purposeful. Bock, Signer, and Truppel therefore had sufficient minimum contacts with the forum to support the exercise of personal jurisdiction.

Because these defendants chose to default rather than respond to the SEC’s complaint, they have failed to advance “a compelling case that the presence of some other considerations would render jurisdiction unreasonable.” *Burger King*, 471 U.S. at 477.

C. Damages Must be Established with Reasonable Certainty.

While a court must accept as true all factual allegations in the complaint, it may "conduct an inquiry in order to ascertain the amount of damages with reasonable certainty." *Greyhound Exhibitgroup, Inc. v. E.L.U.L. Realty Corp.*, 973 F.2d 155, 158 (2d Cir.1992); *U.S. v. DiPaolo*, 466 F.Supp.2d 476, 483 (S.D.N.Y. 2006). The need for an inquiry is limited, however, where the quantum of damages "is liquidated or susceptible of mathematical computation." *Flaks v. Koegel*, 504 F.2d 702, 707 (2d Cir.1974), *quoted in, Nwagboli v. Teamwork Transp. Corp.*, No. 08-Civ-4562, 2009 WL 4797777 at *2 (S.D.N.Y. Dec. 7, 2009). In an enforcement action, the SEC does not seek "damages" in the traditional sense but rather injunctive relief, disgorgement, prejudgment interest, and a civil penalty.¹ The monetary relief sought is thus often "susceptible of mathematical computation," *Flaks*, 504 F.2d at 707, particularly where, as here, the amount of disgorgement is a fixed sum.

Here, the SEC seeks disgorgement from only one of the three defendants. The complaint alleges that Ulrich Bock received an ill-gotten gain of approximately \$316,000. "In return for Bock's silence, defendant Signer and others arranged for Siemens to pay Bock and a family member approximately \$316,000 from 2005 to 2007 through sham consulting agreements." *Comp.* ¶ 64. This figure is deemed admitted, as are the other well-pled facts in the complaint. *Finkel*, 577 F.3d at 84. This baseline amount is further supported and detailed in the declaration of Denise Hansberry, which more precisely establishes the amount of Bock's ill-gotten gain at \$316,452.

¹ See *SEC v. Lawbaugh*, 359 F. Supp. 2d 418, 423 n.2 (D. Md. 2005) (no hearing required in SEC enforcement action because injunctive relief, disgorgement, prejudgment interest, and civil penalty are not damages under Rule 55(b)(2)).

D. The Record Supports Issuance of a Permanent Injunction.

Section 21(e) of the Exchange Act authorizes the Court “to issue writs of mandamus, injunctions, and orders commanding ... any person to comply with the provisions of this title [or] the rules, regulations, and orders thereunder.” 15 U.S.C. § 78u(e). Injunctions are an important tool in the enforcement of the securities laws. As stated in *SEC v. Shapiro*, 494 F.2d 1301, 1309 (2d Cir. 1974), “[t]he SEC cannot keep constant surveillance over” a defendant. An injunction helps ensure a defendant will avoid future violations.

“The critical question for a district court in deciding whether to issue a permanent injunction in view of past violations is whether there is a reasonable likelihood that the wrong will be repeated.” *SEC v. Manor Nursing Ctrs., Inc.*, 458 F.2d 1082, 1100 (2d Cir.1972). In making this determination, the Court may examine the level of the defendant's culpability, whether the violations were systematic or isolated occurrences, whether the defendant has accepted responsibility, and whether, because of his occupation, the defendant might have an enhanced opportunity to commit further securities law violations. *SEC v. Cavanagh*, 155 F.3d 129, 135 (2d Cir.1998). While a court must look beyond the mere facts of past violations and demonstrate a realistic likelihood of recurrence, fraudulent past conduct gives rise to an inference of a reasonable expectation of continued violations. *SEC v. Power*, 525 F.Supp.2d 415, 427 (S.D.N.Y. 2007) (citing *Manor Nursing Ctrs., Inc.*, 458 F.2d at 655).

In this case, the above factors weigh heavily in favor of the issuance of permanent injunctions. Rather than commit isolated violations, Bock, Signer, and Truppel participated in a massive and prolonged scheme to pay tens of millions of dollars in bribes to Argentine government officials at the very highest level. They have not accepted responsibility for their actions and instead have refused even to defend this action.

E. The Record Supports Disgorgement of Bock's Ill-Gotten Gains.

Congress has expressly recognized the Commission's right to disgorgement of ill-gotten gains. "Once the equity jurisdiction of a Court has been invoked on a showing of a securities violation, the Court possesses the necessary power to fashion an appropriate remedy. Thus, the Commission may request that the Court order certain equitable relief, such as the disgorgement (giving up) of illegal profits." H.R. Rep. 98-355, at 7 (1983) *reprinted in* 1984 U.S.C.C.A.N. 2274, 2280. This Court has "broad equitable power to fashion appropriate remedies, including ordering that culpable defendants disgorge their profits." *SEC v. First Jersey Sec., Inc.*, 101 F.3d 1450, 1474 (2d Cir.1996).

The primary purpose of disgorgement as a remedy for securities violations is to deprive violators of their ill-gotten gains, thereby effectuating the deterrence objectives of those laws. *SEC v. Wang*, 944 F.2d 80, 85 (2d Cir.1991). "The effective enforcement of the federal securities laws requires that the SEC be able to make violations unprofitable." *Manor Nursing*, 458 F.2d at 1103-04; *SEC v. Commonwealth Chemical Securities, Inc.*, 574 F.2d 90, 102 (2d Cir.1978); *SEC v. Tome*, 833 F.2d 1086, 1096 (2d Cir. 1987) (the "paramount purpose" of "disgorgement is to make sure that wrongdoers will not profit from their wrongdoing").

The district court has broad discretion in calculating the amount to be disgorged. *First Jersey*, 101 F.3d at 1474-75. The disgorged amount must be "causally connected to the violation," but it need not be figured with exactitude. *Id.* at 1475. The only requirement is that the disgorgement sought be a reasonable approximation of the profits causally related to the wrongdoing. *Id.* "Where disgorgement calculations cannot be exact, 'any risk of uncertainty . . . should fall on the wrongdoer whose illegal conduct created that uncertainty.'" *SEC v. Lorin*, 76 F.3d 458, 462 (2d Cir. 1996). "[T]he SEC must make at least a prima facie showing that the gains

are a reasonable approximation of profits causally connected to the wrongdoing in order to shift the burden of going forward to the defendants to demonstrate that the SEC's calculation is not a reasonable approximation.” *SEC v. Zwick*, No. 03 Civ. 2742, 2007 WL 831812 (S.D.N.Y. 2007), *aff'd*, 317 Fed.Appx. 34 (2d Cir. 2008).

As discussed above, and demonstrated through the attached declaration, Bock received \$316,452 in ill-gotten gains -- money paid via sham consulting agreements to ensure his silence regarding the corrupt nature of the DNI Contract. *Ex. 4*. The baseline approximation of \$316,000 is deemed admitted by Bock’s failure to respond to the complaint. *Finkel*, 577 F.3d at 84. The admitted, well-documented calculation of Bock’s ill-gotten gains provides a firm basis -- far beyond the “reasonable approximation” the Second Circuit requires -- for the disgorgement figure the SEC requests in the proposed Final Judgment.

F. Prejudgment Interest as to Bock.

Whether to order prejudgment interest, like the decision to grant disgorgement and in what amount, is left to the district court's “broad discretion.” *First Jersey*, 101 F.3d at 1476. “Requiring the payment of interest prevents a defendant from obtaining the benefit of what amounts to an interest free loan procured as a result of illegal activity.” *SEC v. Moran*, 944 F. Supp. 286, 296 (S.D.N.Y. 1996). In this case, the SEC requests prejudgment interest in the amount of \$97,505 (calculated under the rates of interest the Internal Revenue Service applies to tax underpayments and refunds) from May 31, 2007, the date of the last payment received by Bock in connection with the scheme, to the present. *See SEC v. Boock*, 2012 WL 3133638, *5 n. 3 (S.D.N.Y. Aug. 2, 2012) (“[I]t is well established that when disgorgement is ordered in an SEC initiated proceeding, the IRS underpayment rate is appropriate.”). Calculations for prejudgment interest are attached. *Ex. 5*.

G. The Court Should Impose a Civil Penalty.

The Exchange Act authorizes the Court to impose civil monetary penalties for violations of the securities laws. *Boock*, 2012 WL 31333638 at *6. A monetary penalty is designed to serve as a deterrent against securities law violations, and courts have broad discretion to determine the appropriate amount of any penalty in light of the facts and circumstances surrounding each defendant's role in the violation. *Id.* Congress incorporated penalties into the securities laws when it enacted the Securities Law Enforcement Remedies Act of 1990 (the "Remedies Act").² In enacting the Remedies Act, Congress explained its purpose in careful terms:

Since disgorgement merely requires the return of wrongfully obtained profits, it does not impose any meaningful economic cost on the law violator. The Committee, therefore, concluded that authority to seek or impose substantial money penalties, in addition to the disgorgement of profits, is necessary for the deterrence of securities law violations that otherwise would provide great financial returns to the violator.

S. Rep. 101-337 (1990) *reprinted in* 1990 WL 263550 (Leg. Hist.). The House Report struck the same chord: "Disgorgement merely requires the return of wrongfully obtained profits; it does not result in any actual economic penalty or act as a financial disincentive to engaging in securities fraud." H.R. Rep. 101-616 (1990) *reprinted in* 1990 WL 256464 (Leg. Hist.).

With respect to their violations of Exchange Act Sections 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5); and Exchange Act Rule 13b2-1 defendants Bock, Signer, and Truppel qualify for second-tier penalties pursuant to Exchange Act Section 21(d)(3)(B)(ii). Under that provision, "the amount of the penalty for each such violation shall not exceed ... [\$60,000]³ for a natural

² The Remedies Act is codified at Exchange Act Section 21(d)(3). 15 U.S.C. § 78u(d)(3).

³ As required by the Debt Collection Improvement Act of 1996, the per-violation penalty amount is periodically adjusted for inflation. For violations occurring after February 2, 2001, the

person ... [or] the gross amount of pecuniary gain ... if the violation ... involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.” 15 U.S.C.

§ 78u(d)(3)(B)(ii). As set forth in the complaint, the defendants’ involvement in this extensive corruption scheme amounted to a deliberate or reckless disregard of regulatory requirements.

Separately, with respect to the defendants’ violations of the anti-bribery provisions of Exchange Act Section 30A, the applicable penalty is \$11,000 per violation.⁴ 15 U.S.C. § 78ff(c)(2)(B).

The Court has the discretion to determine the number of violations committed by each defendant. In making this determination, the Court may consider that the bribery scheme alleged in the SEC’s complaint comprised four separate payments, each of which may be regarded as a distinct predicate act. The illegal payments were in the amounts of: (i) \$5.2 million in July 2002 (*Comp.* ¶ 47); (ii) \$11.8 million in December 2003 (*Comp.* ¶¶ 53-54); (iii) \$4.7 million in February 2004 (*Comp.* ¶ 58); and (iv) \$8.8 million in January 2007 (*Comp.* ¶ 65). Defendants Bock, Truppel, and Signer each played a substantial and integral role in the bribery scheme during the period that all four payments were made.⁵

Courts evaluate several factors when deciding the amount of a penalty to impose, including:

- (1) the egregiousness of the violations;
- (2) a defendant's scienter;
- (3) the repeated nature of the violations;
- (4) a defendant's failure to admit wrongdoing;
- (5) whether a defendant's conduct created substantial losses to others;
- (6) a defendant's lack of cooperation with authorities; and
- (7) whether the penalty should be reduced due to defendant's financial condition.

applicable penalty under Exchange Act Section 21(d)(3)(B)(ii) is raised from \$50,000 per violation to \$60,000. 17 C.F.R. § 201.1002.

⁴ After adjustment for inflation, this per-violation penalty amount is raised from \$10,000 to \$11,000. 17 C.F.R. § 201.1002.

⁵ Defendant Bock retired from Siemens in 2001, but he continued to play an active role in the bribery scheme post-retirement, including by providing false testimony in the MFast and ICSID arbitrations. *Comp.* ¶ 10.

Boock, 2012 WL 31333638, *6; *SEC v. Bear Stearns*, 626 F.Supp.2d 402, 407 (S.D.N.Y. 2009).

In this case, the defendants' refusal to acknowledge the jurisdiction of this Court, refusal to participate in the litigation, refusal to admit wrongdoing, and the extensive nature of their corrupt activity all warrant the imposition of a strong penalty.

CONCLUSION

For the reasons set forth above, the SEC respectfully asks the Court to enter the proposed Final Judgments against Ulrich Bock, Stephan Signer, and Andres Truppel.

Respectfully submitted,

/s/ Robert I. Dodge

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CERTIFICATE OF SERVICE

I, Robert I. Dodge, hereby certify that on this 25th day of October, 2013, copies of the foregoing document were served upon all counsel of record through publication on the Court's Electronic Filing System.

/s/ Robert I. Dodge

Exhibit List

1. Complaint
2. Proof of Service - Bock and Signer
3. Proof of Service - Truppel
4. Entry of Default - Bock and Signer
5. Entry of Default - Truppel
6. Declaration of Denise Hansberry
7. Prejudgment Interest Calculation

Exhibit 1

JUDGE SCHEINDLIN

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

11 CIV 9073

<p>U.S. SECURITIES AND EXCHANGE COMMISSION, 100 F Street, N.E. Washington, DC 20549,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">v.</p> <p>URIEL SHAREF, ULRICH BOCK, CARLOS SERGI, STEPHAN SIGNER, HERBERT STEFFEN, ANDRES TRUPPEL, and BERND REGENDANTZ,</p> <p style="text-align: center;">Defendants.</p>	<p>COMPLAINT</p> <p>11-CV-_____ ()</p> <p>ECF CASE</p> <p>Jury Trial Demanded</p> <div data-bbox="1052 793 1446 1094" style="border: 2px solid black; padding: 5px; transform: rotate(-2deg);"><p style="text-align: center; font-size: 1.5em; font-weight: bold;">RECEIVED</p><p style="text-align: center;">DEC 13 2011</p><p style="text-align: center; font-weight: bold;">U.S.D.C. S.D. N.Y. CASHIERS</p></div>
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Plaintiff, United States Securities and Exchange Commission (the "Commission")

alleges:

SUMMARY

1. This action involves a bribery scheme that took place over the course of more than a decade. From approximately 1996 until early 2007, senior executives at Siemens Aktiengesellschaft ("Siemens") and its regional company in Argentina, Siemens S.A. ("Siemens Argentina"), paid scores of millions of dollars in bribes intended for top government officials in Argentina, including two Presidents and Cabinet Ministers in two Presidential administrations.

2. The bribes were initially paid to secure a \$1 billion government contract (the "DNI Contract") to produce national identity cards, or *Documentos Nacionales de Identidad*, for every Argentine citizen. After paying bribes to obtain it, Siemens was awarded the DNI Contract in 1998. Later, after a change in Argentine political administrations resulted in the DNI Contract being suspended, and then canceled, Siemens paid additional bribes in a failed effort to bring the contract back into force. Still later, after the company instituted an arbitration proceeding to recover its costs and expected profits from the canceled DNI Contract, Siemens paid additional bribes to suppress evidence that it had originally obtained the Contract through corruption. Excluding evidence of bribery cut off a potential defense to Siemens' arbitration claim and ensured that Siemens would finally receive the economic benefit that its bribery scheme was intended from the start to provide.

3. Over the course of the bribery scheme, Siemens paid an estimated total of over \$100 million in bribes, approximately \$31.3 million of which were made after March 12, 2001, when Siemens became subject to U.S. securities laws. As a result of the bribes it paid, Siemens in 2007 received an award in arbitration against the government of Argentina of over \$217 million, plus interest.

4. During the relevant 2001-07 time period, defendants Uriel Sharef, Ulrich Bock, Carlos Sergi, Stephan Signer, Herbert Steffen, Andres Truppel, and Bernd Regendantz each had a role in authorizing, negotiating, facilitating, or concealing bribe payments in connection with the DNI Contract. The most senior of these was defendant Uriel Sharef, who was a member of Siemens' Managing Board, or Vorstand. Siemens employed a group of consultants, designated the Project Group and led by defendant

Sergi, to serve as payment intermediaries between the company and the bribed Argentine government officials.

5. Each of the defendants violated Section 30A of the Securities Exchange Act of 1934 (the “Exchange Act”) by engaging in the bribery of government officials in Argentina. Each defendant also aided and abetted Siemens’ violations of Section 30A. The defendants violated Exchange Act Section 13(b)(5) and Rule 13b2-1 thereunder by falsifying documents, including invoices and sham consulting contracts, in furtherance of the bribery scheme. Defendant Regendantz violated Rule 13b2-2 by signing false internal certifications pursuant to the Sarbanes Oxley Act (“SOX”). All defendants aided and abetted Siemens’ violations of Exchange Act Sections 13(b)(2)(A) and 13(b)(2)(B) by substantially assisting in Siemens’ failure to maintain internal controls to detect and prevent bribery of government officials in Argentina, and by substantially assisting in the improper recordation of the bribe payments in Siemens’ books and records.

JURISDICTION

6. This Court has jurisdiction over this action under Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

7. Venue is appropriate in this Court under Section 27 of the Exchange Act [15 U.S.C. § 78aa] or 28 U.S.C. § 1391(d). Certain of the acts and transactions constituting the violations occurred in this District.

8. The defendants directly or indirectly made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged in this complaint.

DEFENDANTS

9. **Uriel Sharef**, a German citizen, was a Siemens Managing Board¹ Member from July 2000 to December 2007. During this period, he served as regional “Coach” for Siemens Power Generation, Siemens Power Transmission and Distribution, and the Americas. From October 2000 to December 2007, Sharef was a member of Siemens’ Corporate Executive Committee. Sharef met in New York, NY, with payment intermediaries and agreed to pay \$27 million in bribes to Argentine officials in connection with the DNI Contract. Sharef also enlisted subordinates to conceal the payments by circumventing Siemens’ internal accounting controls.

10. **Ulrich Bock**, a German citizen, was from October 1995 through 2001 the Commercial Head of Major Projects for Siemens Business Services (“SBS”), the Siemens operating group responsible for managing the DNI Contract. As the officer responsible for the DNI Contract, Bock authorized bribe payments to Argentine government officials. Bock participated in a meeting in Miami, Florida, at which bribes to Argentine officials were negotiated and promised. Bock also provided false testimony in two arbitration proceedings, one of which was filed in Washington, D.C., in an effort to conceal Siemens’ corrupt payments and recover its expected profits from the DNI Contract.

11. **Stephan Signer**, a German citizen, replaced Bock as Head of Major Projects for SBS in approximately July 2001, and he remained in the position until 2002. From 2002 through at least 2008, Signer was the Head of Business Operations and Finance at Siemens IT Solutions and Services, then a business division of Siemens.

¹ In accordance with German law, Siemens has a Supervisory Board and a Management Board. The Supervisory Board is a rough equivalent to the board of directors of an American company. The Managing Board, or “Vorstand,” fulfills the duties of senior management and includes the company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”).

Signer authorized the payment of bribes to government officials in Argentina. Some of the bribes were paid to bank accounts in the United States.

12. **Herbert Steffen**, a German citizen, was the CEO of Siemens Argentina from 1983 through 1989, and again in 1991. He was the Group President of Siemens Transportation Systems from 1996 to 2003. Because of his longstanding connections in Argentina and Latin America, Steffen was recruited by Sharef to facilitate the payment of bribes in connection with the DNI Contract. Steffen met directly with senior government officials in Argentina and offered bribe payments to them on Siemens' behalf. Steffen urged defendant Regendantz to authorize bribe payments that ultimately were made to bank accounts in the United States. Steffen also participated in one or more telephone conversations with defendant Sharef, who called him from the United States in connection with the bribery scheme.

13. **Andres Truppel**, an Argentine citizen, was the CFO of Siemens Argentina from 1996 to 2002. Truppel regularly communicated with Argentine government officials regarding illicit bribe payments. Truppel conveyed Argentine bribe demands to more senior officials at Siemens and urged them to make the bribe payments. Truppel participated in meetings in Miami, Florida, and New York, NY, in which bribes to Argentine officials were negotiated and promised. He caused Siemens to pay, and promise to pay, millions of dollars in bribes in an effort to retain the DNI Contract. Some of the bribes were paid via bank accounts in the United States.

14. **Carlos Sergi**, an Argentine citizen, was a board member of Siemens Argentina until at least 2002. From the late 1990's until at least 2004, Sergi held himself out as a business consultant for Siemens Argentina. In fact, Sergi's primary role,

continuing to 2007, was to serve as a payment intermediary between Siemens and Argentine government officials in connection with the DNI Contract. While purporting to act as a business consultant for Siemens Argentina, Sergi paid bribes to Argentine government officials on Siemens' behalf. Some of the bribes were paid via bank accounts in the United States.

15. **Bernd Regendantz**, a German citizen, was CFO of Siemens Business Services ("SBS") from February 2002 to 2004. Upon his arrival at SBS in 2002, Regendantz, who had not earlier been involved in the DNI Contract, was urged by other Siemens officials, including defendants Signer and Steffen, to pay bribes that had previously been negotiated. Regendantz initially resisted making the payments. However, when he sought guidance from several top Siemens officials, Regendantz received consistent instructions that he understood to mean that he should make the payments. Regendantz then authorized two bribe payments totaling approximately \$10 million on Siemens' behalf. Some of the amounts were paid into bank accounts in the United States. With Regendantz's knowledge and approval, the nature of the payments was concealed through the use of fictitious invoices, and the payments were recorded inaccurately in SBS's and Siemens' books and records. Regendantz falsely certified to the accuracy and truthfulness of SBS's financial statements

RELEVANT ENTITIES

16. **Siemens Aktiengesellschaft ("Siemens")** is a German corporation with its executive offices in Munich, Germany. Siemens is one of the world's largest manufacturers of industrial and consumer products. It employs approximately 402,000 people and operates in approximately 190 countries worldwide. Siemens reported net

revenue of approximately \$100 billion and net income of approximately \$8.6 billion for its fiscal year ended September 30, 2011.

17. Siemens had over 874 million common shares outstanding and a market capitalization of over \$120 billion as of June 30, 2011. Since March 12, 2001, Siemens' common shares have been registered with the Commission pursuant to Section 12(b) of the Exchange Act. [15 U.S.C. § 78l(b)]. Siemens' American Depository Shares, each representing one common share, trade on the New York Stock Exchange ("NYSE") under the symbol "SI."

18. Prior to a reorganization in 2008, Siemens operated through a complex array of operating groups and regional companies. The operating groups were divisions within Siemens and not separate legal entities. The regional companies were wholly or partly-owned subsidiaries. Among the operating groups during the relevant period were Siemens Business Services and Power Transmission and Distribution. Among the regional companies was Siemens S.A. (Argentina).

19. On December 12, 2008, the Commission entered into a settlement with Siemens in connection with the company's bribe payments in Argentina and other countries. Under that settlement, Siemens consented to an injunction against future violations of Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and disgorged wrongful profits of \$350 million. At the same time, Siemens paid a criminal fine of \$450 million to settle parallel criminal charges brought by the Department of Justice. Siemens Argentina entered a guilty plea to violations of Exchange Act Section 30A for its payment of bribes in connection with the DNI Contract. Siemens also paid

criminal fines in Germany to the Munich Public Prosecutor in the amounts of €395 million and €201 million.

20. **Siemens S.A. (Argentina) (“Siemens Argentina”)**, headquartered in Buenos Aires, Argentina, was a wholly-owned regional company of Siemens. Beginning in the late 1990’s, Siemens Argentina worked in conjunction with SBS and other Siemens affiliates to secure and retain the DNI Contract. Siemens Argentina’s financial statements were consolidated into those of Siemens.

21. **Siemens Business Services GmbH & Co. OHG (“SBS”)**, headquartered in Munich, Germany, was a Siemens operating group that provided consulting, oversight and management services in connection with the DNI Contract. SBS’s financial statements were consolidated into those of Siemens.

22. **Siemens IT Services S.A. (“SITS”)** was a special purpose entity organized under Argentine law to bid on and execute the DNI Contract. SITS was wholly-owned by Siemens-Nixdorf Information System GmbH, a Siemens operating group that later merged with SBS. SITS’s financial statements were consolidated into those of Siemens.

23. **Siemens Power Transmission and Distribution (“Siemens PTD”)** formerly headquartered in Erlangen, Germany, was a Siemens operating group responsible for manufacturing large scale power systems. PTD was not directly involved in the DNI Contract. However, the defendants concealed certain of the DNI Contract bribe payments and circumvented Siemens’ internal controls by routing the payments through unrelated PTD contracts.

24. **The Project Group**, headquartered in Central and South America, was an informal designation for a collection of entities that served as intermediaries through

which Siemens made corrupt payments to Argentine government officials. The Project Group was led and controlled by Carlos Sergi and included his family members and close associates as principals. The Project Group was created to coordinate the DNI Contract bribe payments and to provide a single point of contact for Siemens in negotiating its bribe payments to Argentine government officials.

FACTS

A. Bribes Paid to Obtain the DNI Contract and to Revive the Contract after its Suspension by the Argentine Government

25. In 1994, the Argentine government, headed by then President Carlos Menem, issued a tender for bids on a contract to replace the country's manually-created national identity booklets with state-of-the-art identity cards. The estimated cost of the project was \$1 billion. Siemens and its Argentine affiliate SITS submitted a bid in December 1996 and won the project in February 1998. A contract was executed by SITS with the Argentine Ministry of the Interior the following November. Throughout this period, and indeed over the life of the DNI Contract, bribes were sought by and paid to Argentine government officials, up to and including the President of Argentina and Cabinet Ministers.

26. In August 1999, after Argentina became enveloped in a debt crisis, President Menem suspended the DNI Contract while he campaigned for re-election. President Menem subsequently lost his re-election bid to Fernando De la Rúa, who just one month later notified Siemens Argentina that the DNI Contract would be terminated unless Siemens agreed to renegotiate its terms.

27. In December 2000, Uriel Sharef, a Siemens Managing Board Member, and Herbert Steffen, then Group President of Siemens Transportation Systems, met

personally with new President De la Rúa and other senior Argentine government officials to discuss the DNI Contract. At the meeting, President De la Rúa demanded significant price concessions to the contract. Siemens agreed to the concessions in return for President De la Rúa's promise to issue a national decree mandating the purchase of new DNI cards for all Argentine citizens, and thus re-authorizing the DNI Contract.

28. As defendants Sharef and Steffen negotiated with President De la Rúa, other Siemens managers, including defendant Bock, met with the intermediaries who had earlier been involved in paying the bribes on Siemens' behalf that had enabled Siemens to obtain the DNI Contract in the first place. The payment intermediaries were designated the "Project Group" and were led by Carlos Sergi, a former Siemens official. Members of the Project Group advised the Siemens officials that Siemens would have to pay the remaining unpaid but promised bribes to officials connected with the former Menem administration, as well as make additional bribe payments to members of the new De la Rúa administration, including to President De la Rúa himself, in order to have the DNI Contract reauthorized. Sergi and members of the Project Group told the Siemens officials that the past and present Argentine officials were demanding a total of \$27 million in corrupt payments to secure the entry of a decree by President De la Rúa reauthorizing the DNI Contract.

29. Bribery was openly discussed at Bock's meetings with the Project Group, as documented by Bock's contemporaneous handwritten notes, as well as internal memoranda and meeting minutes prepared by Project Group members. Bock's notes from a November 22, 2000, meeting with defendant Sergi refer to "topics...discussed in mutual agreement" with others, including Truppel. The notes list the initials of Argentine

officials and the amounts due to each. In total, the notes identify \$50.5 million either due or paid to government officials in connection with the DNI Contract, including \$16 million to former President Menem. A November 26, 2000, memorandum, written by members of the Project Group, recites that all future bribe payments will be made through the Project Group and that “[t]he commitment with future third parties is 27 M.”

30. On January 3, 2001, Siemens, via its operating group SBS, signed a \$27 million sham consulting agreement with MFast Consulting AG (“MFast”), an entity controlled by the Project Group. Bock co-signed the sham contract on behalf of SBS. The MFast contract did not require MFast to provide any bona fide services. Instead, the sole purpose of the contract was to provide a vehicle through which Siemens could funnel bribe payments to Argentine government officials.

B. Sham Consulting Agreement with a Former Argentine Minister of Justice

31. In addition to the sham agreement with MFast, Siemens executives found other ways to exert a corrupt influence on the DNI Contract. In March 2001, the same month that Siemens became listed on the NYSE, defendant Truppel pressured the management of SITS to sign a \$1 million sham consulting agreement with a company owned by a former Argentine Minister of Justice. The former Justice Minister reportedly had close ties to the head of the Sindicatura General de la Nación (“SIGEN”), the national audit board charged with approving the renegotiated DNI contract. SIGEN’s role in Argentina may roughly be compared to that of the General Accountability Office in the United States. Defendant Truppel told Siemens officials that the former Justice Minister could influence SIGEN’s decision to recommend approval of the revised DNI Contract.

32. The former Justice Minister's firm provided no bona fide services on behalf of Siemens. Instead, it was paid solely for the purpose of exerting influence on Siemens' behalf with SIGEN. SITS made an upfront payment of \$605,000 to the former Justice Minister's firm on March 20, 2001, and a second payment of \$211,750 on July 18, 2001.

C. Cancellation of the DNI Contract

33. Despite the efforts of Siemens and its affiliates to reauthorize the DNI Contract through the bribery of government officials, the De la Rúa administration on May 18, 2001, cancelled the DNI Contract. Days later, SBS gave notice of its intent to terminate all subcontracts related to the project, including the \$27 million sham consulting agreement with MFast.

34. In an effort to have the DNI Contract reinstated, defendant Sharef and Siemens' then-CEO formed a "crisis management team" to assume control over the DNI project. The team members included defendants Truppel, Steffen, and Signer, who replaced Bock as Head of Major Projects at SBS in July 2001.

35. At about the same time, Siemens prepared to initiate an arbitration proceeding with the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") in Washington, DC, to recover its lost profits and out of pocket costs resulting from the cancellation of the DNI Contract. In July 2001, Siemens sent a letter to the ICSID arbitration board in Washington, DC, to preserve its right to file an ICSID arbitration claim. This triggered a six-month period for settlement negotiations with the Argentine government.

36. Notwithstanding the DNI Contract's cancellation, defendant Sergi and the Project Group advised Siemens that the Argentine government officials who had helped

Siemens secure the DNI Contract still expected to be paid the bribes they had been promised but had not yet received. Sergi also demanded that he be reimbursed for the bribes that he had advanced to government officials on Siemens' behalf. If the payment demands were not met, Sergi threatened to go public with corruption allegations against Siemens.

37. In order to preserve the viability of Siemens' ICSID arbitration claim, it was necessary for the company to exclude from the proceeding any evidence that Siemens had originally obtained the DNI Contract through bribery. Evidence of corruption in the award of the contract would have presented a potential defense for the Argentine government. In order to suppress that evidence, the defendants authorized and paid additional bribes to Argentine officials. Sergi, Truppel, Steffen, and Bock continuously urged Siemens management to funnel more money to Argentine officials. Truppel urged Siemens management to pay the outstanding promised bribes to Argentine government officials, not only to avoid disqualification from the ICSID arbitration, but also to prevent potential physical harm to him and other Siemens employees in Argentina.

38. On July 6, 2001, Truppel and Bock met with Sergi and his associates in Miami, Florida, to devise a method of paying the \$27 million in bribes that had originally been intended to be made via the then-terminated sham MFast contract. Bock agreed to pay Sergi \$27 million to satisfy the bribery demands by the Argentine officials, and Sergi gave instructions that the money be sent to Sergi's Swiss bank account within thirty days. Following the Miami meeting, Bock advised Signer of the agreement to pay \$27 million through Sergi to the Argentine officials. Bock later attempted to initiate the payment, but

was unable to persuade Siemens' legal and compliance departments that the company had a legitimate commercial basis for making it.

D. SBS Authorizes an "Advance Payment" of up to \$10 Million

39. Defendant Regendantz became the Chief Financial Officer of SBS in February 2002. As soon as Regendantz arrived at SBS, defendants Signer, Steffen, and Truppel pressured him to authorize additional bribe payments to Argentina. Defendant Signer told Regendantz that Siemens had paid or promised approximately \$70 million to various Argentine officials to obtain the DNI Contract, and that \$27 million remained owing to the Argentine officials even though the contract had been cancelled.

40. Initially Regendantz, who had no prior dealings with the DNI Contract, resisted authorizing the bribes. Regendantz had several meetings and telephone conversations with defendant Steffen in the Spring of 2002 in which Steffen urged Regendantz to authorize bribe payments from SBS to Argentine officials. In April 2002, Steffen told Regendantz that SBS had a "moral duty" to make at least an "advance payment" of \$10 million to Sergi and the other payment intermediaries. Steffen claimed that he, Truppel, and other employees of Siemens Argentina were being threatened because the long-promised bribes remained unpaid.

41. Over a period of weeks, Regendantz sought guidance from Siemens' Head of Compliance, Chief Financial Officer, Chief Executive Officer, and two members of the Managing Board, one of whom was defendant Sharef. In each instance, Regendantz explained that the payment demands lacked any legitimate commercial basis and that he was reluctant to authorize them. In each instance, Regendantz's superiors gave every indication that they were familiar with the DNI Contract and with the nature of the

payment demands. And in each instance, his superiors told Regendantz that it was his responsibility to find a solution to the problem. Regendantz understood these responses from his superiors to be an instruction that he authorize the bribe payments.

42. Ultimately, Regendantz authorized the advance payment of up to \$10 million in bribes to Argentine officials, through the Project Group. A portion of those bribes were paid to bank accounts in New York and Miami.

43. During this period, Siemens was negotiating with the Argentine government pursuant to the preservation period allowed by the ICSID arbitration. In May 2002, Siemens filed its ICSID arbitration claim, demanding over \$550 million from the Argentine government for the terminated DNI Contract. The defendants were aware of the pending ICSID arbitration.

E. \$5.2 Million Payment Through Meder Holding Corporation

44. The first tranche of the \$10 million advance payment authorized by Regendantz consisted of a \$5.2 million payment to Argentine officials that was routed through an intermediary in Uruguay. Defendants Truppel and Signer, with the help of defendant Bock and subordinate SBS employees, generated a series of fictitious documents to facilitate the payment and to obscure the audit trail.

45. In the summer of 2002, defendant Signer had Bock and a subordinate SBS employee sign a backdated consulting agreement with Meder Holding Corporation S.A. ("Meder"), a Uruguay front company controlled by the Project Group. Signer also instructed the SBS employee to sign backdated invoices from Meder totaling approximately \$5.2 million.

46. In May 2002, defendant Truppel sent Signer the Meder invoices, which were backdated to 2001 and early 2002. The invoices were purportedly for “market development in Chile and Uruguay” and included wire transfer instructions to a Standard Chartered bank account in New York. The references to “market development in Chile and Uruguay” were false. The payments were not made in connection with any such work.

47. Regendantz instructed a subordinate to handle the paperwork related to the bribe payments to Argentina. On July 19, 2002, Regendantz’s subordinate authorized the \$5.2 million payment to Meder, and on July 22, 2002, SBS wired the funds to the designated Standard Chartered bank account in New York. The payment was incorrectly recorded in Siemens’ books and records.

48. The second tranche of the \$10 million “advance,” in the amount of approximately \$4.7 million, was not made until February 2004

F. January 2003 Meeting in New York Between Defendants Sharef and Sergi to Negotiate Further Bribe Payments

49. Following the \$5.2 million Meder payment, defendant Sergi and the Project Group continued to relay bribery demands from Argentine officials. On January 16, 2003, defendant Sharef met with Sergi in New York, NY, to negotiate the terms of Siemens’ payment. One difficulty in responding to the demands was that, because the DNI Contract had been terminated by the Argentine government and work on the DNI project had ceased, Siemens officials lacked a plausible business justification for making the payments.

50. At the New York meeting, Sharef and Sergi addressed this problem by devising a strategy to conduct a sham arbitration involving the then-terminated MFast contract as a means for funneling the bribe payments to government officials in Argentina. Siemens owed no bona fide payment obligation under the MFast contract because the contract itself was a sham arrangement. But if MFast initiated an arbitration proceeding against Siemens for wrongful termination and then either prevailed or negotiated a settlement, the resulting award would be available to satisfy the longstanding bribe demands. The sham MFast arbitration did eventually take place, but it was not initiated until 2005.

G. \$11.79 Million Payment through Dubai Intermediary in 2003

51. In the first half of 2003, much of the promised \$27 million remained unpaid, and the payment demands by Sergi on behalf of Argentine officials continued. Defendants Signer, Truppel, and Steffen urged Sharef to meet the demands and make the additional payments. In mid-2003, on Sharef's instruction, the Commercial Head of Siemens PTD, Truppel, and others initiated a plan to have Siemens PTD, a division unrelated to the DNI project, funnel €9.6 million (or approximately \$11.79 million) to Sergi and the Project Group through an intermediary company in Dubai. By making the bribe payment through PTD, the payment could be falsely recorded in Siemens' books and records as an expense incurred in connection with an active PTD project, rather than with the then-terminated DNI Contract.

52. In March 2003, Sharef called the Commercial Head of PTD and told him that Sharef needed PTD's help in transferring funds from Siemens PTD to South America

in connection with an SBS project. Sharef told the PTD official that there was an urgent need for the funds, and that the money would be reimbursed to PTD later.

53. On defendant Sharef's instruction, the PTD official contacted the Dubai payment intermediary and asked for its assistance in making the transfer. Sharef instructed the PTD official to put the Dubai intermediary in touch with defendant Truppel, who would provide payment details. Pursuant to Truppel's payment instructions, the Dubai intermediary transferred €9.6 million to bank accounts in the Bahamas maintained by the Project Group for one or more Argentine government officials. Using phony invoices to conceal the corrupt nature of the payment, the Dubai intermediary charged the payment to a PTD contract unrelated to the DNI project.

54. Because the €9.6 million payment was for the benefit of an SBS project, in late 2003 PTD sought reimbursement of the payment amount from SBS. Defendant Regendantz instructed his subordinate to find a way to process the reimbursement without disclosing the underlying nature of the corrupt payment. To support the reimbursement, the subordinate and his counterpart at PTD fabricated justifications for fictitious invoices totaling €9.6 million (\$11.79 million). PTD submitted the phony invoices to SBS between December 2003 and February 2004. SBS made the reimbursement payments to PTD in 2004.

H. \$4.7 Million Payment to Companies Linked to the Project Group in 2004

55. The second tranche of the \$10 million "advance payment" authorized by Regendantz was made in 2004. In late 2003, defendant Sharef informed the then-CEO of Siemens Argentina that Sharef had reached an agreement to pay an additional \$4.7 million in bribes to government officials through Sergi. Sharef instructed the

Siemens Argentina CEO to provide defendant Sergi with whatever information Sergi needed to prepare the fictitious invoices needed to support the \$4.7 million payment.

56. Sergi, on instructions from Sharef, submitted eight fictitious invoices totaling \$4.7 million to the Siemens Argentina CEO, who then forwarded them to Regdantz. The invoices were purportedly for “consulting services” provided to SBS by four companies, each affiliated with MFast. The invoices were not linked to any identifiable contracts, nor were they linked to any projects on SBS’s books and records.

57. Regdantz instructed his subordinate to handle payment of the invoices. The subordinate noticed an error in one of the invoices and called the Siemens Argentina CEO, telling him, “if we have to produce crap, we should at least do it correctly.” The Siemens Argentina CEO submitted revised invoices. Regdantz’s subordinate then generated a memo, backdated to October 10, 2003, to support the sham projects and expenses reflected by the invoices. Defendant Signer instructed an SBS subordinate to sign the backdated, fictitious invoices supporting the \$4.7 million payment.

58. Payments to two of the companies identified on the invoices were made in February 2004 to bank accounts held at the International Bank of Miami. Siemens improperly accounted for the payments as “consulting expenses” in its books and records.

59. Between 2002 and 2006, Regdantz signed quarterly and annual certifications pursuant to the Sarbanes-Oxley Act falsely representing that the financial statements of SBS “do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.” The quarterly certifications also falsely represented that the financial statements of SBS “fairly present in all material

respects the financial condition, results of operations, and cash flows.” The quarterly and annual certifications were presented to the auditors of SBS and Siemens in connection with the companies’ quarterly reviews and annual audits.

I. The ICSID Arbitration in Washington, DC

60. In May 2002, Siemens instituted an arbitration proceeding against the government of Argentina through the ICSID in Washington, DC, seeking \$550 million in lost profits and expenses as a result of Argentina’s allegedly wrongful termination of the DNI Contract. Had the government of Argentina introduced evidence showing that Siemens had obtained the DNI Contract through bribery, that evidence would have stood as a defense to the company’s breach-of-contract claim. Siemens, however, succeeded in keeping any evidence or allegation of bribery out of the ICSID arbitration until September 2005, by which time the evidence was too late to be considered. Siemens suppressed the evidence of corruption through the false testimony of defendants Truppel, Bock, and Sharef, and by paying the bribes demanded by Sergi and the Project Group, which had threatened to disclose the corrupt nature of the DNI Contract.

61. In September 2005, the government of Argentina did invoke corruption as a defense to Siemens’ arbitration claim. Despite knowing the truth -- that the DNI Contract had indeed been obtained through large-scale bribery -- Siemens officially denied the corruption allegations. Argentina ultimately lost its ability to assert the defense on the ground that the defense had not been timely raised.

62. On February 6, 2007, Siemens was awarded \$217,838,430 in the ICSID arbitration against the government of Argentina for Siemens’ loss of investment, plus interest. This award represented the economic benefit that Siemens’ bribery scheme had

long sought to obtain. However, in August 2009, after settling bribery charges with the Commission, the Department of Justice, and the Munich Public Prosecutor, Siemens waived the ICSID award.

J. The MFast Arbitration

63. On March 15, 2005, MFast initiated a private arbitration proceeding against SBS with the International Chamber of Commerce (“ICC”) in Zurich, Switzerland, to recover the \$27 million in bribe payments that it had been promised for Argentine officials under the corrupt contract it signed with SBS in January 2001. Siemens did not attempt to defend the ICC arbitration on the grounds that the MFast contract was part of an illegal bribery scheme involving the DNI Contract. Nor did Siemens reveal that the ICC arbitration was a sham proceeding concocted by defendants Sharef and Sergi during their meeting in New York. Instead, once the arbitration commenced, Siemens’ management withheld any evidence of corruption from the ICC proceeding and quickly settled with MFast. The settlement kept the MFast bribery scheme from coming to light and thereby endangering the hundreds of millions of dollars at stake in the then-pending ICSID arbitration.

64. Due to his involvement in the DNI project as Head of Major Projects, defendant Bock was called to testify in both the ICSID and MFast arbitration proceedings. Instead of revealing the corruption and bribery surrounding the DNI and MFast contracts, Bock concealed the illicit bribery activity in Argentina. In return for Bock’s silence, defendant Signer and others arranged for Siemens to pay Bock and a family member approximately \$316,000 from 2005 to 2007 through sham consulting agreements.

65. On November 9, 2006, despite knowing that the sole purpose of the MFast contract was to funnel bribes to Argentine government officials, Siemens' management settled the ICC arbitration by agreeing to pay MFast \$8.8 million. Payment was made in January 2007.

66. The \$8.8 million payment was itself a bribe designed to satisfy defendant Sergi and the Argentine government officials who were owed money, and to keep them from revealing the extensive bribery surrounding the DNI Contract. The settlement agreement with MFast expressly barred Sergi and his associates from "involv[ing] themselves in [the ICSID Arbitration Proceedings], either directly or indirectly, or in any other manner influenc[ing] said proceedings, even if only by passing on information...." The settlement agreement also barred Sergi and his associates from serving as witnesses in the ICSID proceedings.

CLAIMS FOR RELIEF
FIRST CLAIM
[Violations of Section 30A of the Exchange Act]

67. Paragraphs 1 through 66 are realleged and incorporated by reference.

68. As described above, defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz corruptly offered, promised to pay, or authorized payments to one or more persons, while knowing that all or a portion of those payments would be offered, given, or promised, directly or indirectly, to foreign officials for the purpose of influencing their acts or decisions in their official capacity, inducing them to do or omit to do actions in violation of their official duties, securing an improper advantage, or inducing such foreign officials to use their influence with foreign governments or instrumentalities thereof to assist Siemens in obtaining or retaining business.

69. By reason of the foregoing, and pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz violated, and aided and abetted Siemens' violations of, and unless enjoined will continue to violate, and aid and abet violations of, Section 30A of the Exchange Act. [15 U.S.C. § 78dd-1]

SECOND CLAIM
[Violations of Section 13(b)(5) of the Exchange Act and
Rules 13b2-1 and 13b2-2 thereunder]

70. Paragraphs 1 through 69 are realleged and incorporated by reference.

71. As described above, defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz knowingly circumvented or knowingly failed to implement a system of internal accounting controls or knowingly falsified books, records or accounts as described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)] or falsified or caused to be falsified books, records or accounts subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

72. As described above, defendant Regendantz directly or indirectly made or caused to be made a materially false or misleading statement to an accountant in connection with an audit, review or examination of the financial statements of Siemens.

73. By reason of the foregoing, defendants Sharef, Bock Steffen, Truppel, Signer, Sergi, and Regendantz violated, and unless enjoined will continue to violate, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1], and, as to defendant Regendantz, Rule 13b2-2 thereunder [17 C.F.R. § 240.13b2-2].

THIRD CLAIM
**[Aiding and Abetting Violations
of Section 13(b)(2)(A) of the Exchange Act]**

74. Paragraphs 1 through 73 are realleged and incorporated by reference.

75. As described above, defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz knowingly provided substantial assistance to Siemens' failure to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected its transactions and dispositions of its assets.

76. By reason of the foregoing, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz aided and abetted Siemens' violations of, and unless enjoined will continue to aid and abet violations of, Section 13(b)(2)(A) of the Exchange Act. [15 U.S.C. § 78m(b)(2)(A)].

FOURTH CLAIM
**[Aiding and Abetting Violations
of Section 13(b)(2)(B) of the Exchange Act]**

77. Paragraphs 1 through 76 are realleged and incorporated by reference.

78. As described above, defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz knowingly provided substantial assistance to Siemens' failure to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions were executed in accordance with management's general or specific authorization; and (ii) transactions were recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for its assets.

79. By reason of the foregoing, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz aided and abetted Siemens' violations of, and unless enjoined will continue to aid and abet violations of, Section 13(b)(2)(B) of the Exchange Act. [15 U.S.C. § 78m(b)(2)(B)]

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

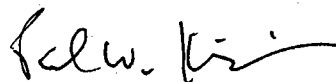
A. Permanently restraining and enjoining defendants Sharef, Bock, Steffen, Truppel, Signer, Sergi, and Regendantz from violating Exchange Act Sections 30A and 13(b)(5), and Rule 13b2-1 thereunder, and, as to defendant Regendantz, Rule 13b2-2 thereunder, [15 U.S.C. §§ 78dd-1 and 78m(b)(5); and 17 C.F.R. §§ 240.13b2-1 and 240.13b2-2] and from aiding and abetting violations of Exchange Act Sections 30A, 13(b)(2)(A) and 13(b)(2)(B) [15 U.S.C. §§ 78dd-1, 78m(b)(2)(A), and 78m(b)(2)(B)].

B. Ordering defendants to disgorge ill-gotten gains wrongfully obtained as a result of their illegal conduct, including prejudgment interest;

- C. Ordering defendants to pay a civil penalty pursuant to Exchange Act Sections 21(d)(3) and 32(c) [15 U.S.C. §§ 78u(d)(3) and 78ff(c)]; and
- D. Granting such further relief as the Court may deem just and appropriate.

Dated: December 13, 2011

Respectfully submitted,



Paul W. Kisslinger (PK 0764)
Robert I. Dodge (RD 0433)
Kara Brockmeyer
Tracy L. Price
Denise Hansberry

Attorneys for Plaintiff,
U.S. Securities and Exchange
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KisslingerP@sec.gov
(202) 551-4421 (Dodge)
DodgeR@sec.gov

Exhibit 2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION

(In the space above enter the full name(s) of the plaintiff(s)/petitioner(s).)

11 Civ. 9073 (SAS) ()

- against -

URIEL SHAREF, ULRICH BOCK, CARLOS SERGI, STEPHAN SIGNER

HERBERT STEFFEN, ADRES TRUPPEL, BERND REGENDANTZ

AFFIRMATION OF SERVICE

(In the space above enter the full name(s) of the defendant(s)/respondent(s).)

I, Paul W. Kisslinger, declare under penalty of perjury that I have
(name)

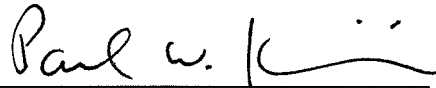
served a copy of the ~~attached~~ Complaint and Summons By Publication
(document you are serving)

upon Uriel Sharef, Ulrich Bock, Stephan Signer, Herbert Steffen whose address is in Germany
(name of person served)

(where you served document)

by Publication in the International Herald Tribune (June 27, 2012) and email/mail to counsel per Order [Dkt. 8]
(how you served document: For example - personal delivery, mail, overnight express, etc.)

Dated: Washington, DC
(town/city) (state)
July 11, 2012
(month) (day) (year)



Signature

U.S. Securities and Exchange Commission
Address

100 F Street, N.E.
City, State

Washington, D.C. 20549-5977
Zip Code

Telephone Number



AFFIDAVIT

I, Jack Byrnes, Advertising Representative of The International Herald Tribune, do certify that the advertisement for The U.S. Securities & Exchange Commission:

Entitled:
NOTICE TO:
URIEL SHAREF, ULRICH BOCK,
STEPHAN SIGNER
HERBERT STEFFEN

*Measuring 44 lines appeared in
The International Herald Tribune on June 27, 2012;*

A handwritten signature in cursive script that reads "Jack Byrnes".

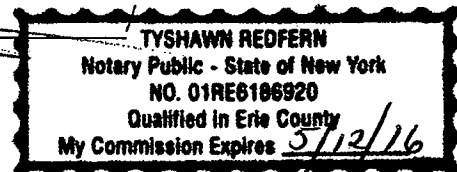
Jack Byrnes

Sworn to and subscribed before me this 27th day of June 2012

Notary Public

My Commission expires

A large, stylized handwritten signature in black ink, likely belonging to the Notary Public.



After a forced abortion in China, harassment

BEIJING

BY EDWARD WONG

A woman who was forced by local officials to abort a seven-month-old fetus this month, spurring a national discussion about the one-child policy, said in an interview Tuesday that she was "under a lot of pressure" and was being watched by guards in a hospital who do not allow her to leave.

The woman, Feng Jianmei, has been in a county hospital in Shaanxi Province since early June after officials induced labor. Her husband was beaten last

week and local officials led peasants in a march to denounce the family members as "traitors," said Ms. Feng's sister-in-law, also at the hospital.

The harassment came even though provincial officials ordered that local officials be punished for the forced abortion after a photograph of the bedridden woman and the bloody fetus was posted on the Internet in mid-June. Xinhua, the state news agency, reported Tuesday that an investigation had resulted in the firing of two lower-level officials. The report also said the county government had been ordered by senior officials to give a living subsidy to Ms. Feng.

The population control mandate from Party under which her parents who have more than one child are allowed to have only one child. On occasions, force parents to have sterilized.

"My body is slowly being destroyed," Feng, 23, said as she lay in bed, her voice filled with despair. "The hospital staff beat me times a day. The food I'm under a lot of pressure to eat."

Local officials could not be reached for comment.

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NOTICE TO:
URIEL SHARAF, ULRICH BOCK,
STEPHAN SIGNER,
HERBERT STEFFEN
SUMMONS BY PUBLICATION
You have been named as a defendant in a lawsuit filed by the U.S. Securities and Exchange Commission ("SEC") in the U.S. District Court for the Southern District of New York. Securities and Exchange Commission v. Sharaf, et al., No. 11 Civ. 9073 (SAS) (filed December 13, 2011). The SEC alleges that you violated the Foreign Corrupt Practices Act by taking actions to bribe public officials in Argentina in order to secure a government contract to produce national identity cards. YOU ARE HEREBY SUMMONED and required to serve upon Plaintiff's attorney (Robert I. Dodge, 100 F Street, N.E., Washington, D.C. 20549-4030) and the Clerk of Court (U.S. Courthouse, 500 Pearl Street, New York, NY, 10007) an Answer to the Complaint that was filed with the Court within twenty (20) days after the date of publication of this notice. If you fail to file an Answer or other response within twenty (20) days after the date of publication, judgment by default will be entered against you by the Court for the relief demanded in the Complaint, without further notice to you. Service is complete on the date of publication. A copy of the Complaint may be obtained by contacting counsel for the SEC or from the Clerk of the Court.

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7 | 2012

WEDNESDAY, JUNE 27, 2012 | 7

ASIA WORLD NEWS

n to Mongolia's minerals



GILLES SABRIE FOR THE NEW YORK TIMES

Mongolian friendship in Ulan Bator. Many Mongolians are angry about deals that have given foreign companies large profits from mines.

China, Mongolian cooperation with of what it calls icy. The United reds of millions lia, though the beyond the fis out thousands lents, and Mon- ops to Iraq, Af- ka, where they iard.

lian president, with Mr. Obama dined with the esident Joseph ngolia, holding ster.

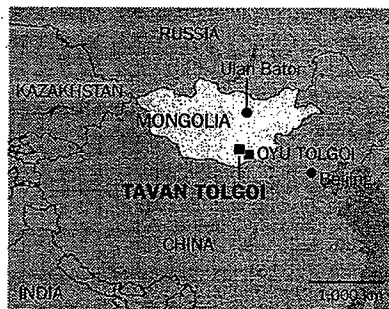
nd Mongolian l closed doors, rned to mining,

Officially, the Obama administration plays down both the strategic and commercial aspects of the bid, preferring to focus the public discussion on its support for Mongolian economic development.

"We want to be a part of the balance of trade," the U.S. ambassador, Jonathan Addleton, said in an interview, noting that the United States had dramatically increased its exports to Mongolia.

But the United States is also looking for a bigger return. Those briefed on internal discussions say that Washington recognizes that Mongolia will dole out its resources among various interests but insists that Peabody receive the lead role in developing the coal mine.

"Tavan Tolgoi is the only project in Mongolia in which the U.S. has a dog in the hunt," said one U.S. executive based in Mongolia. "What the Americans are



goodies go to China."

One reason Ulan Bator may be procrastinating is because any decision will undoubtedly leave some of the players feeling shortchanged. When information about the negotiations leaked last year, revealing that China and Peabody were destined to be the primary win-

plaints mounted, the Mongolian government halted negotiations until after the elections.

"We're trying to make a deal with world powers that's in line with our national interest," Mr. Elbegdorj said in an interview. "Reaching a consensus is complicated."

To further help break Beijing's grip, the government has embraced a \$7 billion railroad expansion that will give Mongolia direct access to more customers. A 1,000-kilometer, or 620-mile, line will link to Russia and continue northward to a port near Japan and South Korea. Another spur will head south to the Chinese border.

"Mongolia is without a doubt getting more respect from world powers," said John Johnson, an executive based in Beijing with CRU, a mining consultancy.

Exhibit 3

(Seal)
Ministry of Foreign and Religious Affairs

Note No. 10665/12

Please quote DAJIN File No. 764/12

Buenos Aires, August 17, 2012

J. Troy Beatty
Senior Counsel
Office of International Affairs
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, DC 20549
United States of America

I have the pleasure of writing to you for the purpose of touching upon the trial **"SEC v. URIEL SHAREF, et al, UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT of NEW YORK (Civil Action No. 11-CV-9073 (SAS), OIA REF: 2007-00943" (U.S. Securities and Exchange Commission, c/Uriel Sharif et al s/Summons to a Civil Action)**, and in connection with what was previously stated in Note No. 9033 of 7/12/2012 from this International Legal Services Administration, we are sending evidence of service executed by the Civil, Commercial, and Administrative Federal District Court No. 1 of San Martín, Province of Buenos Aires, concerning Mr. Andrés Ricardo Truppel.

From the aforementioned evidence, it was inferred that the lawsuit against Mr. Andrés Ricardo Truppel was notified by the Officer of the Court on August 3, 2012.

Once we receive the evidence of notification of the lawsuit against Mr. Carlos Raúl Sergi, we will forward it to you for your information.

I remain as always, very truly yours,

AH
Enc. 3 pp.

(Signature)
HORACIO A. BASABE
Ambassador
Director of International Legal Services

(Bar Code)
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File 764/2012

FP

COURT: CIVIL, COMMERCIAL, AND ADMINISTRATIVE FEDERAL DISTRICT COURT NO. 1 OF SAN MARTÍN

(Seal: Civil, Commercial, and Administrative Federal District Court No. 1 of San Martín, Republic of Argentina, San Martín, B.A.)

DATE OF RECEIPT ON NOTIFICATIONS

Mr. Andrés Ricardo Truppel

HOME ADDRESS: Monseñor Andrés Calcagno No. 936 Boulogne, Province of Buenos Aires, Republic of Argentina.

DEFENDANT

NATURE:.....

(Urgent, notify on the date, authorization of nonworking date and hour)

SPECIAL REMARKS:

(Insanity Art. 626 – Special Injunction – Habeas – Art. 682/683/684 – Art. 339/141 – C.P.C.C. – Art. 129 C.P.P.)

ORDER No.	68,498 ISSUE No.	AREA	FP JURISDICTION	COURTROOM		(Delete what does not apply)		REMARKS
				1 COURT	3 SECRET	YES/NO	YES/NO	

Rez:

Negative Notif.

Please be advised that, concerning file entitled **“Diplomatic Letters Rogatory in court orders entitled ‘U.S. Securities and Exchange Commission c/ Uriel Sharif s/ Summons in a Civil Action’ s/ Official Notice,”** which is being processed before this Court, the following decision has been issued, dated July 30, 2012, a true and complete copy of which is enclosed on a sheet of security paper.

Attached to this letter please find **“Summons in a Civil Action”** in Spanish, as well as in English, for a total of four (4) pages of security paper, and a **“Summary Proceeding”** in Spanish, as well as in English, for a total of fifty-two (52) pages of security paper.

YOU ARE HEREBY NOTIFIED.

CLERK’S OFFICE, July 31, 2012.

(Signature)

Rafael Alberto Espinola

Clerk

(Stamp: SUSANA BEATRIZ, [illegible] ASSISTANT CLERK, OFFICER OF THE COURT)

YOUR HONOR:

ON, 2012, ATO’CLOCK, I MADE AN OFFICIAL VISIT AT THE
AFOREMENTIONED ADDRESS, ASKING FOR INTERESTED PARTY AND AN
INDIVIDUAL, WHO ANSWERED MY CALL, IDENTIFIED HIM/HERSELF AS AND WHO
..... LIVES AT WHERE I WENT FOR THE PURPOSE OF
NOTIFYING HIM/HER SERVING HIM/HER COPY OF
IDENTICAL CHARACTERISTICS TO THIS ONE COPY HAVING PREVIOUSLY READ
IT AND, UPON RECEIVING THE AFOREMENTIONED COPY,
SIGNED IT.

(Stamp: SUSANA BEATRIZ, [illegible] ASSISTANT CLERK, OFFICER OF THE COURT)

(Stamp: [three illegible lines] August 8, 2012, International Legal Services Administration, File No. 769/12)

Judiciary Power of the Nation

San Martín, August 8, 2012

TO DIRECTOR OF THE INTERNATIONAL LEGAL
SERVICES ADMINISTRATION OF THE MINISTRY
OF FOREIGN AND RELIGIOUS AFFAIRS
Ambassador Horacio A. Basabe
HIS / OFFICE

I have the pleasure of writing to you concerning files entitled "Diplomatic Letters Rogatory in court orders '**U.S. Securities and Exchange Commission c/ Uriel Sharif et al s/ Summons in a Civil Action' s/ Official Notice,**" File No. 68,498, being processed before this Civil, Commercial, and Administrative Federal District Court No. 1 of San Martín, temporarily under my care, Clerk's Office No. 3, in care of Dr. Rafael Alberto Espinola, located at Bonifacini Street No. 1770, Second Floor, in this city, in connection with the request filed at the **DAJIN File No. 764/12**, processed at that Administration, as a result of the Diplomatic Letters Rogatory issued in the proceedings entitled "**U.S. Securities and Exchange Commission c/ Uriel Sharif et al s/ Summons in a Civil Action**" being processed before the U.S. District Civil Court for the Southern District of New York.

In that connection, enclosed please find the originals of the official notification issued in these actions and of the relevant service of summons executed with positive results at the domicile located at Monseñor Andrés Calcagno No. 939, C.P. 1609, in the town of Boulogne, Province of Buenos Aires, all that for a total of two (2) sheets of security paper.

I remain, very truly yours,

(Signature)

ÓSCAR ALBERTO PAPAVERO
ACTING FEDERAL JUDGE

[Lateral Stamp: OFFICIAL USE
(Signature)
RAFAEL ALBERTO ESPINOLA
CLERK]

(Stamp: MINISTRY OF FOREIGN RELATIONS
INTERNATIONAL TRADE AND
RELIGIOUS AFFAIRS
RECORDS AND NOTIFICATIONS DESK
INCOMING OUTGOING
Aug. 8, 2012
No. 7644 [illegible] 19.46)

~~File No.~~ On August 3, 2012, at 11:10 [illegible], I made an official visit to Calle Monseñor Calcagno, No. 936, in the town of Boulogne, where I was received by Ms. Natalia Gabriela Albarracín, who identified herself by way of her National Identification Card No. 30,798,431. I informed her about my assignment, and she stated to be a household worker and that Mr. Andrés Ricardo Truppel is living there with his wife, Ms. Patricia Fischer, and their four older children, [and] that Mr. Truppel is at work. Under those circumstances, I proceeded to notify her, serving her with a copy of the instrument with fifty-two attached copies, which are itemized in the instrument. Ms. Albarracín stated that she will deliver it to Mr. Truppel upon his return. In proof thereof, she signs them upon receipt and verification.

(Signature)
SUSANA BEATRIZ RUBIO
ADMINISTRATIVE ASSISTANT CLERK
OFFICER OF THE COURT

(Signature)

(Lateral Stamp: OFFICIAL USE
BEATRIZ RUBIO
ADMINISTRATIVE [CUT OFF]
COURT [CUT OFF])

Stamp: CIVIL, COMMERCIAL, AND ADMINISTRATIVE FEDERAL DISTRICT COURT OF SAN MARTÍN
Aug. 6, [20]12 11:55
JUDGE'S SIGNATURE:
COPIES
(Signature)
RAFAEL A. ESPINOLA
FEDERAL CLERK

RECEIVED
2012 SEP-4 PM 11:42
OIA



Ministerio de Relaciones Exteriores y Culto

Nota N° 10665/12

Sírvase citar Carpe. DAJIN N° 764/12

Buenos Aires, **17 AGO 2012**

J. Troy Beatty
Senior Counsel
Office of International Affairs
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, DC 20549
United States of America

Tengo el agrado de dirigirme a Usted, con el objeto de hacer referencia al juicio "SEC v. URIEL SHAREF, et.al., UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT of NEW YORK, (Civil Action N° 11-CV-9073 (SAS), OIA REF: 2007-00943" (Comisión de Valores de los E.E.U.U. c/Uriel Sharif y otros s/Emplazamiento en una acción civil), y en relación con lo anticipado en nota N° 9033 del 12/7/2012 de esta Dirección de Asistencia Jurídica Internacional, se remiten las constancias del diligenciamiento efectuado por el Juzgado Federal de Primera Instancia en lo Civil y Comercial y Contencioso Administrativo N° 1 de San Martín, Provincia de Buenos Aires, respecto del Sr. Andrés Ricardo Truppel.

De dichas constancias surge que la demanda al Sr. Andrés Ricardo Truppel ha sido notificada por la Oficial de Justicia el día 3 de agosto de 2012.

Una vez recibidas las constancias de la notificación de la demanda al Sr. Carlos Raúl Sergi se le enviarán para su conocimiento.

Saludo a Usted muy atentamente.

AH
Adj. 3 fs.

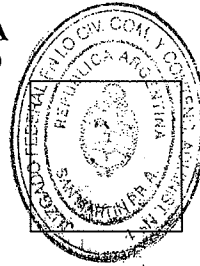
HORACIO A. BASABE
Embajador
Director de Asistencia Jurídica Internacional



Generado por DAJINGES BNO:10770/2012
Carpeta 764/2012

FP

TRIBUNAL: JUZGADO FEDERAL DE PRIMERA INSTANCIA
EN LO CIVIL Y COMERCIAL Y CONTENCIOSO
ADMINISTRATIVO N° 1 DE SAN MARTIN.



FECHA DE RECEPCIÓN EN NOTIFICACIONES

Sres.: Andrés Ricardo Truppel.-

DOMICILIO: Monseñor Andrés Calcagno N° 936 Boulogne, Provincia de Buenos Aires, República Argentina.-

DENUNCIADO

CARÁCTER:

(Urgente, notificar en el día, habilitación de día y hora inhábil)

OBSERVACIONES ESPECIALES:

(Insania Art. 626 – Amparo – Habeas – Art. 682/683/684 – Art. 339/141 – C.P.C.C. - Art. 129 C.P.P.)

		SALA			(testar lo que no corresponda)		
					SI/NO	SI/NO	SI/NO
Nro. ORDEN	68.498	ZONA	FP	JUZGADO	1	SECRET	3
EXP. Nro.		FUERO		JUZGADO		COPIAS	PERSONAL
							OBSERVAC.

Rez:

Notif. Negativa

Hago saber a Ud. que en el exp. caratulado “Exhorto Diplomático en autos caratulados ‘Comisión de Valores de los EE UU c/ Uriel Sharif s/ Emplazamiento en una acción civil’ s/ Notificación” que tramita ante este Tribunal, se ha dictado la siguiente resolución de fecha 30 de Julio de 2012 cuya copia fiel e integra se acompaña en una foja útil.

Se adjunta a la presente “Emplazamiento en una acción civil” en castellano y en inglés en un total de cuatro (4) fojas útiles y “Sumario” en castellano y en inglés en un total de cincuenta y dos (52) fojas útiles.-

QUEDA UD. NOTIFICADO.-

SECRETARIA, 31 de Julio de 2012.-

Rafael Alberto Espinola
Secretario

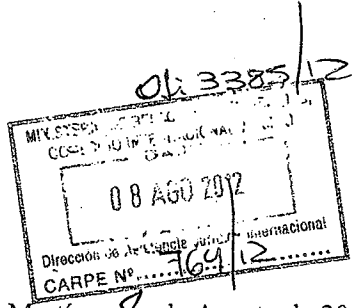
SUSANA BEATRIZ
PROSECRETARIA ADMIN
OFICIAL de JUS

SEÑOR JUEZ:

EN DE DE 2012 SIENDO LAS
..... HORAS, ME CONSTITUI EN EL DOMICILIO
PRECEDENTEMENTE INDICADO REQUIRIENDO LA PRESENCIA DE
..... INTERESADO RESPONDIÉNDOSE A
MIS LLAMADOS UNA PERSONA QUE DIJO SER
..... Y QUE AQUEL
VIVE ALLI PROCEDI A NOTIFICARLE
..... HACIENDOLE ENTREGA DE DUPLICADO
..... DE IGUAL TENOR A LA PRESENTE COPIA
..... PREVIA LECTURA Y
RECIBIÉNDOSE DE ELLO FIRMO.

SUSANA BI
PROSECRETARI
OFICIAL

Poder Judicial de la Nación



San Martín, 8 de Agosto de 2012.-

AL SEÑOR DIRECTOR DE LA
DIRECCION DE ASISTENCIA
JURIDICA INTERNACIONAL
DEL MINISTERIO DE RELACIONES
EXTERIORES Y CULTO.



Embajador Horacio A. Basabe

S _____ D

USO OFICIAL

RAFAEL ALBERTO ESPINOLA
SECRETARIO

Tengo el agrado de dirigirme a Ud. en los autos caratulados "Exhorto diplomático en autos 'Comisión de Valores de los EE.UU. c/ Uriel Sharif y otros s/ Emplazamiento en una acción Civil'", expediente N° 683498, en tramite por ante este Juzgado Federal de Primera Instancia en lo Civil Comercial y Contencioso Administrativo N° 1 de San Martín, interinaménte a mi cargo, Secretaria N° 3 a cargo del Dr. Rafael Alberto Espinola, sito en la calle Bonifacini N° 1770, 2° piso de esta ciudad, con relación al requerimiento que cursara en la carpeta DAJIN N° 764/12, tramitada en esa Dirección como consecuencia del exhorto diplomático librado en los autos caratulados "Comisión de Valores de los EE.UU. c/ Uriel Sharif y otros s/ Emplazamiento en una acción Civil" en tramite por ante el Tribunal Federal de Primera Instancia en lo Civil de los Estados Unidos para el Distrito Sur de Nueva York.

En tal sentido le remito adjunto al presente los originales de la cédula de notificación librada en estas actuaciones y de la pertinente diligencia realizada con resultado positivo en el domicilio ubicado en la calle Monseñor Andrés Calcagno N° 939, C.P. 1609, de la Localidad de Boulogne, Provincia de Buenos Aires, todo ello en un total de dos (2) fojas útiles.-

Saludo a Ud. con mi mayor consideración.-



RAFAEL ALBERTO PAPAVERO
JUEZ FEDERAL
Subrogante

Expte N° En 3 de Agosto del 2012,
siendo las 11:10 hs me constitu-
yo en la calle Monsieur Calcoquis
N° 936, de la localidad de
Douloque, siendo atendido por la
Sta. Catalina. Señala Albomocin,
quien acredita su identidad
con DNI. 30.798.431. Le explico
mi cometido, me muestra fotos
de su le emplace de domicilio
y que en el lugar vive el Sr.
Ricardo TRUPPEL con su
esposa Srta Patricia Fischer y
4 hijos menores. -
Eruppel esta trabajando
ante tal evidencia procu-
a notificarla, haciendo una
copia de sus documentos
y dos copias adjuntas que
le de telefon en el mismo
momento, manifestando le
Sta Albomocin, que procedi-
a hacer entrega al Sr
TRUPPEL, a su regreso. - Recibe
de conformidad y firma
para constancia.

USO OFICIAL

SUSANA BEATRIZ RUBIO
PROSECRETARIA ADMINISTRATIVA
OFICIAL DE JUSTICIA

SUSANA BEATRIZ RUBIO
PROSECRETARIA ADMINISTRATIVA
OFICIAL DE JUSTICIA

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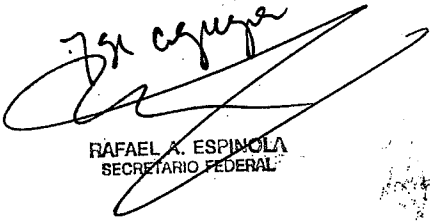
OIA

JUZG. FED. 1ª INST.
CIV. COM. Y CONT. ADM.
DE SAN MARTIN

6 Ago 12 11 55

FIRMA DE LETRADO

COPIAS - CONSTE



RAFAEL A. ESPINOLA
SECRETARIO FEDERAL

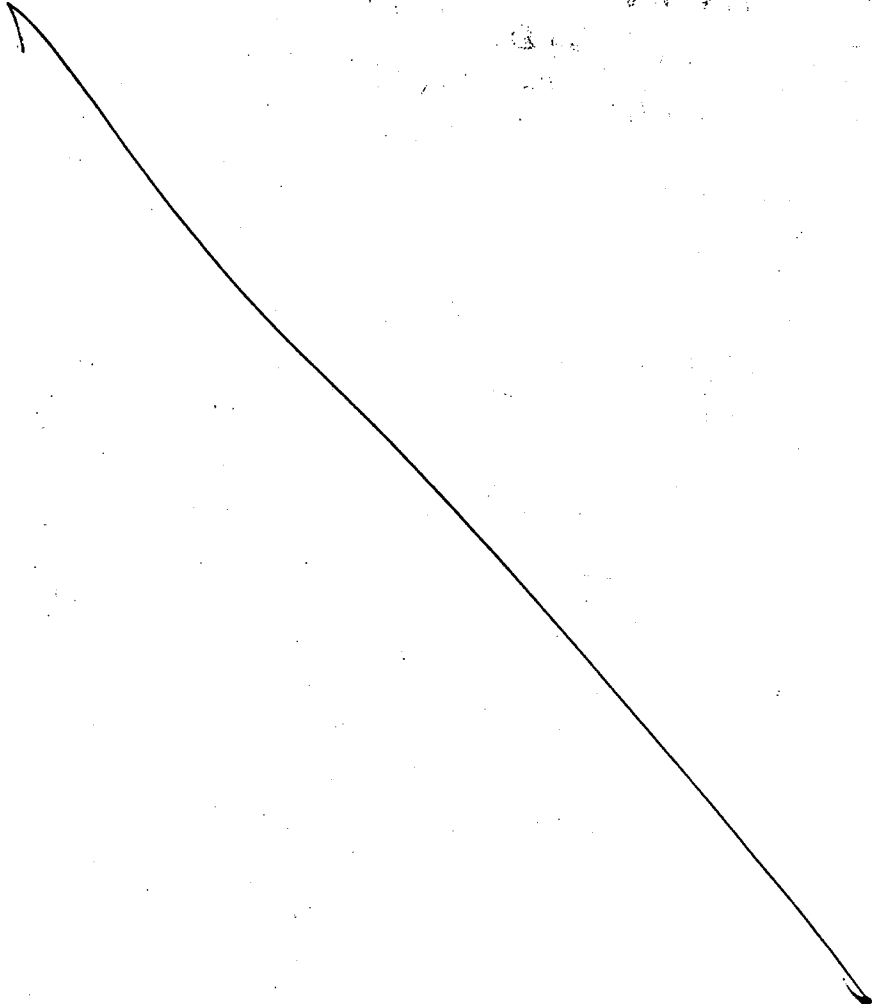


Exhibit 4

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 9/19/12

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

URIEL SHAREF, et al.,

Defendants,

Case No. 11-Civ-9073 (SAS)

CLERK'S CERTIFICATE

I, RUBY J. KRAJICK, Clerk of the United States District Court for the Southern District of New York, do hereby certify that this action commenced on December 13, 2011, with the filing of a summons and complaint. Pursuant to the Court's Order dated June 18, 2012, the defendants ULRICH BOCK and STEPHAN SIGNER were served on June 27, 2012, by publication in the *International Herald Tribune*, along with delivery of the summons and complaint by mail and electronic mail to the defendants' German counsel. Proof of service thereof was filed on July 11, 2012.

I further certify that the docket entries indicate that the defendants ULRICH BOCK and STEPHAN SIGNER have not filed answers or otherwise moved with respect to the complaint herein. The default of defendants ULRICH BOCK and STEPHAN SIGNER is hereby noted.

Dated: New York, New York
September 19, 2012

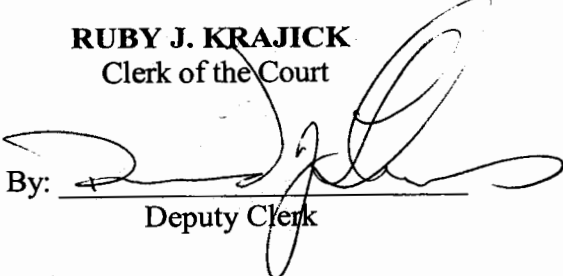
RUBY J. KRAJICK
Clerk of the Court
By: 
Deputy Clerk

Exhibit 5

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 4/29/13

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

URIEL SHAREF, et al.,

Defendants,

Case No. 11-Civ-9073 (SAS)

CLERK'S CERTIFICATE

I, RUBY J. KRAJICK, Clerk of the United States District Court for the Southern District of New York, do hereby certify that this action commenced on December 13, 2011, with the filing of a summons and complaint. Defendant ANDRÉS RICARDO TRUPPEL was served on August 3, 2012, by hand delivery of the summons and complaint. Proof of service thereof was filed on September 25, 2012.

I further certify that the docket entries indicate that the defendant ANDRÉS RICARDO TRUPPEL has not filed an answer or otherwise moved with respect to the complaint herein. The default of defendant ANDRÉS RICARDO TRUPPEL is hereby noted.

Dated: New York, New York
April 29, 2013

RUBY J. KRAJICK
Clerk of the Court


By: 
Deputy Clerk

Exhibit 6

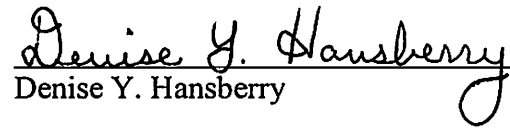
DECLARATION OF DENISE Y. HANSBERRY

I am over twenty one years of age and competent to testify. All statements below are based on my personal knowledge.

1. I am a Senior Counsel for the Securities and Exchange Commission (“SEC”), Division of Enforcement.
2. As part of my work for the SEC, I participated in an investigation of the events described in the SEC’s complaint in this action, particularly the bribery scheme involving Siemens’ DNI Contract in Argentina.
3. As part of the investigation, I reviewed business records provided by Siemens AG regarding certain payments made by Siemens in connection with the ICSID and MFAST arbitrations. The pertinent records are identified by Bates numbers SAGDDQ 696 to SAGDDQ 702 and are attached as Exhibit A.
4. The business records provided by Siemens indicate the payment of the amounts listed below to defendant Ulrich Bock and to his wife Christina Bock under the heading “Consultants.”

Date	Recipient	Amount (€)	Amount (\$)
5/10/2005	Christina Bock	10,000	12,608
7/26/2005	Christina Bock	10,000	12,608
9/5/2005	Ulrich Bock	37,800	47,659
8/26/2005	Ulrich Bock	31,320	39,489
11/23/2005	Ulrich Bock	11,610	14,638
1/19/2006	Ulrich Bock	14,580	17,844
3/21/2006	Ulrich Bock	10,260	12,557
5/6/2006	Ulrich Bock	6,480	7,931
6/14/2006	Ulrich Bock	11,340	13,879
7/6/2006	Ulrich Bock	10,800	13,218
10/15/2006	Ulrich Bock	14,310	19,164
10/30/2006	Ulrich Bock	7,560	10,124
12/14/2006	Ulrich Bock	7,020	9,401
1/7/2007	Ulrich Bock	9,720	13,017
2/11/2007	Ulrich Bock	10,800	14,463
2/27/2007	Ulrich Bock	10,800	14,463
3/20/2007	Ulrich Bock	10,800	14,463
4/30/2007	Ulrich Bock	10,800	14,463
5/31/2007	Ulrich Bock	10,800	14,463
Total:		<u>€246,800</u>	<u>\$316,452</u>

Pursuant to 17 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, this 17 day of October, 2013.


Denise Y. Hansberry

as per 05.02.08

Consultants	Date	Value / €	Value / \$
Redacted			
Christina Bock	10/05/2005	10,000.00	12,608.12
Christina Bock	26/07/2005	10,000.00	12,608.12
Total			25,216.24
Redacted			

1.22387

2008 1.4500 FC Kurs 2008
 2007 1.33919 Ist Mischkurs Sep 07
 2006 1.22387
 2005 1.26081188
 2004 1.24371145
 2003 1.1312433
 2002 0.9451705
 2001 0.89548927

=Änderung zum Ursprungsstand

=Änderung Feb 08



as per 05.02.08

1.22387

	Date	Value / €	Value / \$
Redacted			
Total		36,445.63	
Ulrich Bock	05/09/2005	37,800.00	47,658.69
Ulrich Bock	26/08/2005	31,320.00	39,488.63
Ulrich Bock	23/11/2005	11,610.00	14,638.03
Ulrich Bock	19/01/2006	14,580.00	17,844.02
Ulrich Bock	21/03/2006	10,260.00	12,556.91
Ulrich Bock	06/05/2006	6,480.00	7,930.68
Ulrich Bock	14/06/2006	11,340.00	13,878.69
Ulrich Bock	06/07/2006	10,800.00	13,217.80
Ulrich Bock	15/10/2006	14,310.00	19,163.81
Ulrich Bock	30/10/2006	7,560.00	10,124.28
Ulrich Bock	14/12/2006	7,020.00	9,401.11
Ulrich Bock	07/01/2007	9,720.00	13,016.93
Ulrich Bock	11/02/2007	10,800.00	14,463.25
Ulrich Bock	27/02/2007	10,800.00	14,463.25
Ulrich Bock	20/03/2007	10,800.00	14,463.25
Ulrich Bock	30/04/2007	10,800.00	14,463.25
Ulrich Bock	31/05/2007	10,800.00	14,463.25
Total		226,800.00	291,235.82
Redacted			

as per 05.02.08

Date	Value / €	Value / \$
Redacted		

1.22387

as per 05.02.08

	Date	Value / €	Value / \$
Redacted			

1.22387

1.22387

as per 05.02.08

	Date	Value / €	Value / \$
Redacted			

1.22387

as per 05.02.08

	Date	Value / €	Value / \$
Redacted			

as per 05.02.08

Date	Value / €	Value / \$
Redacted		

1.22387

1,437.20
70,548.30
20,504.80
CHF
CHF

Kurs 06

CHF
CHF
CHF

1.5526

Exhibit 7



U.S. Securities and Exchange Commission

Division of Enforcement

Prejudgment Interest Report

Ulrich Bock - Prejudgment Interest Calculation

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				\$316,452.00
07/01/2007-09/30/2007	8%	2.02%	\$6,381.06	\$322,833.06
10/01/2007-12/31/2007	8%	2.02%	\$6,509.73	\$329,342.79
01/01/2008-03/31/2008	7%	1.74%	\$5,732.00	\$335,074.79
04/01/2008-06/30/2008	6%	1.49%	\$4,998.66	\$340,073.45
07/01/2008-09/30/2008	5%	1.26%	\$4,274.15	\$344,347.60
10/01/2008-12/31/2008	6%	1.51%	\$5,193.44	\$349,541.04
01/01/2009-03/31/2009	5%	1.23%	\$4,309.41	\$353,850.45
04/01/2009-06/30/2009	4%	1%	\$3,528.81	\$357,379.26
07/01/2009-09/30/2009	4%	1.01%	\$3,603.17	\$360,982.43
10/01/2009-12/31/2009	4%	1.01%	\$3,639.49	\$364,621.92
01/01/2010-03/31/2010	4%	0.99%	\$3,596.27	\$368,218.19
04/01/2010-06/30/2010	4%	1%	\$3,672.09	\$371,890.28
07/01/2010-09/30/2010	4%	1.01%	\$3,749.47	\$375,639.75
10/01/2010-12/31/2010	4%	1.01%	\$3,787.27	\$379,427.02
01/01/2011-03/31/2011	3%	0.74%	\$2,806.72	\$382,233.74
04/01/2011-06/30/2011	4%	1%	\$3,811.87	\$386,045.61
07/01/2011-09/30/2011	4%	1.01%	\$3,892.19	\$389,937.80
10/01/2011-12/31/2011	3%	0.76%	\$2,948.57	\$392,886.37
01/01/2012-03/31/2012	3%	0.75%	\$2,930.55	\$395,816.92
04/01/2012-06/30/2012	3%	0.75%	\$2,952.40	\$398,769.32
07/01/2012-09/30/2012	3%	0.75%	\$3,007.11	\$401,776.43
10/01/2012-12/31/2012	3%	0.75%	\$3,029.79	\$404,806.22
01/01/2013-03/31/2013	3%	0.74%	\$2,994.46	\$407,800.68
04/01/2013-06/30/2013	3%	0.75%	\$3,050.13	\$410,850.81
07/01/2013-09/30/2013	3%	0.76%	\$3,106.71	\$413,957.52
Prejudgment Violation Range			Quarter Interest Total	Prejudgment Total
07/01/2007-09/30/2013			\$97,505.52	\$413,957.52