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RICHARD W. WINKLER
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN JOSE DIVISION

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13 SECURITIES AND EXCHANGE COMMISSION,
14 Plaintiff,
15 vs.
16 VERAZ NETWORKS, INC.
17 Defendant.

Case No. **10 2849**

PVT

CONSENT OF DEFENDANT VERAZ NETWORKS, INC. TO ENTRY OF FINAL JUDGMENT

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19 1. Defendant Veraz Networks, Inc. ("Defendant") waives service of a summons and the
20 complaint in this action, enters a general appearance, and admits the Court's jurisdiction over
21 Defendant and over the subject matter of this action.

22 2. Without admitting or denying the allegations of the complaint (except as to personal
23 and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of
24 the final Judgment in the form attached hereto (the "Final Judgment") and incorporated by reference
25 herein, which, among other things:

- 26 (a) permanently restrains and enjoins Defendant from violation of Sections
27 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934 ("Exchange
28 Act") [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)]; and

CONSENT OF DEFENDANT VERAZ NETWORKS, INC.
TO ENTRY OF FINAL JUDGMENT

1 (b) orders Defendant to pay a civil penalty in the amount of \$300,000 under Section
2 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

3 3. Defendant agrees that it shall not seek or accept, directly or indirectly, reimbursement
4 or indemnification from any source, including but not limited to payment made pursuant to any
5 insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final
6 Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution
7 fund or otherwise used for the benefit of investors. Defendant further agrees that it shall not claim,
8 assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any
9 penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such
10 penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit
11 of investors.

12 4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule
13 52 of the Federal Rules of Civil Procedure.

14 5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the
15 Final Judgment.

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

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

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

24 9. Defendant waives service of the Final Judgment and agrees that entry of the Final
25 Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its
26 terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty
27 days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration
28 stating that Defendant has received and read a copy of the Final Judgment.

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

16 11. Defendant understands and agrees to comply with the Commission's policy "not to
17 permit a defendant or respondent to consent to a judgment or order that imposes a sanction while
18 denying the allegation in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance
19 with this policy, Defendant agrees: (i) not to take any action or to make or permit to be made any
20 public statement denying, directly or indirectly, any allegation in the complaint or creating the
21 impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent,
22 Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation
23 in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to
24 vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph
25 affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in
26 litigation or other legal proceedings in which the Commission is not a party.

27 12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small
28 Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from

1 the United States, or any agency, or any official of the United States acting in his or her official
2 capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs
3 expended by Defendant to defend against this action. For these purposes, Defendant agrees that
4 Defendant is not the prevailing party in this action since the parties have reached a good faith
5 settlement.

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

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

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Dated: JUNE 9, 2010




Veraz Networks, Inc.

By: ERIC SCHLEZINGER

Title: GENERAL COUNSEL

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Approved as to form:



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1 Submitted by:

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