

1 MICHAEL K. LOWMAN  
Attorney for Plaintiff  
2 Securities and Exchange Commission  
450 5<sup>th</sup> Street, N.W.  
3 Washington, DC 20549-0911  
4 Telephone: (202) 942-7253  
Facsimile: (202) 942-9569  
5

6 Local Counsel:  
Gregory C. Glynn, Cal. Bar No. 039999  
7 Los Angeles, California 90036-3648  
Telephone: (323) 965-3890  
8 Facsimile: (323) 965-3908

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FILED  
CLERK, U.S. DISTRICT COURT  
MAR - 8 2004  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY  
BY *[Signature]*

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12 **UNITED STATES DISTRICT COURT**  
**FOR THE CENTRAL DISTRICT OF CALIFORNIA,**  
**SOUTHERN DIVISION**

13 SECURITIES AND EXCHANGE  
COMMISSION,

14 Plaintiff,

15 vs.

16 THE GENEVA GROUP and  
17 NICHOLAS GARCIA,

18 Defendants.

Case No. SACV97-740 (AHS)

**[PROPOSED] ORDER APPOINTING  
DISTRIBUTION AGENT,  
TRANSFERRING FROZEN FUNDS,  
AND APPROVAL OF A DISTRIBUTION  
PLAN OF DISGORGED ASSETS**

19 On application of Plaintiff United States Securities and Exchange  
20 Commission ("Commission"), it is hereby:

21 **ORDERED** that Richard Weissman is appointed Distribution Agent (the  
22 "Distribution Agent") in this matter, with the particular powers and duties set  
23 forth below.

24 **ORDERED** that upon receipt of written instructions from the  
25 Distribution Agent, the following financial institutions, or their respective  
26 successors or assigns, shall transfer all of the funds, including any accrued  
27 interest thereon, in the following accounts, less any lawful fees, to an account to  
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CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION AT SANTA ANA, CALIFORNIA  
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MAR - 8 2004  
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1 be established by the Distribution Agent (the "Fund") under this Order:

2 A. Farmers & Merchants Bank  
3 302 Pine Avenue  
4 Long Beach, CA 90802  
5 Telephone: (562) 437-0011  
6 Facsimile: (562) 435-1531

7 Accounts for:

8 Geneva Group (Account No. 11-04837-9)  
9 Force Technologies (Account No. 11-04838-7)  
10 Forcetek Holding (Account No. 11-04986-3)  
11 Tampa Bay Clearing (Account No. 06-04586-3)  
12 Barry Weidenheimer/Nicolas Garcia (Account No. 11-  
13 06870-2)  
14 Steve Garcia/Allison D. Garcia (Account No. 11-186984)

15 B. Wachovia Securities  
16 One New York Plaza  
17 33<sup>rd</sup> Floor  
18 New York, NY 10292  
19 Telephone: (212) 778-6848  
20 Facsimile: (212) 778-2377

21 Account For:

22 Nicolas Garcia (Account No. 089-188326)

23 **ORDERED** that the Distribution Agent shall have the following powers  
24 and duties:

25 1. The Distribution Agent shall invest and reinvest the Fund with a  
26 view first toward preserving the principal and second toward maximizing  
27 investment return. Accordingly, the Distribution Agent shall invest and reinvest  
28 the Fund only in the following investments: (a) direct obligations of the United  
States; (b) obligations whose principal and interest are unconditionally  
guaranteed by the United States; and/or (3) money market funds authorized to  
invest and reinvest solely in direct obligations of the United States. The  
Distribution Agent, pending investment of the Fund in the manner identified  
above, shall place the Fund, or any portion thereof, in a custodial account  
established by the Distribution Agent at a federally insured bank within the  
District.

1           2.     The Distribution Agent shall take all necessary steps to enable the  
2 Fund to be a taxable “settlement fund,” within the meaning of Internal Revenue  
3 Code Section 468B and regulations thereunder, including the filing of the  
4 elections and statements contemplated by those provisions. The Distribution  
5 Agent shall file all necessary federal, state and local tax returns for the Fund and  
6 cause the Fund to pay any appropriate taxes as a “qualified settlement fund,”  
7 within the meaning of Treasury Regulations §1.468B-2.

8           3.     The Distribution Agent may retain attorneys, accountants and other  
9 persons to assist in carrying out this Order. The Distribution Agent shall, at  
10 such times as may be appropriate, submit bills for the Distribution Agent’s own  
11 services, and the services of persons the Distribution Agent retains, plus  
12 expenses, to the Court for approval before payment. The Distribution Agent,  
13 and his employees, will be entitled to seek compensation at the following rates:  
14 (i) the Distribution Agent, \$260 per hour; (ii) administrative employees, \$65-  
15 \$95 per hour; (iii) bookkeeping employees, \$55-\$85 per hour; and (iv) clerical  
16 employees, \$25-\$65 per hour. Compensation of other professionals, if any, that  
17 the Distribution Agent should require to retain will be subject to approval of a  
18 fee application to the Court.

19           4.     The Distribution Agent shall, as provided below, take appropriate  
20 and reasonable steps to distribute the Fund to persons who purchased shares of  
21 Force Technologies, Inc. (“Force Technologies”) and ForceTek Holding, Inc.  
22 (“ForceTek”) during the relevant time period alleged in the complaint in this  
23 matter. Where the Distribution Agent deems necessary, after consultation with  
24 the Commission, the Distribution Agent may modify the distribution procedure  
25 to effectuate the general purposes of this Order.

26           a.     The Distribution Agent shall, with the assistance of the  
27 Commission staff, review a spreadsheet created by the  
28 Commission from business records provided to the

1 Commission during its investigation of this matter to identify  
2 potential claimants for the Fund (i.e., investors in Force  
3 Technologies and ForceTek) (“Claimants”), as well as the  
4 amounts invested. The Distribution Agent shall attempt to  
5 verify the contact information for those Claimants whose  
6 contact information that Commission’s staff has been unable  
7 to verify to date.

8 b. The Distribution Agent shall provide the potential claimants  
9 who have been individually identified with written notice by  
10 certified mail of the right to submit a claim. The notice shall  
11 include a copy of this order, a proof of claim form prepared  
12 by the Distribution Agent and of the deadline for the filing of  
13 claims.

14 c. In addition, the Distribution Agent, in conjunction with the  
15 staff of the Commission, shall publish notice to potential  
16 claimants through the Commission’s website at  
17 [www.sec.gov](http://www.sec.gov). The Notice shall include a copy of this order,  
18 a proof of claim form, and the deadline for the filing of  
19 claims.

20 d. All claims must be post marked within 90 days from  
21 the date of publication of notice on the Commission’s  
22 web site. The publication on the Commission website  
23 will include a bar date by which a proof of claim must  
24 be received. No claim shall be accepted after such  
25 date. Each claimant must submit a proof of claim  
26 form prepared by the Distribution Agent, and each  
27 claimant must certify the existence of and amount of  
28 any such claim under penalty of perjury. The

1 Distribution Agent may require documentary evidence  
2 supporting a claim where the existence or amount of  
3 said claim is inconsistent with the Commission's  
4 records.

5 e. The Distribution Agent shall determine the amount to be  
6 paid to each Claimant by comparing the amount each  
7 Claimant invested with the total amount invested by all of  
8 the Claimants, and then calculating each Claimant's share of  
9 the Fund relative to other Claimants' shares. The  
10 Distribution Agent shall not make distributions to any  
11 Claimant affiliated with the Defendants as a principal,  
12 employee, sales agent, or independent contractor.

13 f. The Distribution Agent shall notify all Claimants as to the  
14 amount that has been calculated to be that Claimant's pro  
15 rata share of the Fund. If the existence or amount of any  
16 claim received by the Distribution Agent differs from records  
17 of the Distribution Agent or the Commission, the  
18 Distribution Agent shall request that the Claimant supply the  
19 Distribution Agent with records sufficient to substantiate  
20 such claim.

21 g. Where the Distribution Agent denies a claim, the  
22 Distribution Agent shall so notify the Claimant and shall  
23 advise the Claimant that he or she has 15 days to request  
24 reconsideration and provide additional documentation for the  
25 claim.

26 h. Except as otherwise provided herein, the filing of a proof of  
27 claim with the distribution agent shall constitute consent to  
28 and a grant by the claimant of jurisdiction to the Court

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1 supervising the distribution of the Fund to adjudicated ~~said~~  
2 claims and all aspects of the claims process.

3 i. Further, by filing a proof of claim, each claimant also shall  
4 be consenting as follows:

5 (i) Any disapproval or dispute by the Distribution Agent of  
6 a claim shall be submitted by the Distribution Agent to  
7 the Court for review and approval or disapproval, upon  
8 noticed motion, with notice to each such disapproved  
9 claimant. The failure of claimant to submit to the  
10 Distribution Agent sufficient proof of claim shall  
11 constitute grounds upon which the Distribution Agent  
12 may base his denial or objection to the proof of claim,  
13 independently from an untimely filed claim.

14 (ii) Any opposition by a Claimant to the Distribution  
15 Agent's denial or objection to a claim shall be filed and  
16 served by the claimant on the Distribution Agent and  
17 counsel for the Commission, as required by the Federal  
18 Rules of Civil Procedure and the local rules of this  
19 Court, and accompanied by any evidence to be presented  
20 by the claimant, which shall be submitted by written  
21 declaration under penalty of perjury as to the accuracy,  
22 veracity and authenticity of such evidence. Any reply by  
23 the Distribution Agent and/or the Commission shall be in  
24 accordance with said Federal and local rules of  
25 procedure.

26 (iii) All of the claims and distribution issues shall be heard  
27 and adjudicated by the court without a jury.

28 h. The Distribution Agent shall set aside a portion of the Fund

1 to pay taxes on its income and the fees and expenses incurred  
2 or likely to be incurred in carrying out this Order (the  
3 “Reserves”).

4 i. The Distribution Agent shall then allocate the balance of the  
5 Fund, minus Reserves, among eligible Claimants pro rata,  
6 based on the amounts of their claims as allowed by the  
7 Distribution Agent.

8 j. The Distribution Agent shall, prior to paying any claims, file  
9 an application with the court seeking express approval of his  
10 proposed payment plan (“Plan”).

11 k. Upon court approval of the Plan, the Distribution Agent shall  
12 pay all outstanding taxes payable by the Fund, pay all  
13 remaining fees and expenses incurred in carrying out this  
14 Order, and distribute the Fund according to the allocations  
15 provided for above.

16 l. If any money remains in the Fund after all distributions to  
17 Claimants and all payments of taxes, fees and expenses have  
18 been made, the Distribution Agent shall pay the balance  
19 remaining in the Fund (including any distribution checks that  
20 remain uncashed for more than six months) to the United  
21 States Treasury.

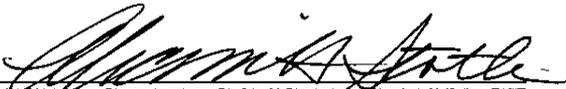
22 5. The Distribution Agent shall give the Commission at least 15 days  
23 notice of all applications to the Court under this Order and shall regularly report  
24 to the Commission on the status of the Distribution Agent’s activities in  
25 executing this Order.

26 6. The Distribution Agent and his or her designees, agents, and assistants  
27 are excused from any requirement to post a bond or other undertaking and shall  
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1 not be liable to any person for their actions hereunder, except on a finding of  
2 malfeasance, reckless disregard of duty, or gross negligence.

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DATED: ~~MAR - 8 2004~~, 2004

  
UNITED STATES DISTRICT JUDGE

1 Certificate of Service

2 I, Michael K. Lowman, certify that on February 9, 2004, I caused to be  
3 served true and correct copies of (i) Plaintiff's Notice of Motion for Entry of Order  
4 Appointing Distribution Agent, Transferring Frozen Funds and Approval of A  
5 Distribution Plan; (ii) Memorandum of Points and Authorities In Support of  
6 Plaintiff's Notice of Motion for Entry of Order Appointing Distribution Agent,  
7 Transferring Frozen Funds and Approval of A Distribution Plan; and (iii) Proposed  
8 Order upon the following persons by first class mail, postage prepaid:  
9

10 Jeffrey Bradpiece, Esq.  
11 23440 Hawthorne Boulevard  
12 Torrance, CA 90505  
13 Counsel for Defendants The Geneva Group  
14 And Nicolas Garcia

15 Richard Weissman, Esq.  
16 5950 Topanga Canyon Blvd.  
17 Suite 255  
18 Woodland Hills, CA 91362  
19 Proposed Distribution Agent

20 Joseph Dolcimascola, Esq.  
21 First Vice President & Associate Counsel  
22 Wachovia Securities LLC  
23 One New York Plaza, 33<sup>rd</sup> Floor  
24 New York, New York 10292

25 Kara S. Smith  
26 Farmers & Merchant Bank  
27 302 Pine Avenue  
28 Long Beach, CA 90802

  
\_\_\_\_\_  
Michael K. Lowman