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FILED
CLERK, U.S. DISTRICT COURT
FEB 28 2006
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

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U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**CHARIS JOHNSON, LIFECLICKS,
LLC, and 12DAILY PRO,**

Defendants.

Case No. CV 06-01018-NM(PLAx)

**PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S AND
DEFENDANTS CHARIS JOHNSON,
LIFECCLICKS, LLC, AND 12DAILY
PRO'S STIPULATION AND [PROPOSED]
ORDER OF PERMANENT INJUNCTION
AND ORDERS: (1) FREEZING ASSETS;
(2) REQUIRING ACCOUNTINGS; (3)
PROHIBITING THE DESTRUCTION OF
DOCUMENTS; AND (4) APPOINTING
THOMAS F. LENNON, INC. AS A
PERMANENT RECEIVER**

ENTERED
CLERK, U.S. DISTRICT COURT
MAR 7 2006
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

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THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

1 Defendants Charis Johnson (“Johnson”), LifeClicks, LLC (“LifeClicks”),
2 and 12daily Pro (“12DP”) (collectively, “Defendants”), without admitting or
3 denying any of the allegations in the Complaint filed by plaintiff Securities and
4 Exchange Commission (“Commission”), except as to the jurisdiction of this Court
5 over them and the subject matter of this action as set forth in subparagraph A, and the
6 Commission, by and through their respective counsel, stipulate and agree to the entry
7 of this Order of Permanent Injunction and other relief (“Order”) in the form provided
8 for herein in Sections I through XVII below:

9 A. This Court has jurisdiction over the parties to, and the subject matter
10 of, this action.

11 **I.**

12 IT IS HEREBY ORDERED that the Commission’s request for an Order Of
13 Permanent Injunction And Orders: (1) Freezing Assets; (2) Requiring Accountings;
14 (3) Prohibiting The Destruction Of Documents; And (4) Appointing Thomas F.
15 Lennon, Inc. As A Permanent Receiver is hereby GRANTED.

16 **II.**

17 IT IS FURTHER ORDERED that Defendants Johnson, LifeClicks, and
18 12DP, and their officers, agents, servants, employees, attorneys, subsidiaries and
19 affiliates, and those persons in active concert or participation with any of them,
20 who receive actual notice of this Order, by personal service or otherwise, and each
21 of them, be and hereby are permanently restrained and enjoined from, directly or
22 indirectly, making use of any means or instruments of transportation or
23 communication in interstate commerce or of the mails, to sell, to offer to sell, or to
24 offer to buy any security, or carrying or causing securities to be carried through the
25 mails or in interstate commerce, by any means or instruments of transportation, for
26 the purpose of sale or delivery after sale, in violation of Sections 5(a) and 5(c) of
27 the Securities Act, 15 U.S.C. §§ 77(e)(a) & 77(e)(c).

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III.

IT IS FURTHER ORDERED that Defendants Johnson, LifeClicks, and 12DP, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- A. employing any device, scheme or artifice to defraud;
- B. obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser

in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

IV.

IT IS FURTHER ORDERED that Defendants Johnson, LifeClicks, and 12DP, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme, or artifice to defraud;
- B. making any untrue statement of a material fact or omitting to state a

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

4 C. engaging in any act, practice, or course of business which operates or
5 would operate as a fraud or deceit upon any person

6 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule
7 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

8 V.

9 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
10 Defendants Johnson, LifeClicks, and 12DP, and their officers, agents, servants,
11 employees, attorneys, subsidiaries and affiliates, and those persons in active concert
12 or participation with any of them, who receive actual notice of this Order, by
13 personal service or otherwise, and each of them, be and hereby are preliminarily
14 restrained and enjoined from, directly or indirectly, transferring, assigning, selling,
15 hypothecating, changing, wasting, dissipating, converting, concealing,
16 encumbering, or otherwise disposing of, in any manner, any funds, assets,
17 securities, claims, or other real or personal property, including any notes or deeds of
18 trust or other interests in real property, wherever located, of Defendants Johnson,
19 LifeClicks, or 12DP, and their subsidiaries and affiliates, whether owned by,
20 controlled by, managed by or in the possession or custody of any of them and from
21 transferring, encumbering, dissipating, incurring charges or cash advances on any
22 debit or credit card or the credit arrangement, of Defendants Johnson, LifeClicks, or
23 12DP.

24 VI.

25 IT IS FURTHER ORDERED that, except as otherwise ordered by this
26 Court, an immediate freeze shall be placed on all monies and assets (but with an
27 allowance for \$5,000 per month in necessary and reasonable living expenses and
28 for the continued collection of child support, and an allowance for \$10,000 in

1 necessary and reasonable attorneys' fees, with additional allowances for necessary
 2 and reasonable living expenses and attorneys' fees to be granted only upon good
 3 cause shown by application to the Court with notice to and an opportunity for the
 4 Commission to be heard) in all accounts at any bank, financial institution,
 5 brokerage firm, or Internet payment processor, all certificates of deposit, and other
 6 funds or assets, such as personal or real property, held in the name of, for the
 7 benefit of, or over which account authority is held by Johnson, LifeClicks, 12DP,
 8 or any trust, partnership, joint venture, person or entity affiliated with them
 9 (including subsidiaries), including but not limited to the following accounts:

Financial Institution	Account Name	Account Number
StormPay, Inc.	Charis Johnson	2056662
EMO Corp.	Charis Johnson/12daily Pro 12daily Pro	1610779894765006 2320778979065006
eGold, Ltd.	Charis Johnson or 12daily Pro	2049005
Bank of America	Charis Johnson or 12daily Pro	0006-5303-5888 0006-9161-9363

17 **VII.**

18 IT IS FURTHER ORDERED that Thomas F. Lennon, Inc. is appointed as
 19 permanent receiver of 12DP and LifeClicks, and their subsidiaries and affiliates,
 20 with full powers of an equity receiver, including, but not limited to, full power over
 21 all funds, assets, collateral, premises (whether owned, leased, occupied, or
 22 otherwise controlled), choses in action, books, records, papers and other real or
 23 personal property, including notes, deeds of trust and other interests in real
 24 property, belonging to, being managed by, or in the possession of or control of
 25 12DP, LifeClicks, and any of their subsidiaries and affiliates, and that such
 26 permanent receiver is immediately authorized, empowered and directed:

- 27 A. to have access to and to collect and take custody, control, possession,
 28 and charge of all funds, assets, collateral, premises (whether owned,

1 leased, occupied, or otherwise controlled), choses in action, books,
2 records, papers and other real or personal property, including notes,
3 deeds of trust and other interests in real property, of 12DP, LifeClicks,
4 and their subsidiaries and affiliates, with full power to sue, foreclose,
5 marshal, sell, liquidate, collect, receive, and take into possession all
6 such property;

7 B. to have control of, and to be added as the sole authorized signatory for
8 all accounts of 12DP, LifeClicks, and their subsidiaries and affiliates,
9 including all accounts over which 12DP, LifeClicks, and any of their
10 officers, employees or agents, have signatory authority, at any bank,
11 title company, escrow agent, financial institution or brokerage firm
12 that has possession, custody or control of any assets or funds of 12DP
13 or LifeClicks, or which maintains accounts over which 12DP,
14 LifeClicks, and/or any of their officers, employees or agents have
15 signatory authority;

16 C. to conduct such investigation and discovery as may be necessary to
17 locate and account for all of the assets of, or managed by, 12DP,
18 LifeClicks, and their affiliates, and to engage and employ attorneys,
19 accountants and other persons to assist in such investigation and
20 discovery;

21 D. to take such action as is necessary and appropriate to preserve and
22 take control of and to prevent the dissipation, concealment, or
23 disposition of any assets of, or managed by, 12DP, LifeClicks, and
24 their affiliates;

25 E. to make an accounting, as soon as practicable, to this Court and the
26 Commission of the assets and financial condition of 12DP and
27 LifeClicks, and the assets under their management, including all
28 notes, deeds of trust and other interests in real property, and to file the

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IX.

IT IS FURTHER ORDERED that no officer, agent, servant, employee, or attorney of Defendants Johnson, LifeClicks, or 12DP, or their subsidiaries or affiliates shall take any action or purport to take any action, in the name of or on behalf of 12DP or LifeClicks or any of their subsidiaries and affiliates, including posting any information on the Internet web site www.12dailypro.com that purports to be any communication on behalf of 12DP or LifeClicks, without the written consent of the permanent receiver or order of this Court.

X.

IT IS FURTHER ORDERED that, except by leave of this Court, during the pendency of this receivership, all clients, investors, trust beneficiaries, note holders, creditors (including, without limitation, credit card processors, automated clearing house processors, electronic check processors, and banks), claimants, lessors, and all other persons or entities seeking relief of any kind, in law or in equity, from 12DP, LifeClicks, or their affiliates and subsidiaries, and all persons acting on behalf of any such investor, trust beneficiary, note holder, creditor, claimant, lessor, or other person, including sheriffs, marshals, servants, agents, employees, and attorneys, are hereby restrained and enjoined from, directly or indirectly, with respect to 12DP, LifeClicks, and their subsidiaries and affiliates:

- A. commencing, prosecuting, continuing or enforcing any suit or proceeding (other than the present action by the Commission) against 12DP, LifeClicks, or any of their subsidiaries and affiliates;
- B. using self-help (including, without limitation, initiating or processing chargebacks of any monies used to purchase or upgrade membership units in or with 12DP) or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon

1 permanent receiver to assist him in carrying out his duties and obligations. All
2 applications for costs, fees and expenses for services rendered in connection with
3 the permanent receivership other than routine and necessary business expenses in
4 conducting the permanent receivership, such as salaries, rent and any and all other
5 reasonable operating and liquidating expenses, shall be made by application setting
6 forth in reasonable detail the nature of the services and shall be heard by the Court.

7 **XIII.**

8 IT IS FURTHER ORDERED that no bond shall be required in connection
9 with the appointment of the permanent receiver. Except for an act of gross
10 negligence, the permanent receiver shall not be liable for any loss or damage
11 incurred by any of the defendants, their officers, agents, servants, employees and
12 attorneys or any other person, by reason of any act performed or omitted to be
13 performed by the permanent receiver in connection with the discharge of his duties
14 and responsibilities.

15 **XIV.**

16 IT IS FURTHER ORDERED that representatives of the Commission are
17 authorized to have continuing access to inspect or copy any or all of the corporate
18 books and records and other documents of 12DP, LifeClicks, and their subsidiaries
19 and affiliates and continuing access to inspect their funds, property, assets and
20 collateral, wherever located.

21 **XV.**

22 IT IS FURTHER ORDERED that, except as otherwise ordered by this
23 Court, Defendants Johnson, LifeClicks, and 12DP, and their officers, agents,
24 servants, employees, attorneys, subsidiaries and affiliates, and those persons in
25 active concert or participation with any of them, who receive actual notice of this
26 Order, by personal service or otherwise, and each of them, be and hereby are
27 preliminarily restrained and enjoined from, directly or indirectly: destroying,
28 mutilating, concealing, transferring, altering, or otherwise disposing of, in any

1 manner, any documents, which includes all books, records, computer programs,
2 computer files, computer printouts, contracts, correspondence, memoranda,
3 brochures, or any other documents of any kind in their possession, custody or
4 control, however created, produced, or stored (manually, mechanically,
5 electronically, or otherwise), pertaining in any manner to Johnson, LifeClicks, or
6 12DP.

7 **XVI.**

8 IT IS FURTHER ORDERED that Defendants Johnson, LifeClicks, and
9 12DP shall, within twenty days of the date of issuance of this Order, prepare and
10 deliver to the Commission a detailed and complete schedule of all assets of
11 Johnson, LifeClicks, and 12DP, including all real and personal property exceeding
12 \$5,000 in value, and all bank, securities, futures, Internet payment processors, and
13 other accounts identified by institution, branch address and account number. The
14 accountings shall include a description of the source(s) of all such assets. Such
15 accountings shall be filed with the Court and copies shall be delivered to the
16 attention of Peter F. Del Greco at the Commission's Pacific Regional Office
17 located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036,
18 and to the permanent receiver's offices located at 7777 Alvarado Road, Suite 712,
19 La Mesa, CA 91941. After completion of the accountings, Johnson, LifeClicks,
20 and 12DP shall each produce to the Commission's Pacific Regional Office, at a
21 time agreeable to the Commission, all books, records and other documents
22 supporting or underlying the accountings.

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XVII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

SO AGREED AND STIPULATED:

DATED: 2-24-06

Peter Del Greco
Peter F. Del Greco, Esq.
Attorney for Plaintiff
Securities and Exchange Commission

DATED: _____

Noell Tin, Esq.
Attorney for Defendants
Charis Johnson, LifeClicks, LLC,
and 12daily Pro

IT IS SO ORDERED.

DATED: February 27, 2006

Nora M. Manella
The Honorable Nora M. Manella
UNITED STATES DISTRICT JUDGE

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XVII.

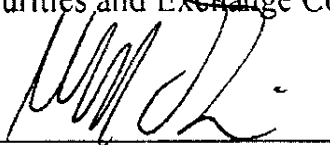
IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

SO AGREED AND STIPULATED:

DATED: _____

Peter F. Del Greco, Esq.
Attorney for Plaintiff
Securities and Exchange Commission

DATED: 2/24/06


Noell Tin, Esq.
Attorney for Defendants
Charis Johnson, LifeClicks, LLC,
and 12daily Pro

IT IS SO ORDERED.

DATED: February __, 2006

The Honorable Nora M. Manella
UNITED STATES DISTRICT JUDGE

PROOF OF SERVICE

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I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036.

Telephone: (323) 965-3998 Fax: (323) 965-3908

On February 24, 2006, I served the documents entitled: **PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S AND DEFENDANTS CHARIS JOHNSON, LIFECLICKS, LLC, AND 12DAILY PRO'S STIPULATION AND [PROPOSED] ORDER OF PERMANENT INJUNCTION AND ORDER: (1) FREEZING ASSETS; (2) REQUIRING ACCOUNTINGS; (3) PROHIBITING THE DESTRUCTION OF DOCUMENTS; AND (4) APPOINTING THOMAS F. LENNON, INC. AS A PERMANENT RECEIVER** upon the parties to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

PERSONAL SERVICE: I caused to be personally delivered each such envelope by hand to the office of the addressee.

FEDERAL EXPRESS: By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

FAX (BY AGREEMENT ONLY): By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

(Federal) I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made. I declare under penalty of perjury that the foregoing is true and correct.

Date: February 24, 2006


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SEC v. Johnson, Charis, et al.
United States District Court - Central District of California
Case No. CV 06-01018-nm(plaX)
(LA-03192)

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