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FILED
CLERK, U.S. DISTRICT COURT
NOV 25 2002
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION BY DEPUTY

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9 **UNITED STATES DISTRICT COURT**
10 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
11 **EASTERN DIVISION**

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12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 CALIFORNIA AUTOCARE
CORPORATION, AUTOCARE
17 AMERICORP, JOSEPH SANFELLIPO,
18 JAMES E. GASPER, KIMBALL R.
VANCE, JR., and ELIHU M. SIGAL,

19 Defendants.

Case No. EDCV 02-1229 VAP (SGLx)

**JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST ELIHU M.
SIGAL**

ENTERED
NOV 26 2002
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION
DEPUTY

20
21 Plaintiff Securities and Exchange Commission ("Commission"), having filed
22 and served upon Defendant Elihu M. Sigal ("Sigal") a Summons and Complaint in
23 this action; Sigal having admitted service upon him of the Summons and Complaint
24 in this action and the jurisdiction of this Court over him and over the subject matter
25 of this action; having been fully advised and informed of his right to a judicial
26 determination of this matter; having waived the entry of findings of fact and
27 conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure;
28 having consented to the entry of this Judgment Of Permanent Injunction And Other

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CENTRAL DISTRICT OF CALIF
EASTERN DIVISION

1 Relief Against Elihu M. Sigal (“Judgment”) without admitting or denying the
2 allegations in the Complaint, except as specifically set forth in the Consent Of Elihu
3 M. Sigal To Entry Of Final Judgment Of Permanent Injunction And Other Relief
4 (“Consent”); no notice of hearing upon the entry of this Judgment being necessary;
5 and this Court being fully advised:

6 **I.**

7 IT IS ORDERED, ADJUDGED AND DECREED that Sigal and his agents,
8 servants, employees, and attorneys, and those persons in active concert or
9 participation with them who receive actual notice of this Judgment by personal
10 service or otherwise, are permanently restrained and enjoined from, directly or
11 indirectly:

- 12 A. making use of any means or instruments of transportation or
13 communication in interstate commerce or of the mails to sell any
14 security through the use or medium of any prospectus or otherwise,
15 unless a registration statement is in effect as to such security;
- 16 B. carrying or causing to be carried through the mails or in interstate
17 commerce, by any means or instruments of transportation, any such
18 security for the purpose of sale or for delivery after sale, unless a
19 registration statement is in effect as to such security; and
- 20 C. making use of any means or instruments of transportation or
21 communication in interstate commerce or of the mails to offer to sell
22 or offer to buy through the use or medium of any prospectus or
23 otherwise, any security, unless a registration statement has been filed
24 with the Commission as to such security, or while a registration
25 statement is the subject of a refusal order or stop order or (prior to the
26 effective date of the registration statement) any public proceeding of
27 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h;
28 in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) &

1 77e(c).

2 **II.**

3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sigal and
4 his agents, servants, employees and attorneys, and those persons in active concert
5 or participation with them who receive actual notice of this Judgment by personal
6 service or otherwise, are permanently restrained and enjoined from making use of
7 the mails or any means or instrumentality of interstate commerce to effect any
8 transactions in, or to induce or attempt to induce the purchase or sale of, any
9 security without being registered as a broker or dealer pursuant to Section 15(b) of
10 the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a)(1) of the
11 Exchange Act, 15 U.S.C. § 78o(a)(1).

12 **III.**

13 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sigal
14 shall disgorge all income and/or funds ultimately received by him directly or
15 indirectly, in any form, from California Autocare Corporation (“CAC”), AutoCare
16 Americorp (“AutoCare”), AutoCare Partners, LLC, or any of their officers,
17 agents, servants, employees or affiliates, including, but not limited to, income
18 and/or funds received while he was employed by NetStreet Financial, Inc., resulting
19 from his participation in the offer and sale of promissory notes payable by CAC
20 and/or AutoCare and the offer and sale of common stock in CAC and/or
21 AutoCare. Such income and/or funds to be disgorged include without limitation,
22 checks, cash, securities and any assets purchased by Sigal with the proceeds from
23 the sales of such securities, together with prejudgment interest. Prejudgment
24 interest shall be calculated pursuant to 28 U.S.C. § 1961. Prejudgment interest shall
25 be calculated from the date of each receipt of income and/or funds by Sigal to the
26 date the judgment fixing the amount of disgorgement is entered, ignoring partial
27 months, and shall be compounded quarterly. Sigal shall not raise as a defense that
28 he is not liable for the payment of such disgorgement or for civil penalties, if any,

1 because he did not violate one or more of the provisions of the Securities Act and
2 Exchange Act set forth in this Judgment. Accordingly, for the purposes of
3 determining the amount of disgorgement and whether to impose a penalty and, if
4 so, in what amount, the facts alleged in the Commission's Complaint are accepted
5 as and deemed true by the Court. Sigal may therefore only offer proof as to the
6 actual amount(s) of funds that he ultimately received.

7 **IV.**

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
9 provisions of the Consent filed concurrently with this Judgment are incorporated
10 herein with the same force and effect as if fully set forth herein and that Sigal shall
11 comply with his Consent.

12 **V.**

13 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sigal
14 shall forthwith give access to and control to the Receiver of any assets, books,
15 records, securities, or other property of CAC, AutoCare, and their subsidiaries and
16 affiliates, which are in his possession, custody or control.

17 **VI.**

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sigal and
19 his agents, servants, employees and attorneys, shall cooperate with and assist the
20 Receiver appointed in this case and shall take no action, directly or indirectly, to
21 hinder, obstruct, or otherwise interfere with the Receiver or his attorneys,
22 accountants, employees or agents, in the conduct of his duties or to interfere in any
23 manner, directly or indirectly, with the custody, possession, management, or
24 control by the Receiver of the funds, assets, collateral, premises, and choses in
25 action belonging to, being managed by or in the possession of or control of CAC
26 and AutoCare, and any of their subsidiaries and affiliates.

27 *

28 *

1 **VII.**

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except
3 as otherwise ordered by this Court, Sigal and his agents, servants, employees, and
4 attorneys, and those persons in active concert or participation with them, who
5 receive actual notice of this Judgment, by personal service or otherwise, and each
6 of them, are restrained and enjoined from, directly or indirectly:

- 7 A. transferring, assigning, selling, hypothecating, changing, wasting,
8 dissipating, converting, concealing, encumbering, or otherwise
9 disposing of, in any manner, any funds, assets, securities, claims, or
10 other real or personal property, wherever located, of CAC, AutoCare,
11 or their subsidiaries or affiliates, owned by, controlled by, managed by
12 or in the possession or custody of any of them.
- 13 B. transferring, assigning, selling, hypothecating, encumbering, or
14 otherwise disposing of any securities, including, but not limited to, any
15 stock, promissory notes or other securities of CAC or AutoCare or
16 any of their subsidiaries or affiliates.

17 **VIII.**

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the asset
19 freeze provided for in paragraphs VI. and VII. of the November 14, 2002,
20 Temporary Restraining Order And Orders: (1) Freezing Assets; (2) Appointing A
21 Temporary Receiver; (3) Prohibiting the Destruction Of Documents; (4) Granting
22 Expedited Discovery; (5) For Accountings; And Order To Show Cause Re
23 Preliminary Injunction And Appointment Of A Permanent Receiver remain in full
24 force and effect as to Sigal until further order of this Court.

25 **IX.**

26 IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED
27 that during the pendency of this action against any defendant, Sigal shall remain
28 subject to the discovery provisions of the Federal Rules of Civil Procedure which

1 apply to parties, and, in addition, that Sigal agrees and undertakes, without service
2 of a subpoena, to appear for his deposition or to testify as a witness at any trial of
3 this action or at any related proceeding. Failure to comply with the foregoing will
4 subject Sigal to the remedies and sanctions set forth in Rule 37 of the Federal Rules
5 of Civil Procedure and all other available remedies.

6 X.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
8 Court shall retain jurisdiction over this action for all purposes, including
9 implementing and carrying out the terms of this Judgment and all other orders
10 which may be entered herein, to resolve the Commission's pending claims against
11 Sigal for disgorgement together with prejudgment interest and for civil penalties,
12 and to entertain any suitable application or motion for additional relief within the
13 jurisdiction of this Court

14 XI.

15 There being no just reason for delay, the Clerk of the Court is hereby
16 directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter
17 this Judgment.

18
19 DATED: 11/25/02



20 HONORABLE VIRGINIA A. PHILLIPS
21 UNITED STATES DISTRICT JUDGE
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CERTIFICATE OF SERVICE

I, Magnolia M. Marcelo, am over the age of eighteen years, am not a party to this action, and am a citizen of the United States. My business address is 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California, 90036 On November 20, 2002, I caused to be served the **JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST ELIHU M. SIGAL** by causing to be mailed true and correct copies thereof in sealed envelopes, postage prepaid, addressed to:

James E. Gasper
249 S. Highway 101, #367
Solana Beach, CA 92075

Parker Stanbury, Esq.
444 S. Flower, 19th Floor
Los Angeles, CA 90071
Attorney for Defendant James E. Gasper

Kimball R. Vance, Jr.
78365 Highway 11
La Quinta, CA 92353

Joseph Sanfellipo
292 Beverly Street
Laguna Niguel, CA 92651

Robb Evans, Receiver
Robb Evans & Associates
11450 Sheldon Street
Sun Valley, CA 91352-1121

and by causing to be personally served on November 19, 2002, a true and correct copy thereof addressed to:

Elihu M. Sigal

I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 20, 2002

Magnolia M. Marcelo

Magnolia M. Marcelo