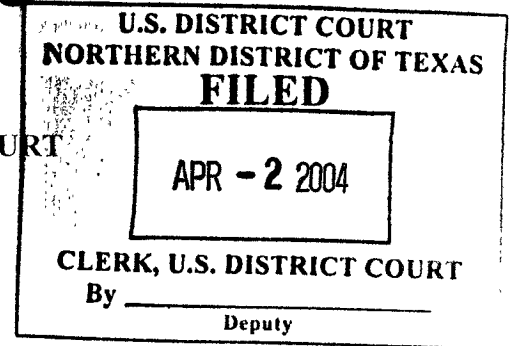


ORIGINAL

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,:

Plaintiff,

vs.

Case No. 3-03CV-2781-P

IPIC INTERNATIONAL, INC.,
a/k/a I.P.I.C. International,
a/k/a International Product Investment Corp.,
a/k/a IPIC Investments, Inc.,
a/k/a IPIC Invests, Inc.,

IPIC ATLANTIC LLC,
HOME RECOVERY NETWORK, INC.,
GREGORY SETSER,
CYNTHIA SETSER,
CHARNELLE SETSER,
DEBORAH SETSER,
CHARMAINE SEARS,
TORSTEN THOMAS HENSCHKE,

Defendants,

and,

EVA SETSER a/k/a EVA SMITH,
and LARRY KUNCL,

Relief-Defendants.

DEFAULT JUDGMENT AND ORDER GRANTING INJUNCTIVE RELIEF

This matter came before this Court on the motion of Plaintiff Securities and Exchange Commission, seeking entry of a judgment by default, providing it with the relief requested in its Complaint against Defendant Gregory Setser for his failure to appear or otherwise defend in this action. This Court, having considered the pleadings and declarations on file herein, makes the following findings of fact and conclusions of law:

1. The Commission's Complaint was filed on November 17, 2003.
2. The Commission served Defendant Gregory Setser with the Summons and Complaint on November 19, 2003.
3. Defendant has not filed an answer to the Complaint, nor has Defendant otherwise appeared before this Court to defend in this cause as provided by the Federal Rules of Civil Procedure.
4. Defendant is not an infant or incompetent. Defendant does not serve in the military and is not eligible for relief under the Soldiers' and Sailors' Civil Relief Act of 1940. [50 U.S.C. Appendix, § 501 et seq.].
5. The Court has personal jurisdiction over Defendant, and subject-matter jurisdiction over this action. Venue is proper in this district.
6. The allegations in the Commission's Complaint as to Defendant Gregory Setser are therefore deemed admitted.
7. The Commission is entitled to an interlocutory judgment permanently enjoining Defendant Gregory Setser from violating Sections 5 and 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)]; Section 10(b) of the Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] as alleged in the Complaint.

On the basis of these findings of fact and conclusions of law,

I.

IT IS HEREBY ORDERED that Defendant, his officers, agents, servants, employees, attorneys-in-fact and all persons in active concert or participation with him who receive actual

notice of this Default Judgment and Order Granting Injunctive Relief by personal service or otherwise are permanently restrained and enjoined from any of the following:

A. Violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption: (1) unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; (2) unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or delivery after sale; or (3) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

B. Violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), by directly or indirectly, in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails: (1) employing any device, scheme or artifice to defraud; or (2) obtaining money or property by means of any untrue statement of material fact or any omission to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which they were made, not misleading; or (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser.

C. Violating Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), by directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails or of any facility of any national securities exchange, using or employing in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered any manipulative or deceptive device or contrivance in contravention or a rule or regulation prescribed by the Securities and Exchange Commission.

D. Violating Rule 10b-5 of the Securities and Exchange Commission, 17 C.F.R. § 240.10b-5, by directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails or of any facility of any national securities exchange: (1) employing any device, scheme or artifice to defraud; (2) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which were made, not misleading; or (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED that based on the default of the Defendant who is the subject of this Order, and his admission of the facts pleaded against them in the Commission’s Complaint, the Commission may make application to this Court, supported by affidavit or declaration, for an order setting disgorgement amounts, and assessing prejudgment interest and civil money penalties, or shall dismiss its claims for disgorgement, prejudgment interest and civil penalties. Following entry of such order and assessment, the Commission shall request entry of a final judgment, under Rules 54 and 58 of the Federal Rules of Civil Procedure.

III.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its Complaint.

IV.

All equitable relief previously entered by the Court, including without limitation the orders freezing assets and requiring repatriation and accounting of funds, and appointing a receiver, shall remain in force until further order of this Court.


V.

This Order may be served upon Defendants and Relief Defendants in person or by certified mail, either by the United States Marshal, the Clerk of the Court, or any member of the staff of the Securities and Exchange Commission.

VI

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Default Judgment and Order Granting Injunctive Relief.

SIGNED this 2nd day of April, 2004.



U.S. District Judge