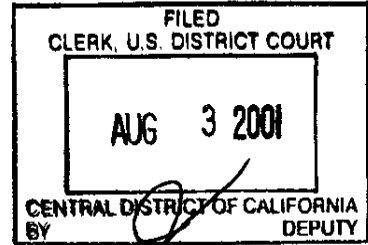


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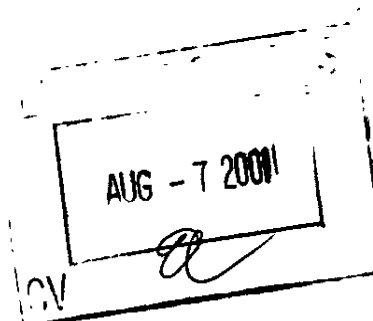
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15 Attorney for Defendants

16 UNITED STATES DISTRICT COURT
17 FOR THE CENTAL DISTRICT OF CALIFORNIA
18 WESTERN DIVISION

19 SECURITIES & EXCHANGE COMMISSION, : Case No. 00-04614 CBM (MANx)
20 :
21 Plaintiff, : Honorable Judge
22 vs. : Consuelo B. Marshall
23 :
24 REFAEL SHAOULIAN, :
25 Defendant, : ORDER OF PERMANENT INJUNCTION
26 : AGAINST DEFENDANT
27 : REFAEL SHAOULIAN
28 :
SAMUEL SHAOULIAN and :
RABIN SHAOULIAN :
Relief Defendants. :



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**ORDER OF PERMANENT INJUNCTION AGAINST
DEFENDANT REFAEL SHAOULIAN**

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3 This Court has entered an order of preliminary injunction
4 against Defendant Refael Shaoulian ("Shaoulian") in this matter.
5 Plaintiff United States Securities and Exchange Commission
6 ("Commission"), has filed a First Amended Complaint for Permanent
7 Injunction and Other Legal and Equitable Relief ("First Amended
8 Complaint") in this matter. Shaoulian has, in the Consent and
9 Stipulation of Refael Shaoulian ("Consent") attached hereto and
10 incorporated herein, admitted the jurisdiction of the Court over the
11 subject matter of this action and admitted the jurisdiction of the
12 Court over him. Shaoulian has waived the entry of Findings of Fact
13 and Conclusions of Law in this matter, as provided by Rule 52 of the
14 Federal Rules of Civil Procedure, and Shaoulian, without admitting
15 or denying the allegations of the First Amended Complaint except as
16 to the admissions stated above, and without trial, argument or
17 adjudication of any fact or law, has consented to entry of this
18 Order without further notice. Shaoulian has waived any right to
19 appeal from this Order. The Court, having jurisdiction over
20 Shaoulian and the subject matter hereof, and the Court being fully
21 advised in the premises, hereby states:

22
23 I.

24 **IT IS HEREBY ORDERED** that Shaoulian and his officers, agents,
25 servants, employees and attorneys, and those persons in active
26 concert or participation with him who receive actual notice of this
27 Order by personal service or otherwise, and each of them, be and
28

1 hereby are permanently restrained and enjoined from, directly or
2 indirectly, in connection with the purchase or sale of securities,
3 by the use of any means or instrumentality of interstate commerce or
4 of the mails, or of any facility of any national securities
5 exchange:

- 6 A. employing any device, scheme or artifice to defraud;
- 7 B. making any untrue statement of a material fact or omitting
8 to state a material fact necessary in order to make the
9 statements made, in the light of the circumstances under
10 which they were made, not misleading; or
- 11 C. engaging in any act, practice or course of business which
12 operates or would operate as a fraud or deceit upon any
13 person,

14 in violation of Section 10(b) of the Securities Exchange Act of 1934
15 (15 U.S.C. §78j(b)) and Rule 10b-5 [17 C.F.R. §240.10b-5]
16 thereunder.

17 **II.**

18 **IT IS FURTHER ORDERED** that this Order shall not be construed to
19 modify or affect any asset freeze previously ordered by the Court
20 for Shaoulian or Relief Defendants Samuel Shaoulian ("S. Shaoulian")
21 and Rabin Shaoulian ("R. Shaoulian").
22

23 **III.**

24 **IT IS FURTHER ORDERED** that Shaoulian disgorge all ill-gotten
25 gains received by him as a result of the conduct alleged in the
26 Commission's First Amended Complaint, plus prejudgment interest on
27 those amounts. This Court will set the specific amount of
28 disgorgement and will determine whether to impose civil penalties on

1 Shaoulian, and in what amount, in a separate hearing upon due notice
2 and motion by the Commission. At that hearing, the issues will be
3 limited to determining (i) the amount of disgorgement to be ordered
4 and (ii) whether civil penalties should be imposed on Shaoulian, and
5 the amount of any such penalties. At that hearing, Shaoulian will
6 be precluded from arguing that he did not violate the federal
7 securities laws in the manner set out in the Commission's First
8 Amended Complaint. Nothing herein shall be construed to prevent or
9 otherwise bar Shaoulian from challenging the amount of disgorgement,
10 or from challenging whether civil penalties should be imposed
11 against him. Nothing in this Order affects Shaoulian's: (i)
12 testimonial obligations; or (ii) right to take legal positions in
13 litigation in which the Commission is not a party.

14 **IV.**

15 **IT IS FURTHER ORDERED** that the Commission is expressly
16 authorized to engage in continued discovery regarding any unresolved
17 issue in the case with respect to Shaoulian and the Relief
18 Defendants, which shall include, but not be limited to, discovery
19 for purposes of determining the amount of ill-gotten gain and civil
20 penalties, if any.

21 **V.**

22 **IT IS FURTHER ORDERED** that the attached Consent and Stipulation
23 of Shaoulian be, and hereby is, incorporated in this Order with the
24 same force and effect as if fully set out, and Shaoulian shall
25 comply with the Consent.
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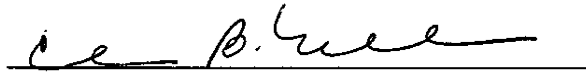
VI.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all purposes, including, but not limited to, enforcement of this Order.

VII.

IT IS FURTHER ORDERED that the Clerk of the Court enter this Order immediately.

IT IS SO ORDERED.



Consuelo B. Marshall

UNITED STATES DISTRICT JUDGE

Dated: 8/3, 2001.

PROOF OF SERVICE

I, the undersigned, declare that I am over the age of 18 years and not a party to the action. I am employed in the County of Cook, State of Illinois, in which county the within-mentioned mailing occurred. My business address is 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. I am familiar with the practice of the U.S. Securities and Exchange Commission of collecting and processing legal documents and correspondence for mailing. The Commission's practice is to deposit correspondence with the United States Postal Service on the same day that it is prepared for mailing in the ordinary course of business.

On August 1, 2001, I served the following documents:

Consent and Stipulation of Defendant Refael Shaoulian

Order of Permanent Injunction Against Defendant Refael Shaoulian

by placing a true and correct copy in separate envelope for each addressee named hereafter, addressed to each such addressee respectively as follows:

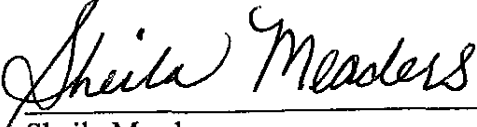
David Bortman, Esq.
Law Offices of Davie Bortman
433 No. Camden Drive
Suite 600
Beverly Hill, CA 90210

Counsel for Refael Shaoulian

I then sealed the envelope with postage thereon fully prepaid and deposited it for collection and mailing via the United States Postal Service today in accordance with the ordinary business practices of the Commission at the Commission's address previously set forth.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on August 1, 2001, at Chicago, Illinois


Sheila Meaders