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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF SACRAMENTO

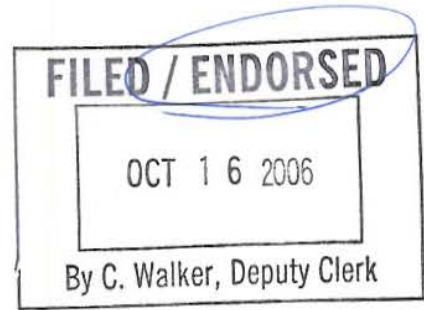
12 THE PEOPLE OF THE STATE OF  
13 CALIFORNIA, by and through the  
CALIFORNIA CORPORATIONS COMMISSIONER,

14 Plaintiff,

15 vs.  
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17 DERIVIUM CAPITAL, LLC, a South Carolina  
Corporation; FIRST SECURITIES CAPITAL, LLC, a  
18 South Carolina Corporation; FSC FIRST SECURITIES  
CAPITAL, LLC, a Texas Corporation; DIVERSIFIED  
19 DESIGN ASSOCIATES, an Irish Corporation; DR.  
20 CHARLES CATHCART, individually and doing business  
as DERIVIUM CAPITAL, LLC FSC FIRST  
21 SECURITIES CAPITAL and FIRST SECURITIES  
CAPITAL, LLC; SCOTT CATHCART, individually and  
22 doing business as DERIVIUM CAPITAL, LLC, FSC  
23 FIRST SECURITIES CAPITAL and FIRST SECURITIES  
CAPTIAL, LLC; YURI DEBEVC, individually and doing  
24 business as DERIVIUM CAPITAL, LLC FSC FIRST  
25 SECURITIES CAPITAL and FIRST SECURITIES  
CAPITAL, LLC , BANCROFT VENTURES LIMITED,  
26 an Isle of Man Corporation, and DOES 1 through 70,

27 Defendants.  
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Case No.: 02AS05849

JUDGMENT AFTER TRIAL FOR  
CIVIL PENALTIES AND  
PERMANENT INJUNCTION  
AGAINST BANCROFT  
VENTURES LIMITED

TRIAL DATE: August 14, 2006  
DEPT.: 36  
The Honorable Lloyd A Phillips Jr.

1 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

2 Pursuant to defendant Bancroft Ventures Limited's failure to appear at the time and place  
3 designated for trial of the above captioned manner of August 14, 2006 and as supported by the  
4 evidence provided by plaintiff the People of the State of California at the trial in support of its case  
5 against Bancroft Ventures Limited, before the Honorable Lloyd A Phillips Jr., presiding, judgment  
6 is ordered.  
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8 IT IS HEREBY ADJUDGED, ORDERED, AND DECREED:

9 That judgment is entered against Bancroft Ventures Limited and in favor of the California  
10 Department of Corporations in the amount of \$1,300,000.00 (one million three hundred thousand  
11 dollars) in civil penalties for 520 violations of Financial Code Section 22100 for acting as a  
12 commercial finance lender in California without a license as alleged in the First Cause of Action  
13 of the Complaint in the above captioned action.  
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15 Judgment is further entered against Bancroft Ventures Limited and in favor of the  
16 California Department of Corporations for an additional amount of \$13,000,000.00 (thirteen  
17 million dollars) for civil penalties for 520 violations of California Corporations Code Section  
18 25210 for inducing the buying and selling of securities without a broker dealers license as alleged  
19 in the Second Cause of Action of the Complaint in the above captioned action. The Court  
20 expressly finds that based on the evidence presented at trial, that the stock loans transactions  
21 entered into by Bancroft Ventures Limited amounted to the constructive purchase and sale of the  
22 securities pledged as collateral for the stock loans for the purpose of California Corporations Code  
23 Section 25210.  
24  
25

26 The total amount of the Judgment for civil penalties against Bancroft Ventures Limited and  
27 in favor of the California Department of Corporations is \$14,300,000.00 (fourteen million three  
28

1 hundred thousand dollars).

2 Further, Bancroft Ventures, its employees and agents and all other persons acting in  
3 concert or participating with any of them, and each of them, are permanently restrained and  
4 enjoined from violating California Financial Code section 22100 and California Corporations  
5 Code Section 25210, including engaging in the marketing, brokering, or making of stock loans  
6 or otherwise engaging in the business of a commercial lender, or effecting any transaction in or  
7 inducing the buying or selling of securities in the State of California or to California residents,  
8 unless and until they have complied with all applicable California State Law licensing  
9 requirements for such activities.  
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11 IT IS SO ORDERED.

12 Date: 10/16, 2006

13 By: LLOYD A. PHILLIPS, JR.  
14 Honorable Lloyd A. Phillips Jr. \*  
15 Judge of the Superior Court  
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