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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

JUL 16 2010

ALAN CARLSON, Clerk of the Court

BY C. CARR

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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

11 THE PEOPLE OF THE STATE OF)
12 CALIFORNIA, by and through the California)
Corporations Commissioner,)

13 Plaintiff,)

14 v.)

15 SUPER ABSORBENT COMPANY, a NEVADA)
Corporation;)
16 SYNCHRONIZED FUNDING, LLC, a California)
Limited Liability Company;)
17 PHILLIP BERLIN, an individual;)
18 MARK IAN SINKINSON, an individual; and)
19 DOES 1 through 50, inclusive,)

20 Defendants.)
21)
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25)
26)
27)
28)

CASE NO. 07CC01339

~~NOTICE OF RULING AND~~
~~(PROPOSED) FINAL JUDGMENT OF~~
PERMANENT INJUNCTION AND OTHER
ANCILLARY RELIEF AS TO DEFENDANTS

ASSIGNED FOR ALL PURPOSES TO:
JUDGE DAVID C. VELASQUEZ
DEPARTMENT CX101

1 Plaintiff The People of the State of California, by and through the California Corporations
2 Commissioner (the "Commissioner") have filed a First Amended Complaint against Defendants
3 Super Absorbent Company, Inc. ("SAC"), Synchronized Funding, LLC ("SF"), Phillip Berlin
4 ("Berlin"), and Mark Ian Sinkinson ("Sinkinson") (collectively "Defendants"). The matter came on
5 for trial by the Court on June 21, 2010, before the Honorable David C. Velasquez, judge presiding,
6 in Department CX-101 of the Superior Court of California, County of Orange, in the Civil Complex
7 Center. On June 22, 2010, Judge Velasquez issued a minute order, making the following ruling:

8 The Court having heard the testimony of the witnesses, and having seen and read the
9 documentary evidence received in the trial and having heard the argument of counsel hereby issues
10 its tentative decision, and finds, orders, adjudges and decrees: By a preponderance of the evidence,
11 the court finds judgment in favor of the plaintiff The People of the state of California and against the
12 Defendants and all of them jointly and severally as restitution and disgorgement of profit in the sum
13 of \$12,800,000 million, plus the sum of \$29,850,000 as civil penalties, for a total award of
14 \$42,650,000, plus the costs of suit in the sum to be determined. It was further ordered within 10
15 days of the service of the minute order for the plaintiff to prepare, file and serve the following
16 Proposed Judgment.

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18 **GOOD CAUSE APPEARING THEREFOR, IT IS HEREBY ADJUDGED, ORDERED**
19 **AND DECREED THAT JUDGMENT BE ENTERED AS FOLLOWS:**

20 1. Defendants and each of them, and their officers, directors, successors in
21 interest, agents, employees, attorneys in fact, and all persons acting in concert or participating with
22 them, are permanently enjoined from directly or indirectly violating:

23 a. California Corporations Code section 25110 by offering to sell, selling, arranging for the
24 sale, issuing, engaging in the business of selling, negotiating for the sale of, or otherwise in any way
25 dealing or participating in the offer or sale of, any security of any kind, including but not limited to
26 stock, unless such security or transaction is qualified;

27 b. California Corporations Code section 25130 by offering to sell, selling, arranging for the
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1 sale, issuing, engaging in the business of selling, negotiating for the sale of, or otherwise in any way
2 dealing or participating in the offer or sale of, any security of any kind, including but not limited to
3 stock, unless such security or transaction is qualified;

4 c. California Corporations Code section 25401 by offering to sell or selling any security of
5 any kind, including but not limited to stock, by means of any written or oral communication, which
6 contains any untrue statements of any material fact or omits or fails to state any material fact
7 necessary in order to make the statements made, in the light of the circumstances under which they
8 are made, not misleading;

9 d. The Desist and Refrain Order issued against Berlin and Sinkinson in August 2002 in
10 connection with MyOnlyCatalog.com, Inc., now known as Commerce Syndication Network, Inc.,
11 and the Desist and Refrain Order issued against Berlin in November 1994 in connection with Capital
12 Peak Partners;

13 e. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise
14 disposing of, in any manner, any books, records, computer programs, computer files, computer print-
15 outs, correspondence, brochures, manuals, or any other writings or documents of any kind as defined
16 under California Evidence Code section 250 relating to the transactions and course of conduct as
17 alleged in the complaint in this action; and

18 f. Transferring, changing, disbursing, selling, dissipating, converting, conveying,
19 pledging, assigning, encumbering, or foreclosing or otherwise disposing of any real or personal
20 property or other assets in their possession or under their control, or in the possession of, or under
21 the control of, any of the Defendants, which property or other assets were derived or emanated from
22 directly, or indirectly, the sale and issuance of securities as alleged in this Complaint, without leave
23 of the Court.

24 2. Defendants and each of them to be liable jointly and severally to Plaintiff for a
25 judgment of restitution in the amount of \$12,800,000, together with interest thereon at the legal rate
26 per annum until said amounts are paid in full, in the form of a money judgment, which shall be
27 enforceable by a victim as if the restitution order were a separate civil judgment, and enforceable in
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1 the same manner as is provided for the enforcement of any other money judgment. Proof of any
2 payments made by Defendants to the investors shall be presented to the Department of Corporations.

3 3. Defendants and each of them to be liable jointly and severally to Plaintiff for a
4 judgment of civil penalties in the amount of \$29,850,000, together with interest thereon at the legal
5 rate per annum until said amounts are paid in full.

6 4. The Court shall retain jurisdiction of this action in order to implement and enforce the
7 terms of the Final Judgment pursuant thereto, and to entertain any suitable application or motion for
8 additional relief or modification of any order made herein within the jurisdiction of the Court.

9 DATED: 7/16/10

David C. Velasquez
10 JUDGE OF THE CALIFORNIA SUPERIOR COURT