

1 DEMETRIOS A. BOUTRIS (CA BAR NO. 124161)
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Supervising Counsel
3 VIRGINIA JO DUNLAP (BAR NO. 142221)
Acting Supervising Counsel
4 SEAN M. ROONEY (CA BAR NO. 188843)
Corporations Counsel
5 320 West 4th Street, Suite 750
Los Angeles, CA 90013
6 (213) 576-7500

7 Attorneys for the People of the State of California,

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SAN DIEGO**

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

12 Plaintiff,)

13 v.)

14 WILLIAM O. WASHBURN; MASTERS)
15 PARTNERS, LP; SOUTHERN PACIFIC)
CAPITAL, LLC; SOUTHERN PACIFIC)
16 EQUITIES, LLC; PACIFIC INCOME FUND II,)
17 LLC; MASTERS ADMINISTRATORS, LLC;)
WEST CAPITAL, LLC; PACIFIC CAPITAL)
18 MANAGEMENT II, LLC; ATLANTIC)
CAPITAL CORPORATION; MERIDIAN)
19 CAPITAL CORP.; WILLIAM O. WASHBURN)
20 d/b/a SOUTHERN PACIFIC GROUP; and)
DOES 1 through 150, inclusive,)

21 Defendants.)
22)
23)

CASE NO. GIC 788607

ORDER OF PRELIMINARY INJUNCTION

**ORDER TO SHOW CAUSE RE:
PERMANENT INJUNCTION, CIVIL
PENALTIES AND ANCILLARY RELIEF**

24 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

25 The Plaintiff's motion for preliminary injunction and OSC re: permanent injunction, civil
26 penalties and ancillary relief, came before this Court, as duly noticed by counsel on July 19, 2002, at
27 9:00 a.m. having considered the Motion for Preliminary Injunction; Permanent Injunction; Civil
28

1 Penalties and Ancillary Relief, all moving and opposing papers, and having heard and considered all
2 arguments by the parties, and GOOD CAUSE APPEARING THEREFOR, IT IS HEREBY
3 ORDERED THAT:

4
5 1. Defendants WILLIAM O. WASHBURN; MASTERS PARTNERS, LP; SOUTHERN
6 PACIFIC CAPITAL, LLC; SOUTHERN PACIFIC EQUITIES, LLC; PACIFIC INCOME FUND II,
7 LLC; MASTERS ADMINISTRATORS, LLC; WEST CAPITAL, LLC; PACIFIC CAPITAL
8 MANAGEMENT II, LLC; ATLANTIC CAPITAL CORPORATION; MERIDIAN CAPITAL
9 CORP.; WILLIAM O. WASHBURN d/b/a SOUTHERN PACIFIC GROUP and each of them, and
10 their officers, directors, successors in interest, agents, employees, attorneys in fact, and all persons
11 acting in concert or participating with them, shall be and are preliminarily enjoined from engaging in,
12 committing, aiding and abetting or performing directly or indirectly, by any means whatsoever, any
13 of the following acts: Offering to sell, selling, arranging for sale, issuing, engaging in the business of
14 selling, negotiating for the sale of, or otherwise in any way dealing or participating, with respect to
15 the public or any other persons, any securities, including but not limited to, investment contracts in
16 the form of corporate promissory notes issued by WILLIAM WASHBURN; MASTERS
17 PARTNERS, LP; SOUTHERN PACIFIC CAPITAL, LLC; SOUTHERN PACIFIC EQUITIES,
18 LLC; or PACIFIC INCOME FUND II, LLC, unless and until the Defendants shall have first applied
19 for, and obtained from the Plaintiff, a qualification pursuant to California Corporations Code Section
20 25111, 25112 and 25113 authorizing the offer and sale of such securities; and

24 2. Defendants WILLIAM O. WASHBURN and MERIDIAN CAPITAL CORP., and each of
25 them, and their officers, directors, successors in interest, agents, employees, attorneys in fact, and all
26 persons acting in concert or participating with them, shall be and are preliminarily enjoined from
27 engaging in, committing, aiding and abetting or performing directly or indirectly, by any means
28

1 whatsoever, any of the following acts: violating California Corporations Code §25210 by engaging in
2 any unlicensed broker-dealer in the State of California, which includes, directly or indirectly,
3 accepting any form of compensation in return for recommending, advertising, promoting, touting,
4 offering to sell or selling securities of others, unless and until Defendants shall have first applied for,
5 and secured from the Commissioner a license to act as a broker-dealer as defined in Corporations
6 Code §25004.

8 3. Defendants WILLIAM O. WASHBURN; MASTERS PARTNERS, LP; SOUTHERN
9 PACIFIC CAPITAL, LLC; SOUTHERN PACIFIC EQUITIES, LLC; PACIFIC INCOME FUND
10 II, LLC; MASTERS ADMINISTRATORS, LLC; WEST CAPITAL, LLC; PACIFIC CAPITAL
11 MANAGEMENT II, LLC; ATLANTIC CAPITAL CORPORATION; MERIDIAN CAPITAL
12 CORP.; WILLIAM O. WASHBURN d/b/a SOUTHERN PACIFIC GROUP and each of them, and
13 their directors, officers, agents, servants, employees, attorneys in fact, and all persons acting in
14 concert or participating with them, or any of them, shall be and are hereby preliminarily enjoined
15 from engaging in, committing, aiding and abetting, or performing directly or indirectly, by any
16 means whatsoever, any of the following acts:

19 a. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise disposing
20 of, in any manner, any books, records, computer programs, computer files, computer print-outs,
21 correspondence, brochures, manuals, or any other writings or documents of any kind as defined under
22 California Evidence Code Section 250 relating to the transactions and course of conduct as alleged in
23 the complaint in this action;

25 b. Transferring, changing, disbursing, selling, dissipating, converting, conveying, pledging,
26 assigning, encumbering, or foreclosing or otherwise disposing of any real or personal property or
27
28

1 other assets in their possession or under their control, or in the possession of, or under the control of,
2 any of them, for the benefit of Defendants' investors and/or creditors, without leave of the Court; and
3 c. Withdrawing from any bank account, transferring, changing, disbursing, selling, dissipating,
4 converting, pledging, assigning, foreclosing, or otherwise disposing of any real property or personal
5 property in their possession or under their control, or in the possession of, or under the control of, any
6 of the Defendants, which property or other assets were derived or emanated from directly, or
7 indirectly, the sale and issuance of securities as alleged in the complaint in this action, without leave
8 of the Court.
9

10
11
12 DATED: July 19, 2002 at San Diego, California
13
14

15 By: _____
16 The Honorable Robert E. May
17 JUDGE OF THE SUPERIOR COURT
18
19
20
21
22
23
24
25
26
27
28