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FILED

SUPERIOR COURT OF CALIFORNIA

COUNTY OF ORANGE

CENTRAL JUSTICE CENTER

JUL 26 2011

ALAN CARLSON, Clerk of the Court

By M WHITE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

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

Plaintiff,

v.

CHANNEL INVESTMENTS, a business organization, form unknown; CHANNEL INVESTMENTS, Inc., a corporation; CHANNEL INVESTMENTS, LLC, a limited liability company; CHANNEL INVESTMENTS, a partnership; JAMES F. MESSINA, individually and doing business as CHANNEL INVESTMENTS; JAMES F. MESSINA, individually and as a partner of CHANNEL INVESTMENTS partnership; and DOES 1 through 20, inclusive,

Defendants.

CASE NO. 30-2011-00450884-CU-SL-CXC
(PROPOSED) FINAL JUDGMENT OF PERMANENT INJUNCTION AND INVESTOR RESTITUTION

DEPARTMENT: CX102

JUDGE: Gail A. Andler

DATE ACTION FILED: 2/16/11

1 Preston DuFauchard, California Corporations Commissioner (“Commissioner”), has filed a
2 Complaint on behalf of the plaintiff THE PEOPLE OF THE STATE OF CALIFORNIA seeking
3 injunctive and ancillary relief against defendants JAMES F. MESSINA, as an individual and doing
4 business as CHANNEL INVESTMENTS (“defendants”). Said defendants have stipulated to the
5 receipt of a copy of the Complaint, have entered a general appearance and admitted to the continuing
6 jurisdiction of this court over them and over the subject matter of this action. Without admitting or
7 denying any material allegation of the Complaint, defendants have consented to the entry of this
8 Final Judgment of Permanent Injunction and Investor Restitution, waiving any trial or adjudication
9 of any fact or law herein or the taking of any proof.

10 **GOOD CAUSE APPEARING THEREFORE, IT IS ORDERED THAT:**

11 Defendants and each of them, and their officers, agents, employees, representatives, and all
12 persons acting in concert or participating with them, shall be and they are hereby permanently
13 enjoined and restrained from engaging in, committing, or performing directly or indirectly, any of
14 the following acts:

15 A. Offering to sell or selling any security by means of any written or oral communication of
16 any kind whatsoever which includes any untrue statement of any material fact or omits or fails to
17 state any material fact necessary in order to make the statements made, in the light of the
18 circumstances under which they are made, not misleading, including but not limited to the alleged
19 misrepresentations and alleged omissions complained of herein; and

20 B. Violating any injunctions or orders previously issued, including but not limited to the
21 Desist and Refrain Orders issued by the Commissioner on May 3, 2006, and this Final Judgment.

22 IT IS FURTHER ORDERED that defendants and each of them are liable jointly and
23 severally to Plaintiff for a judgment of restitution in the amount of \$165,000, which shall be paid
24 directly to the investors by September 6, 2011, and if not, then the Commissioner may initiate
25 collection efforts. Furthermore, if the full judgment is not paid by September 6, 2011, then the
26 balance will accrue interest at the legal rate. Proof of any direct payments made by Defendants to
27 the investors shall be presented to the Department of Corporations, attention Maria Shimohara.
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