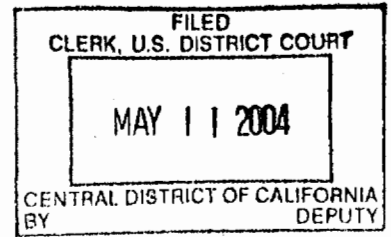


NOTE CHANGES MADE BY THE COURT.



1 Jamie Brown, Esq. (Pro Hac Vice)
Christine Ryall, Esq. (Pro Hac Vice)
2 John Dunfee, Esq. (Pro Hac Vice)
Bernard John Barrett, Esq. (CA Bar #165869)
3 1155 21st Street, N.W.
Washington, D.C. 20581
4 202-418-5373 (Brown)
202-418-5318 (Ryall)
5 202-418-5396 (Dunfee)
202-418-5372 (Barrett)
6 202-418-55378(fax)

7 Attorneys for Plaintiff
Commodity Futures Trading Commission

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

8
9
10
11 Commodity Futures Trading
Commission,
by

12 Plaintiff,

13 v.

14 Emerald Worldwide Holding, Inc.,
15 City Trust and Investment Co.
Ltd., Hao Jan Lu, and Jian Zhuang,

16 Defendants,

17 Lynnwood Jen, Esther Pranolo,
18 ACE CAPITAL Advisory Group,
19 Inc., ACE Emerald W. Holding,
Inc.,

20 Relief Defendants.

) Case No. CV03-8339 AHM (EX)

) Proposed
) Ex Parte Statutory
) Restraining Order, Order
) Permitting
) Expedited Discovery and
) Order to Show Cause
) Re Preliminary Injunction
) Against Defendant CTI and
) the Relief Defendants

) Hearing Date: _____

) Hearing Time: _____

21
22 This matter came on ^{without} ~~for~~ hearing on May 11, 2004 on the

23 Application without notice of Plaintiff Commodity Futures Trading

24 Commission (the "Commission" or "Plaintiff") for an ex parte: (1)

LOGGED

MAY 10 AM 11:58
CENTRAL DISTRICT OF CALIF
LOS ANGELES

1 Statutory Restraining Order; (2) Order Permitting Immediate
2 Expedited Discovery; and (3) Order to Show Cause re: Preliminary
3 Injunction (the "Application"), against Defendant CTI and the
4 Relief Defendants, ^(which are identified in P.F.W. and U. below.) The Court, having considered the Commission's
5 Complaint, Application, Memorandum of Points and Authorities,
6 Exhibits, all other materials and evidence filed by Plaintiff
7 herein, and having heard the arguments of Plaintiff's counsel,
8 finds that:

9 1. This Court has jurisdiction over the parties and over
10 the subject matter of this action pursuant to Section 6c of the
11 Commodity Exchange Act, as amended (the "Act") 7 U.S.C. § 13a-1
12 (2001).

13 2. Venue lies properly within this District pursuant to
14 Sections 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2001). There is
15 good cause to believe that Defendant CTI has engaged, is engaging
16 and is about to engage in acts and practices constituting
17 violations of the Act, 7 U.S.C. §§ 1, et seq. (2001).

18 3. There is good cause to believe that immediate and
19 irreparable damage to the Court's ability to grant effective final
20 relief for investors in the form of monetary redress will occur
21 from the sale, transfer, assignment, or other disposition by
22 Defendant ~~CTI or the Relief Defendants~~ ^{(the} of assets or records ^{of CTI} unless
23 Defendant CTI and ^{certains} the Relief Defendants are immediately restrained
24 and enjoined by Order of this Court.

1 4. Good cause exists for the freezing of the assets of
2 Defendant CTI and the ^{Entity} Relief Defendants and for entry of an order *all*
3 prohibiting Defendant CTI and ^{all} the Relief Defendants from *all*
4 destroying records and denying agents of the Commission access to
5 inspect and copy records. *The "Entity Relief Defendants" are the ACE entities described in Paragraph 11. They do not include Lynnwood Senior Center or other Probles.* *all*

6 5. Good cause exists to permit discovery before the early
7 meeting of counsel pursuant to Rule 26(d) of the Federal Rules
8 of Civil Procedure.

9 6. Pursuant to Rule 30(a)(2) of the Federal Rules of
10 Civil Procedure, immediate depositions are consistent with the
11 principles of Rule 26(b)(2) of the Federal Rules of Civil
12 Procedure.

13 7. Weighing the equities and considering the Commission's
14 likelihood of success in its claims for relief, the issuance of a
15 statutory restraining order is in the public interest.

16 **DEFINITIONS**

17 For the purposes of this Order, the following definitions
18 apply:

19 8. The term "document" is synonymous in meaning and equal
20 in scope to the usage of the term in Federal Rule of Civil
21 Procedure 34(a), and includes, but is not limited to, writings,
22 drawings, graphs, charts, photographs, audio and video
23 recordings, computer records, and other data compilations from
24 which information can be obtained and translated, if necessary,

1 through detection devices into reasonably usable form. A draft
2 or non-identical copy is a separate document within the meaning
3 of the term.

4 9. "Assets" means any legal or equitable interest in,
5 right to, or claim to, any real or personal property, including
6 but not limited to: chattels, goods, instruments, equipment,
7 fixtures, general intangibles, effects, leaseholds, mail or other
8 deliveries, inventory, checks, notes, accounts including bank
9 accounts and accounts at financial institutions, credits,
10 receivables, lines of credit, contracts including spot and
11 futures contracts, insurance policies, and all cash, wherever
12 located, including the following accounts:

13 (a) Bank of America Account #121000358 (ACE Emerald
14 W. Holding Inc.); and

15 (b) Citibank Account #200777993 (ACE Capital Advisory
16 Group Inc.).

17 10. "Defendant CTI" means City Trust and Investment Co.
18 Ltd., a Japanese corporation with its primary place of business
19 located at 4F Kyobashi Daikyu Nagaoka Bldg., Chuo-ku Hachobori
20 2-21- 2, Tokyo, Japan.

21 11. "Relief Defendants" means Lynnwood Jen, who resides at
22 771 S. Foxdale Lane, Anaheim, CA 92807; Esther Pranolo, who
23 resides at 2115 Sherwood Rd., San Marino, CA 91108 and is
24 registered agent of ACE Capital Advisory Group, Inc.; ACE

1 Capital Advisory Group, Inc., a California corporation whose
2 registered business address is 8855 Valley Blvd. #205, Rosemead,
3 California 91770; and/or ACE Emerald W. Holding, Inc., a Nevada
4 corporation whose registered business address is 3305 W. Spring
5 Mountain Road, Suite 48, Las Vegas, NV 89102.

6 RELIEF GRANTED

7 I.

8 Order Against Transfer, Dissipation, And Disposal Of Assets

9 IT IS HEREBY ORDERED that

10 12. Defendant CTI and the ^{Entity} Relief Defendants are restrained *atm*
11 and enjoined from directly or indirectly transferring, selling,
12 alienating, liquidating, encumbering, pledging, leasing,
13 loaning, assigning, concealing, dissipating, converting,
14 withdrawing, or otherwise disposing of any assets, wherever
15 located, including assets held outside the United States, except
16 as provided in Paragraph III of this Order, or as otherwise
17 ordered by the Court. The assets affected by this paragraph
18 shall include both existing assets and assets acquired after the
19 effective date of this Order. ~~For all assets located in~~
20 ~~individual accounts that are owned by, controlled by or held for~~
21 ~~the benefit of relief defendants Jen and Pranelo, this paragraph~~ *atm*
22 ~~shall permit these individuals to set aside reasonable and~~
23 ~~necessary living expenses not to exceed \$5,000 per month per~~
24 ~~individual relief defendant for personal use. Plaintiff and the~~

1 ~~relief defendants Jen and Pranolo shall in good faith negotiate~~ *atm*
2 ~~additional provisions necessary to implement this paragraph.~~

3 ~~13. Defendant CTI and the Relief Defendants, and their~~
4 *all* ~~agents, servants, employees, attorneys, and persons in active~~
5 ~~concert or participation with ~~them~~ who receive actual notice of~~ *(Defendant CTI and the Relief Defendants)*
6 this Order by personal service except as otherwise ordered by
7 this Court, are restrained and enjoined from directly or
8 indirectly transferring, selling, alienating, liquidating,
9 encumbering, pledging, leasing, loaning, assigning, concealing,
10 dissipating, converting, withdrawing, or otherwise disposing of
11 any assets, wherever located, including assets held outside the
12 United States, except as provided in Paragraph III of this
13 Order, or as otherwise ordered by the Court. The assets affected
14 by this paragraph shall include both existing assets and assets
15 acquired after the effective date of this Order. ~~For all assets~~
16 ~~located in individual accounts owned by, controlled by or held for~~ *atm*
17 ~~the benefit of relief defendants Jen and Pranolo, the provisions~~
18 of paragraph 12 shall apply.

19 14. Defendant CTI and the Relief Defendants are restrained *(enjoined)*
20 and enjoined from directly or indirectly opening or causing to
21 be opened any safe deposit boxes titled in ~~the~~ *their* name or subject
22 to access by the Defendants, *who* ~~are~~ *are identified in the caption page.*

1 II.

2 Directives to Financial Institutions and Others

3 IT IS FURTHER ORDERED, pending further Order of this Court,
4 that any financial or brokerage institution, business entity, or
5 person that holds, controls, or maintains custody of any account
6 or asset of Defendant CTI and/or the ^(Entity) Relief Defendants, or has
7 held, controlled, or maintained custody of any account or asset
8 of Defendant CTI and/or the ^(Entity) Relief Defendants at any time since
9 March 1, 2002, shall:

10 15. Prohibit Defendant CTI and ^(all) the Relief Defendants and
11 all other persons from withdrawing, removing, assigning,
12 transferring, pledging, encumbering, disbursing, dissipating,
13 converting, selling or otherwise disposing of any such asset
14 ^{described in the paragraph preceding this one} except as permitted by this order or directed by further order
15 of the Court;

16 16. Deny Defendant CTI and the ^(Entity) Relief Defendants and all
17 other persons access to any safe deposit box that is: (a) titled
18 in the name of Defendant CTI and/or the ^(Entity) Relief Defendants either
19 individually or jointly; or (b) otherwise subject to access by
20 Defendant CTI and/or the ^(Entity) Relief Defendants;

21 17. Provide counsel for the Commission, ^(identified on the caption page) within five (5)
22 business days of receiving a copy of this Order, a statement
23 setting forth: (a) the identification number of each and every
24 such account or asset titled in the name, individually or

1 jointly, of Defendant CTI or the ~~Relief~~ ^{Entire} Defendants, or held on
2 behalf of, or for the benefit, of Defendant CTI or the ~~Relief~~ ^{entire} Relief
3 Defendants: (b) the balance of each such account, or a
4 description of the nature and value of such asset as of the
5 close of business on the day on which this Order is served, and,
6 if the account or other asset has been closed or removed, the
7 date closed or removed, the total funds removed in order to
8 close the account, and the name of the person or entity to whom
9 such account or other asset was remitted; and (c) the
10 identification of any safe deposit box that is either titled in
11 the name, individually or jointly, of Defendant CTI or the ^{any of} ~~the~~ Adm
12 Relief Defendants or is otherwise subject to access by Defendant
13 CTI or the ^{any of} ~~the~~ Relief Defendants; and

14 18. Upon request by the Commission, promptly provide the
15 Commission with copies of all records or other documentation
16 pertaining to such account or asset, including, but not limited
17 to, originals or copies of account applications, account
18 statements, signature cards, checks, drafts, deposit tickets,
19 transfers to and from the accounts, all other debit and credit
20 instruments or slips, currency transaction reports, 1099 forms,
21 and safe deposit box logs.

22
23
24

1 III.

2 Accounting and Transfer of Funds and Documents

3 IT IS FURTHER ORDERED that within five (5) business days
4 following the ^{actual receipt of} service of this Order, Defendant CTI and each of
5 the ^{Entity} Relief Defendants shall:

6 19. Provide the Commission with a full accounting of all
7 funds, documents, and assets outside of the United States that
8 are held by them, for their benefit, or under their direct or
9 indirect control, whether jointly or singly;

10 20. Transfer to the territory of the United States all
11 funds, documents, and assets located in foreign countries which
12 are held by them, for their benefit, or under their direct or
13 indirect control, whether jointly or singly, ^{and which were derived}
^{from or which relate (directly or indirectly) to any of the defendants.} ^{etc}

14 21. Provide the Commission access to all records of the
15 Defendants held by financial institutions located outside the
16 territorial United States by signing the Consent to Release of
17 Financial Records attached to this Order.

18 IV.

19 Maintenance of Business Records

20 IT IS FURTHER ORDERED that:

21 22. Defendant CTI and the Relief Defendants and all
22 persons or entities who receive notice of this Order by personal
23 service or otherwise, are restrained and enjoined from directly
24 or indirectly destroying, mutilating, erasing, altering,
concealing or disposing of, in any manner, directly or

1 indirectly, any documents that relate to the business practices
2 or business or personal finances of Defendant CTI and/or the
3 Relief Defendants.

4 v.
5 Inspection and Copying of Books and Records

6 IT IS FURTHER ORDERED that:

7 23. Representatives of the Commission be immediately
8 allowed to inspect the ^{non-privileged} books, records, and other documents of *attm*
9 Defendant CTI and the Relief Defendants and their agents
10 including, but not limited to, electronically stored data, tape
11 recordings, and computer discs, wherever they may be situated
12 and whether they are in the person of Defendant CTI and the
13 Relief Defendants or others, and to copy said documents, data
14 and records, either on or off the premises where they may be
15 situated; and

16 24. Defendant CTI and the Relief Defendants and their
17 agents, servants, employees, attorneys, and persons in active
18 concert or participation with them who receive actual notice of
19 this Order by personal service or otherwise, including facsimile
20 transmission, shall cooperate fully with the Commission to locate
21 and provide to representatives of the Commission all books and
22 records of Defendants, wherever such books and records may be
23 situated.
24

1 VI.

2 Bond Not Required Of Plaintiff

3 IT IS FURTHER ORDERED that:

4 25. Plaintiff Commission is an agency of the United States
5 of America and, accordingly, no bond need be posted by the
6 Commission.

7 VII.

8 Order To Show Cause

9 IT IS FURTHER ORDERED that:

10 26. Defendant CTI and the Relief Defendants shall appear
11 before this Court on the 24th day of May, 2004, at
12 11:00 a.m., before the Honorable A. Howard Matz at the United
13 States Courthouse for the Central District of California at 312
14 N. Spring Street, Los Angeles, California 90012 to show cause, if
15 there be any, why an Order for Preliminary Injunction should not
16 be granted to prohibit further violations of the Act and why the
17 other relief requested should not be granted pending trial on the
18 merits of this action.

19 27. Should any defendant or relief defendant wish to file
20 a memorandum of law or other papers in opposition to Plaintiff's
21 Motion for a Preliminary Injunction, all papers shall be filed on
22 or before 10:00 a.m. on May 20, 2004 and served
23 by hand or facsimile no later than 8:30 a.m., 5/20, 2004.
24

VIII.
Order Permitting Expedited Discovery

IT IS FURTHER ORDERED that:

28. The prohibition upon discovery before the early meeting of counsel is removed pursuant to Rule 26(d) of the Federal Rules of Civil Procedure.

29. The prohibition upon the immediate commencement of depositions is removed pursuant to Rule 30(a)(2)(C) of the Federal Rules of Civil Procedure.

30. The parties may proceed to take the oral deposition of any person upon three calendar days actual notice if the notice is served upon the parties personally or by facsimile to the party's last known business facsimile number.

31. The parties may also commence discovering documents from third parties under normal discovery procedures.

IX.
Service of Order

IT IS FURTHER ORDERED that:

32. This Order shall be served on Defendant CTI and the Relief Defendants by personal service consistent with Federal Rule of Civil Procedure Rule 4(e) ~~or as otherwise required by law~~. All subsequent pleadings, correspondence, notices required by this Order, and other materials be served consistent with Federal Rule of Civil Procedure Rule 4.

1 X.
2 Previous Orders

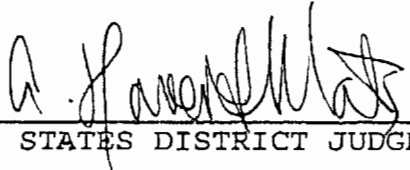
3 IT IS FURTHER ORDERED that the terms of the Statutory
4 Restraining Order issued on November 18, 2003, as to Defendants
5 Emerald and Zhuang, and the Consent Order for Preliminary
6 Injunction entered January 22, 2004, as to Defendant Lu, shall
7 remain in full force and effect until further order of this
8 Court.

9 XI.
10 Force and Effect

11 IT IS FURTHER ORDERED that this Order shall remain in full
12 force and effect until further order of this Court, and that
13 this Court retains jurisdiction of this matter for all purposes.

14 SO ORDERED, at Los Angeles, California on this 11th day of

15 May, 2004 at 3:00 p.m.

16
17 
18 _____
19 UNITED STATES DISTRICT JUDGE
20
21
22
23
24

Presented by:

Christine M. Ryall

Jamie Brown (Pro Hac Vice)

Christine Ryall (Pro Hac Vice)

John Dunfee (Pro Hac Vice)

Bernard John Barrett (CA Bar #165869)

1155 21st Street, N.W.

Washington, D.C. 20581

202-418-5373 (Brown)

202-418-5318 (Ryall)

202-418-5396 (Dunfee)

202-418-5372 (Barrett)

202-418-5531 (fax)

Attorneys for Plaintiff

Commodity Futures Trading Commission

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

CONSENT TO RELEASE OF FINANCIAL RECORDS

I, _____, do hereby direct any financial institution, including but not limited to any bank, trust company or brokerage company, at which I have an account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to said accounts to any attorney of the Commodity Futures Trading Commission, and to give evidence relevant thereto, in the matter of Commodity Futures Trading Commission v. Emerald Worldwide Holdings Inc., et al, case number _____, now pending before the United States District Court for the Central District of California, and this shall be irrevocable authority for so doing. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of financial and bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the accounts for which I may be a relevant principal. This consent is not given as a result of any threat, promise or duress.

Dated: _____, 2004

Signature

STATE OF CALIFORNIA
COUNTY OF _____

Sworn to (or affirmed) and subscribed before me this ____ day of _____, 2004,

by _____.

Signature of Notary Public - State of California

Personally Known ____ OR Produced Identification ____

Type of Identification Produced _____