

1 **BILL LOCKYER,**
 Attorney General
 2 **HERSCHEL T. ELKINS,**
 Senior Assistant Attorney General
 3 **ALBERT N. SHELDEN,**
 Supervising Deputy Attorney General
 4 **ROBYN C. SMITH,** Cal. Bar No. 165446
SABRINA KIM, Cal. Bar No. 186242
 5 Deputy Attorneys General
 300 So. Spring Street, Suite 5000
 6 Los Angeles, California 90013

7 [Redacted]

8 *Attorneys for Plaintiff, the*
People of the State of California

9 [Additional Counsel on the
 10 Following Pages]

FILED
APR 22 2002
 CLERK, U.S. DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 SOUTHERN DIVISION AT SANTA ANA
 DEPUTY
 BY [Signature]

Priority
 Send
 Enter
 Closed
 JS-5/JS-6
 JS-2/JS-3
 Scan Only

11 UNITED STATES DISTRICT COURT
 12 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 13 SANTA ANA DIVISION

14 THE PEOPLE OF THE STATE OF
 15 CALIFORNIA, THE STATE OF
 ARIZONA, THE STATE OF FLORIDA,
 16 THE PEOPLE OF THE STATE OF
 ILLINOIS, THE COMMONWEALTH OF
 17 MASSACHUSETTS, AND THE NEW
 YORK STATE BANKING
 18 DEPARTMENT,

19 Plaintiffs,

20 v.

21 FIRST ALLIANCE MORTGAGE
 22 COMPANY, *et al.*,

23 Defendants.

24 In re:

25 FIRST ALLIANCE MORTGAGE
 26 COMPANY, *et al.*,

27 Debtors.

Case No. CV 00-964 DOC (SA) (MLGx) (ER)

(Related to Case Nos. SA CV 01-1174, SA CV 01-139, SA CV 01-306)

(Bankruptcy Case Nos. SA 00-12370 LR, SA 00-12371 LR, SA 00-12372 LR, and SA 00-12373 LR (Jointly Administered))

PERMANENT INJUNCTION AND ORDER BY STIPULATION BETWEEN THE PLAINTIFFS, THE PEOPLE OF THE STATES OF CALIFORNIA, ARIZONA, FLORIDA, AND ILLINOIS, THE COMMONWEALTH OF MASSACHUSETTS, AND THE NEW YORK STATE BANKING DEPARTMENT, AND THE DEFENDANTS, JEFFREY SMITH, PATTY SULLIVAN, AND SALAH BASTAWY

ENTER ON ICMS
APR 25 2002
 [Signature]

(445)

1 _____)
2 FEDERAL TRADE COMMISSION,
3 Plaintiff,
4 v.
5 FIRST ALLIANCE MORTGAGE
6 COMPANY, *et al.*,
7 Defendants.
8 _____)
9 FRANK and NICOLENA AIELLO, et al.,
10 Plaintiffs,
11 v.
12 FIRST ALLIANCE MORTGAGE
13 COMPANY, *et al.*,
14 Defendants.
15 _____)

14 ///
15 ///
16 ///
17 ///
18 ///
19 ///
20 ///
21 ///
22 ///
23 ///
24 ///
25 ///
26 ///
27 ///
28 ///

1 **JANET NAPOLITANO**, Attorney General
2 **ROBERT ZUMOFF**, Chief Counsel
3 **HUGH E. HEGYI**, Assistant Attorney General
4 1275 West Washington Street
5 Phoenix, AZ 85007-2997
6 Telephone: (602)-542-7717
7 Facsimile: (602) 542-4377

8 *Attorneys for Claimant, the State of Arizona*

9 **ROBERT A. BUTTERWORTH**, Attorney General
10 **STEPHEN A. LeCLAIR**, Assistant Attorney General
11 110 S.E. Sixth Street, Ninth Floor
12 Ft. Lauderdale, FL 33301
13 Telephone: (954) 712-4631
14 Facsimile: (954) 712-4658

15 *Attorneys for Plaintiff, the State of Florida*

16 **JAMES E. RYAN**, Attorney General
17 **THOMAS JAMES**, Assistant Attorney General
18 **JAMES NEWBOLD**, Special Assistant Attorney General
19 100 W. Randolph Street
20 Chicago, IL 60601
21 Telephone: (312) 814-3778
22 Facsimile: (312) 814-2593

23 *Attorneys for Plaintiff, the People of the State of Illinois*

24 **THOMAS F. REILLY**, Attorney General
25 **JUDITH M. WHITING**, Assistant Attorney General
26 One Ashburton Place
27 Boston, MA 02108
28 Telephone: (617) 727-2200, ext. 2959
Facsimile: (617) 727-5765

Attorneys for Claimant, the Commonwealth of Massachusetts

29 **ALVIN A. NARIN**, Assistant Counsel
30 2 Rector Street
31 New York, NY 10006
32 Telephone: (212) 618-6591
33 Facsimile: (212) 618-6912

34 *Attorney for Claimant, New York State Banking Department*

1 WHEREAS, Plaintiffs, the People of the State of California, through Bill
2 Lockyer, Attorney General of the State of California, by Herschel T. Elkins,
3 Senior Assistant Attorney General, the State of Arizona *ex rel.* Janet Napolitano,
4 Attorney General, by Hugh Hegyi, Assistant Attorney General, the State of
5 Florida, through Robert A. Butterworth, Attorney General of the State of Florida,
6 by Stephen LeClair, Assistant Attorney General, the People of the State of Illinois,
7 through James E. Ryan, Attorney General of the State of Illinois, by James
8 Newbold and Tom James, Assistant Attorneys General, the Commonwealth of
9 Massachusetts, through Thomas F. Reilly, Attorney General, by Judith Whiting,
10 Assistant Attorney General, and the State of New York, through its Superintendent
11 of Banks, Elizabeth McCaul, by Alvin Narin, Assistant Counsel, and defendants,
12 Jeffrey Smith, Patty Sullivan, and Salah Bastawy, have entered into a Stipulation
13 of Settlement dated February 25, 2002;

14 WHEREAS, the Stipulation contemplates entry of a permanent injunction
15 and final order by the States and the Individual Defendants on agreed-upon terms;

16 WHEREAS, the States and Individual Defendants stipulate that this
17 Permanent Injunction and Order (hereinafter, the "Order") may be entered without
18 the taking of evidence and without trial or adjudication of any issue of law or fact;
19 and

20 WHEREAS, the Court having considered the matter and good cause
21 appearing therefor,

22 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

23 GENERAL

24 A. This Court has jurisdiction of the subject matter of the following
25 actions and of the parties consenting hereto. Venue is proper as to all parties in
26 the Central District of California for the following actions:

27 1. The complaint filed by the People of the State of California
28 against Defendants Brian Chisick, Sarah Chisick, Patty Sullivan, Jeffrey Smith,

1 First Alliance Mortgage Company, a California corporation, and First Alliance
2 Corporation, in this Court on October 31, 2001, and consolidated under Case No.
3 CV 00-964 DOC (EEx) (hereinafter, the "California Action");

4 2. The Third Amended Proof of Claim filed by the State of
5 Arizona on July 20, 2001, in the United States Bankruptcy Court, Central District
6 of California, in *In re First Alliance Mortgage Company, et al.*, Case No. SA 00-
7 12370 LR (hereinafter, the "Arizona Action");

8 3. The complaint filed by the State of Florida against Defendants
9 Brian Chisick, Sarah Chisick, Patty Sullivan, Jeffrey Smith, Bruce Bollong,
10 Francisco Nebot, First Alliance Mortgage Company, a California corporation,
11 First Alliance Mortgage Company, a Minnesota corporation, and First Alliance
12 Corporation, in this Court on November 14, 2001, under Case No. 00-964 DOC
13 (EEx) (hereinafter, the "Florida Action");

14 4. The Third Amended Complaint filed by the People of the State
15 of Illinois against Defendants Brian Chisick, Sarah Chisick, Salah Bastawy, Patty
16 Sullivan, First Alliance Mortgage Company, a California corporation, and First
17 Alliance Corporation, in this Court on January 21, 2002 under Case No. CV 00-
18 964 DOC (EEx) (hereinafter, the "Illinois Action");

19 5. The proof of claim filed by the Commonwealth of
20 Massachusetts on September 10, 2000, in the United States Bankruptcy Court,
21 Central District of California, in *In re First Alliance Mortgage Company, et al.*,
22 Case No. SA 00-12370 LR (hereinafter, "Massachusetts Action"); and

23 6. The proof of claim filed by the New York State Banking
24 Department on September 19, 2000, in the United States Bankruptcy Court,
25 Central District of California, in *In re First Alliance Mortgage Company, et al.*,
26 Case No. SA 00-12370 LR (hereinafter the "New York Action").

27 B. The Court deems the proofs of claim filed herein by the States of
28 Arizona and New York and the Commonwealth of Massachusetts and identified in

1 Paragraph A herein to be complaints properly filed in this Court and consolidated
2 in this action.

3 C. The parties have agreed to the entry of this Order, as set forth in
4 Paragraph V herein.

5 D. The Individual Defendants have waived all rights to challenge or
6 contest the validity of this Order.

7 E. The Order has been reviewed by the Court and it is found to have
8 been entered into in good faith and to be in all respects just, reasonable, and
9 equitable.

10 NON-ADMISSION OF WRONGDOING AND LIABILITY

11 F. The Individual Defendants deny, and continue to deny, each and all
12 of the claims and contentions alleged by the States in the Actions. The Individual
13 Defendants have expressly denied and continue to deny all charges of wrongdoing
14 or liability against the Individual Defendants arising out of or related to any of the
15 conduct, statements, acts or admissions alleged, or that could have been alleged, in
16 the Actions. Nothing in the Order shall be or may be construed by any person as
17 an admission of wrongdoing or liability by the Individual Defendants.

18 DEFINITIONS

19 G. For the purposes of this Order, the terms used herein shall be
20 defined as follows:

21 1. The term "TILA" means the Truth-In-Lending Act, 15 U.S.C.
22 §§ 1601, *et seq.*, as amended, and its implementing rule, Regulation Z, 12 C.F.R.
23 Part 226, as amended.

24 2. The term "Amount Financed" has the same meaning as that
25 term is defined by TILA.

26 3. The term "Annual Percentage Rate" has the same meaning
27 as that term is defined by TILA.

28 4. The term "Related Debtors" means First Alliance Mortgage

1 Company, a California corporation, First Alliance Mortgage Company, a
2 Minnesota corporation, First Alliance Corporation, a Delaware corporation, and
3 First Alliance Portfolio Services, Inc., a Nevada corporation.

4 5. The term "Finance Charge" has the same meaning as that term
5 is defined by TILA.

6 6. The term "Individual Defendants" means defendants Patty
7 Sullivan, Jeffrey Smith, and Salah Bastawy.

8 7. The term "Loan Origination Fee" means all costs and expenses
9 incurred in originating a Mortgage Loan used in calculating the Annual
10 Percentage Rate, if such costs and expenses are financed.

11 8. The term "Mortgage Loan" means an extension of credit
12 secured by a mortgage, deed of trust, or similar instrument on a consumer's
13 principal dwelling and includes, but is not limited to, personal consumer loans,
14 home mortgage loans, home purchase loans, home equity loans, home
15 improvement loans, credit lines, revolving credit, and refinancing of all the
16 foregoing, so long as such loans are secured by the consumer's principal dwelling.

17 9. The term "Person" means any natural person, corporate entity,
18 partnership, limited partnership, association, joint venture, trust, or other business
19 entity.

20 10. The term "States" means the State of California, the State of
21 Arizona, the State of Florida, the State of Illinois, the Commonwealth of
22 Massachusetts, and the New York State Banking Department. The term "State"
23 means any one of the States.

24 11. The term "Stipulation" means the Stipulation of Settlement
25 herein signed by the States and the Individual Defendants on February 25, 2002.

26 INJUNCTION

27 H. Pursuant to California Business & Professions Code §§ 17203 and
28 17535, Chapter 501, Part II, of the Florida Statutes, the Massachusetts Consumer

1 Protection Act, G.L. c. 93A, § 4, Section 7 of the Illinois Consumer Fraud Act,
2 815 ILCS 505/7 (2002), the Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 to
3 1534, and New York General Business Law § 349(b), Defendants Patty Sullivan
4 and Jeffrey Smith and all those Persons in active concert or participation with
5 them who receive actual notice of this Order by personal service or otherwise,
6 whether acting directly or through any entity, corporation, subsidiary, division, or
7 other device, are hereby permanently restrained and enjoined in the Mortgage
8 Loan business in connection with the advertising, marketing, solicitation,
9 brokering, origination, closing, offering for sale, or sale of credit to consumers,
10 from doing any of the following in the States of Arizona, California, Florida,
11 Illinois, and New York and the Commonwealth of Massachusetts:

12 1. making, or causing or assisting others to make, expressly or by
13 implication, any false or misleading representation about the terms, costs, or other
14 conditions of any Mortgage Loan, including, but not limited to, misrepresenting:

15 a. the monthly payment amount, interest rate, Annual
16 Percentage Rate, Finance Charge, principal loan amount, loan term, or any other
17 term of repayment;

18 b. the terms of any adjustable rate Mortgage Loan,
19 including, but not limited to:

20 i. the manner in which the interest rate or monthly
21 payments on the loan adjusts over time, and

22 ii. the relationship between adjustments in the
23 interest rates, any index rate, and the initial rate;

24 c. the existence, absence, terms, or amount of any Loan
25 Origination Fees;

26 d. whether prepaid finance charges, such as the Loan
27 Origination Fees, are part of the interest payments on the loan; and

28 e. the amount borrowed and upon which interest accrues.

1 2. making, or causing or assisting others to make, a false,
2 misleading or deceptive claim that consumers will save money when consolidating
3 debt.

4 3. violating TILA by doing the following:

5 a. failing to provide consumers with the booklet titled
6 *Consumer Handbook on Adjustable Rate Mortgages* or a suitable substitute, as
7 required by Section 226.19(b)(1) of Regulation Z 12 C.F.R. § 226.19(b)(1);

8 b. failing to comply with any other provision of TILA.

9 I. Pursuant to the Illinois Consumer Fraud Act, 815 ILCS 505/7 (2002),
10 the Massachusetts Consumer Protection Act, G.L. c. 93A, and the Arizona
11 Consumer Fraud Act, A.R.S. §§ 44-1521 to 1534, Defendant Salah Bastawy and
12 all those Persons in active concert or participation with them who receive actual
13 notice of this Order by personal service or otherwise, whether acting directly or
14 through any entity, corporation, subsidiary, division, or other device, are hereby
15 permanently restrained and enjoined in the Mortgage Loan business in connection
16 with the advertising, marketing, solicitation, brokering, origination, closing,
17 offering for sale, or sale of credit to consumers, from doing any of the following in
18 the States of Illinois and Arizona and the Commonwealth of Massachusetts:

19 1. making, or causing or assisting others to make, expressly or by
20 implication, any false or misleading representation about the terms, costs, or other
21 conditions of any Mortgage Loan, including, but not limited to, misrepresenting:

22 a. the monthly payment amount, interest rate, Annual
23 Percentage Rate, Finance Charge, principal loan amount, loan term, or any other
24 term of repayment;

25 b. the terms of any adjustable rate Mortgage Loan,
26 including, but not limited to:

27 i. the manner in which the interest rate or monthly
28 payments on the loan adjusts over time, and

- 1 ii. the relationship between adjustments in the
2 interest rates, any index rate, and the initial rate;
- 3 c. the existence, absence, terms, or amount of any Loan
4 Origination Fees;
- 5 d. whether prepaid finance charges, such as the Loan
6 Origination Fees, are part of the interest payments on the loan; and
- 7 e. the amount borrowed and upon which interest accrues.
- 8 2. making, or causing or assisting others to make, a false,
9 misleading or deceptive claim that consumers will save money when consolidating
10 debt.
- 11 3. violating TILA by doing the following:
- 12 a. failing to provide consumers with the booklet titled
13 *Consumer Handbook on Adjustable Rate Mortgages* or a suitable substitute, as
14 required by Section 226.19(b)(1) of Regulation Z 12 C.F.R. § 226.19(b)(1);
- 15 b. failing to comply with any other provision of TILA.

16 MONITORING

17 J. Each State which has reason to believe a violation of this Order has
18 occurred shall have authority to make a written request for all business records or
19 information reasonably necessary to accomplish full and complete evaluation of
20 the Individual Defendants' compliance with the injunctive provisions of this Order
21 in its State. The State shall mail, by overnight mail, such written request to the
22 Individual Defendant at the most recent non-business mailing address provided to
23 the State pursuant to Paragraphs O and P herein. The Individual Defendant shall
24 have fifteen (15) days after receipt of such written request to either (1) provide the
25 State with the requested records or information or (2) notify the State that the
26 Individual Defendant is not able to provide the requested records or information
27 and specify the reason they are unable to provide such records and information. In
28 the event the State receives notice that the Individual Defendant is not able to

1 provide the requested records and information, the State has the authority to seek
2 the requested records and information pursuant to applicable law. Nothing in this
3 Paragraph J shall prevent the State from employing any other investigative method
4 permitted by law.

5 ENFORCEMENT

6 K. Each State shall have full authority to enforce this Order and to seek
7 any relief permitted by law in this Court, in the event the Individual Defendants
8 violate any of the above terms with respect to residents of that State.

9 L. Prior to initiation of proceedings to enforce this Order, any State
10 which has reason to believe a violation of this Order has occurred shall provide ten
11 (10) days' written notice to the Individual Defendant(s) alleged to have violated
12 this Order setting forth the nature of any alleged violation of this Order. The State
13 shall mail this notice by first class mail to the Individual Defendant at the most
14 recent non-business address provided pursuant to Paragraphs O and P herein.
15 After such notice is mailed, nothing in this Order shall be construed to prevent the
16 State which believes a violation has occurred from initiating any proceeding to
17 enforce this Order, at any such time as such State deems appropriate. In the event
18 the State which has reason to believe a violation of this Order has occurred, using
19 its best judgment, deems that the alleged violation constitutes, has created or
20 threatens to imminently create an emergency situation, the notice provided for in
21 this Paragraph L shall not be required.

22 M. The States agree that they shall not record this Order in any recorder's
23 office in any city, county or state in the United States.

24 NOTIFICATION REQUIREMENTS

25 N. For a period of five (5) years after this Order goes into effect, to the
26 extent any Individual Defendant is employed (whether as a W-2 employee, an
27 uncompensated consultant, or a 1099 contract employee) or owns a significant
28 interest, directly or indirectly, in a Mortgage Loan business which does business in

1 any State where such Individual Defendant is subject to this Order pursuant to
2 Paragraph H or I herein, such Individual Defendant shall notify each such State of
3 the name, address and telephone number of the Mortgage Loan business and a
4 description of the Individual Defendant's duties and responsibilities in connection
5 with the Mortgage Loan business. Except for any necessary enforcement
6 proceedings, all communications between the States and the Individual
7 Defendants shall be at the non-business mailing address of the Individual
8 Defendants provided pursuant to Paragraph O herein.

9 O. For a period of five (5) years after the date this Order goes into effect,
10 each Individual Defendant shall notify each State where such Individual
11 Defendant is subject to this Order pursuant to Paragraph H or I herein of his or her
12 non-business mailing address.

13 P. For a period of five (5) years after the date this Order goes into effect,
14 each Individual Defendant shall notify each State where such Individual
15 Defendant is subject to this Order pursuant to Paragraph H or I herein of any
16 change in the information provided in Paragraphs N or O herein, within thirty (30)
17 days of any such change. Such notice shall include the information required by
18 Paragraphs N or O, whichever is applicable.

19 Q. All communications with the State(s) regarding Paragraphs N, O, or
20 P of this Order are to be addressed to the State(s) at the addresses set forth below,
21 and must clearly indicate that said communications refer to "FAMCO Notices."

22 1. Robyn Smith, Deputy Attorney General, Office of the Attorney
23 General, State of California, 300 South Spring Street, Suite 5000, Los Angeles,
24 CA, 90013, attn.: *FAMCO Notices*.

25 2. Judith Whiting, Pamela Kogut, Assistant Attorneys General,
26 Consumer Protection and Antitrust Division, Office of the Attorney General,
27 Commonwealth of Massachusetts, One Ashburton Place, Boston, MA, 02108,
28 attn.: *FAMCO Notices*.

1 3. Kenneth Bielmeier, Assistant Deputy Superintendent,
2 Mortgage Banking Division, New York State Banking Department, 2 Rector
3 Street, New York, NY, 10006, attn.: *FAMCO Notices*.

4 4. Hugh Hegyi, Assistant Attorney General, or Robert Zumoff,
5 Chief Counsel, Consumer Protection and Advocacy Section, Office of the
6 Attorney General, State of Arizona, 1275 West Washington, Phoenix, Arizona,
7 85007, attn.: *FAMCO Notices*.

8 5. Tom James, Assistant Attorney General, Consumer Fraud
9 Bureau, Office of the Illinois Attorney General, 100 West Randolph Street,
10 Chicago, Illinois, 60601, attn.: *FAMCO Notices*.

11 6. Stephen A. LeClair, Assistant Attorney General, Office of the
12 Attorney General, State of Florida, 110 S.E. 6th Street, 9th Floor, Fort Lauderdale,
13 FL, 33301, attn.: *FAMCO Notices*.

14 RELEASE OF PARTIES AND NON-PARTIES

15 R. This Order satisfies all conditions in Paragraph 4.12 of the Stipulation
16 regarding consent decrees. The Individual Defendants and the States shall provide
17 all the releases as set forth in the Stipulation.

18 S. Upon entry of this Order, Defendant Jeffrey Smith agrees to waive
19 and release any and all claims he has asserted against the bankruptcy estates of the
20 Related Debtors. In the event, however, the Stipulation does not go into effect and
21 becomes void, as set forth therein, Defendant Jeffrey Smith's waiver and release of
22 any and all claims he asserted against the bankruptcy estates of the Related
23 Debtors shall be void.

24 RETENTION OF JURISDICTION

25 T. Jurisdiction is retained by this Court for the purpose of enabling any
26 party to the Order to apply to the Court at any time for such further orders and
27 directions as may be necessary or appropriate for the construction or the carrying
28 out of this Order, for enforcement of compliance herewith, and for the punishment

1 of violations hereof, if any.

2 U. The effective date of this Order shall be five (5) days after the date
3 when the last of the conditions set forth in Paragraph 7.1 of the Stipulation has
4 either been satisfied or expressly waived in a writing signed by all counsel for the
5 Coordinated Plaintiffs and counsel for the Defendants, as those terms are defined
6 in the Stipulation.

7 V. The Individual Defendants and the States hereby consent to entry of
8 the foregoing Order, which, upon entry of a final order approving class action
9 settlement, as set forth in the Stipulation, shall constitute a final order on the
10 Actions.

11 IT IS SO ORDERED, this ___ day of _____, 2002.

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

HONORABLE DAVID O. CARTER
United States District Court Judge

1 The parties hereby STIPULATE AND AGREE TO the terms and conditions set
2 forth above and consent to the entry of this Permanent Injunction and Order by
3 Stipulation.

4

5 Plaintiffs:

6

7 DATED: March 4, 2002

BILL LOCKYER
Attorney General
State of California

8

9

10



By: Herschel T. Elkins
Senior Assistant Attorney General
300 So. Spring Street, Suite 5000
Los Angeles, California 90013

11

12

13

Attorneys for the Plaintiff the People of the
State of California

14

15

16

DATED: March __, 2002

JANET NAPOLITANO,
Arizona Attorney General

17

18

19

By: Hugh Hegyi
Assistant Attorney General
1275 West Washington Street
Phoenix, AZ 85007-2997

20

21

22

Attorneys for the State of Arizona

23

24

25

26

27

28

1 The parties hereby STIPULATE AND AGREE TO the terms and conditions set
2 forth above and consent to the entry of this Permanent Injunction and Final Order
3 by Stipulation.

4

5 Plaintiffs:

6

7 DATED: March , 2002

BILL LOCKYER
Attorney General
State of California

8

9

10

By: Herschel T. Elkins
Senior Assistant Attorney General
300 So. Spring Street, Suite 5000
Los Angeles, California 90013

11

12

13

Attorneys for the Plaintiff the People of the
State of California

14

15

16

DATED: March , 2002

JANET NAPOLITANO,
Arizona Attorney General

17

18

19

Hugh Hegyi (subject to
By: Hugh Hegyi Gen. Napolitano
Assistant Attorney General approval)
1275 West Washington Street
Phoenix, AZ 85007-2997

20

21

22

Attorneys for the State of Arizona

23

24

25

26

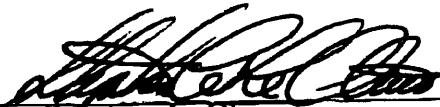
27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: March 2, 2002

ROBERT A. BUTTERWORTH
Attorney General
State of Florida


By: Stephen LeClair
Assistant Attorney General
110 S.E. Sixth Street, Ninth Floor
Ft. Lauderdale, FL 33301

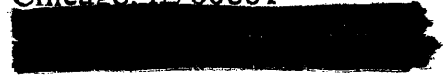


Attorneys for the State of Florida

DATED: March __, 2002

JAMES E. RYAN
Attorney General
State of Illinois

By: Tom James
Assistant Attorney General
100 W. Randolph Street
Chicago, IL 60601



Attorneys for the People of the
State of Illinois

DATED: March __, 2002

THOMAS F. REILLY
Attorney General
Commonwealth of Massachusetts

By: Judith Whiting
Assistant Attorney General
Consumer Protection and Antitrust
Division
One Ashburton Place
Boston, MA 02108



Attorneys for the Commonwealth of
Massachusetts

1 DATED: March __, 2002

ROBERT A. BUTTERWORTH
Attorney General
State of Florida

2

3

4

5

By: Stephen LeClair
Assistant Attorney General
110 S.E. Sixth Street, Ninth Floor
Ft. Lauderdale, FL 33301

6

7

[Redacted signature area]

8

Attorneys for the State of Florida

9

10 DATED: March 1, 2002

JAMES E. RYAN
Attorney General
State of Illinois

10

11

12

Tom James

13

By: Tom James
Assistant Attorney General
100 W. Randolph Street
Chicago, IL 60601

14

15

[Redacted signature area]

16

Attorneys for the People of the
State of Illinois

17

18

19 DATED: March __, 2002

THOMAS F. REILLY
Attorney General
Commonwealth of Massachusetts

19

20

21

22

By: Judith Whiting
Assistant Attorney General
Consumer Protection and Antitrust
Division
One Ashburton Place
Boston, MA 02108

23

24

25

[Redacted signature area]

26

Attorneys for the Commonwealth of
Massachusetts

27

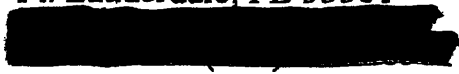
28

1 DATED: March __, 2002

ROBERT A. BUTTERWORTH
Attorney General
State of Florida

2
3
4

By: Stephen LeClair
Assistant Attorney General
110 S.E. Sixth Street, Ninth Floor
Ft. Lauderdale, FL 33301



Attorneys for the State of Florida

9 DATED: March __, 2002

JAMES E. RYAN
Attorney General
State of Illinois

10
11
12

By: Tom James
Assistant Attorney General
100 W. Randolph Street
Chicago, IL 60601



Attorneys for the People of the
State of Illinois

18 DATED: March 1, 2002

THOMAS F. REILLY
Attorney General
Commonwealth of Massachusetts

19
20
21



By: Judith Whiting
Assistant Attorney General
Consumer Protection and Antitrust
Division
One Ashburton Place
Boston, MA 02108

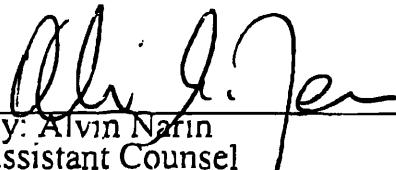


Attorneys for the Commonwealth of
Massachusetts

22
23
24
25
26
27
28

1 DATED: March 1, 2002

NEW YORK STATE BANKING
DEPARTMENT



By: Alvin Nafin
Assistant Counsel
2 Rector Street
New York, NY 10006



Attorney for the New York State Banking
Department

9 Defendants:

11 DATED: March __, 2002

PATTY SULLIVAN, individually

14 DATED: March __, 2002

JEFFREY SMITH, individually

17 DATED: March __, 2002

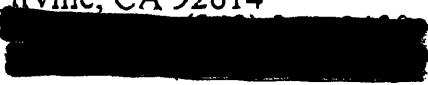
SALAH BASTAWY, individually

19 Approved as to Form:

21 DATED: March __, 2002

PALMIERI, TYLER, WIENER,
WILHELM & WALDRON, LLP

By: Charles H. Kanter
2603 Main Street, Suite 1300
Irvine, CA 92614



Attorneys for Patty Sullivan

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: March __, 2002

NEW YORK STATE BANKING
DEPARTMENT

By: Alvin Narin
Assistant Counsel
2 Rector Street
New York, NY 10006



Attorney for the New York State Banking
Department

Defendants:

DATED: March L, 2002

PATTY SULLIVAN, individually

DATED: March l, 2002

JEFFREY SMITH, individually

DATED: March __, 2002

SALAH BASTAWY, individually

Approved as to Form:

DATED: March 1, 2002

PALMIERI, TYLER, WIENER,
WILHELM & WALDRON, LLP

By: Charles H. Kanter
2603 Main Street, Suite 1300
Irvine, CA 92614



Attorneys for Patty Sullivan

1 DATED: March __, 2002

NEW YORK STATE BANKING
DEPARTMENT

2

3

4

By: Alvin Nann
Assistant Counsel
2 Rector Street
New York, NY 10006

5

6

7

Attorney for the New York State Banking
Department

8

9 Defendants:

10

11 DATED: March __, 2002

PATTY SULLIVAN, individually

12

13

14 DATED: March __, 2002

JEFFREY SMITH, individually

15

16

17 DATED: March 1, 2002


SALAH BASTAWY, individually

18

19

Approved as to Form:

20

21

22 DATED: March __, 2002

PALMIERI, TYLER WIENER,
WILHELM & WALDRON, LLP

23

24

25

By: Charles H. Kanter
2603 Main Street, Suite 1300
Irvine, CA 92614

26

27


Attorneys for Patty Sullivan

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: March 1, 2002

ROBINSON & ROBINSON, LLP


By: Jeffrey Robinson
2301 Dupont Drive, Suite 530
Irvine, CA 92612



Attorneys for Jeffrey Smith and Salah Bastawy

DATED: March , 2002

RODRIGUEZ O'DONNELL FUERST
GONZALEZ & WILLIAMS

By: Mitchell S. Fuerst
1001 Brickell Bay Drive, Suite 1714
Miami, FL 33131



Attorneys for Jeffrey Smith and Patty Sullivan

Mar-01-02 03:30pm From-

T-963 P.19/19 F-385

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: March __, 2002

ROBINSON & ROBINSON, LLC

By: Jeffrey Robinson
2301 Dupont Drive, Suite 530
Irvine, CA 92612

Attorneys for Jeffrey Smith and Salah Bastawy

DATED: March 1, 2002

RODRIGUEZ O'DONNELL FUERST
GONZALEZ & WILLIAMS

By: Mitchell S. Fuerst
1001 Brickell Bay Drive, Suite 1714
Miami, FL 33131

Attorneys for Jeffrey Smith and Patty Sullivan

IT IS SO ORDERED

Dated April 22 2002

M. Wood O. Corder
United States District Judge