

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION (CHICAGO)

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

Civil Action No. 1:07cv1208

ONE OR MORE UNKNOWN PURCHASERS OF
CALL OPTIONS FOR THE COMMON STOCK OF
TXU CORP.,

SUNIL SEHGAL, and
SEEMA SEHGAL,

Defendants.

**TEMPORARY RESTRAINING ORDER FREEZING ASSETS
AND GRANTING OTHER RELIEF AND ORDER TO
SHOW CAUSE WHY A PRELIMINARY INJUNCTION SHOULD NOT ISSUE
AGAINST SUNIL AND SEEMA SEHGAL**

On the application of Plaintiff Securities and Exchange Commission (“Commission”) for:
(1) a temporary restraining order freezing assets; (2) an order requiring identification; (3) an order for repatriation of assets; (4) an order preventing document alteration or destruction; (5) an order authorizing alternative means for service of process; (6) an order for expedited discovery; and (7) an order requiring Defendants Sunil and Seema Sehgal (“Sehgal Defendants”) to show cause why their assets should not remain frozen until the conclusion of this litigation. The Court has considered the Commission’s pleadings and the appended documents.

In consideration of the foregoing, the Court being fully advised in the premises, pending the determination of further application of the Commission to continue the freeze order and for other relief:

I.

IT IS HEREBY ORDERED that, pending further order of this Court, the Sehgal Defendants, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (including, without limitation, Charles Schwab, Inc., and Clark Dodge & Company, Inc., or their affiliates, successors in interest and assigns); and each of them, shall, until further ordered by the Court, hold and retain within their control, and otherwise prevent any disposition, transfer, or dissipation of any and all securities and cash currently maintained in any securities trading account in which a Sehgal Defendant has signatory authority or any beneficial interest.

II.

IT IS HEREBY FURTHER ORDERED that Sunil and Seema Sehgal shall submit in writing to this Court and Plaintiff Commission within two (2) business days following service of this Order, the following identifying information:

- (A) all names by which each defendant is known, all business and residence addresses, postal box numbers, telephone numbers, and facsimile numbers, and the nationality of each defendant; and

(B) each account with any financial institution or brokerage firm maintained in each defendant's name or held for the defendant's direct or indirect beneficial interest from January 1, 2005 to the present, including, but not limited to, each account through which the defendant directed securities transactions at any time since October 1, 2005, or in which proceeds from such transactions were held.

III.

IT IS FURTHER ORDERED that, within 72 hours of notice of the entry of this Order, Sunil and Seema Sehgal shall repatriate all assets obtained from the activities described in the Commission's Complaint that are now located outside the territorial limits of the United States, and that each Defendant direct the return of such assets to the Registry of the Court, pending conclusion of this matter.

IV.

IT IS HEREBY FURTHER ORDERED that Sunil and Seema Sehgal, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby restrained from destroying, mutilating, concealing, altering or disposing of any items, including but not limited to any books, records, documents, contracts, agreements, assignments, obligations or other property of the defendants, relating to the defendants or any of their securities, financial or business dealings.

V.

A. **IT IS HEREBY FURTHER ORDERED** that pursuant to Rule 4 of the Federal Rules of Civil Procedure, service of all pleadings and other papers, including the Summons, the Complaint, this Order and all documents filed in support thereof, and all other documents to be served in this action, may be made by serving such documents on any of the following agents of

defendants: Charles Schwab, Inc., and Clark Dodge & Co., Inc., and any of their respective affiliates, successors in interest and assigns.

B. **IT IS HEREBY FURTHER ORDERED** that, pursuant to Rule 4 of the Federal Rules of Civil Procedure, service of all pleadings and other papers, including the Summons, the Complaint, this Order and all documents filed in support thereof, and all other documents to be served in this action, may be made personally, by facsimile, by overnight courier, or by mail upon Defendants, their attorneys, their U.S. agents, or their broker-dealers identified in the prior subparagraph to the extent permitted by law, or by an alternative provision for service permitted by Rule 4 of the Federal Rules of Civil Procedure, or as this Court may direct by further order.

VI.

IT IS HEREBY FURTHER ORDERED that the Plaintiff's application for expedited discovery is granted and that, commencing with the time and date of this Order, in lieu of the time periods, notice provisions, and other requirements of Rules 26, 30, 33, 34, 36 and 45 of the Federal Rules of Civil Procedure, and the Local Rules of this Court, discovery shall proceed as follows:

- (A) The Commission is authorized to take depositions upon oral examination subject to two (2) days notice pursuant to Rule 30(a) of the Federal Rules of Civil Procedure;
- (B) All depositions in this action, unless properly noticed to take place elsewhere, shall be taken within the United States;
- (C) Pursuant to Rule 33(a) of the Federal Rules of Civil Procedure, defendants shall answer all of the Commission's interrogatories within three (3) days of service of such interrogatories;

- (D) Pursuant to Rule 34(b) of the Federal Rules of Civil Procedure, defendants shall produce all documents requested by the Commission within two (2) days of service of such request;
- (E) Pursuant to Rule 36(a) of the Federal Rules of Civil Procedure, defendants shall answer all of the Commission's requests for admissions within three (3) days of service of such requests; and
- (F) All written responses to the Commission's requests for discovery under the Federal Rules of Civil Procedure shall be delivered to the Commission at 801 Cherry Street, Suite 1900, Fort Worth, TX 76102, to the attention of Jennifer D. Brandt, Trial Counsel, or such other place as counsel for the Commission may direct in writing, by the most expeditious means available.

VII.

IT IS HEREBY FURTHER ORDERED that this Order shall be, and is, binding upon the Defendants, and each of their agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, facsimile service, service in accordance with Section V of this Order, or otherwise.


VIII.

IT IS HEREBY FURTHER ORDERED that the Sehgal Defendants or their attorneys shall appear before this Court at ____ o'clock, __.m., on _____, 2005, in Room _____ of the United States Courthouse, 219 South Dearborn Street, Chicago, IL, or as soon thereafter as they can be heard, and in any event prior to the expiration of this Order, to show cause, if any, why this Court should not enter a preliminary injunction extending the asset freeze

granted in this Order until a final adjudication on the merits may be had. Defendants shall serve any papers in opposition to such relief by hand delivery or overnight courier service to the Commission's counsel, Jennifer D. Brandt, Trial Counsel, Securities and Exchange Commission, 801 Cherry Street, Suite 1900, Fort Worth, TX, fax number (817) 978-4927, no later than three full business days before such hearing. The Commission may serve and file a reply no later than 24 hours before the hearing, and shall serve such reply brief, if any, on Defendants or their attorneys by facsimile transmission, courier service or such other means as the Commission may reasonably determine will give Defendants or their attorneys prompt delivery of these papers.

Dated this 28th day of March, 2007.

2:45
p.m.


UNITED STATES DISTRICT JUDGE