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10 **UNITED STATES DISTRICT COURT**  
11 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**  
12 **SOUTHERN DIVISION**

13 SECURITIES AND EXCHANGE  
COMMISSION,

14 Plaintiff,

15 vs.

16 HIGH PARK INVESTMENT GROUP,  
INC., a Nevada corporation, HARBOR  
17 FINANCIAL INVESTMENT GROUP,  
INC., a Nevada corporation, EDWARD  
18 R. SHOWALTER,

19 Defendants.

Case No. SACV05-1090 CJC (MLGx)

**[PROPOSED] ORDER RE:  
MODIFIED PRELIMINARY  
INJUNCTION**

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21  
22 This matter came before the Court upon Plaintiff Securities and Exchange  
23 Commission's ("Commission") Application For Limited Relief From Stay For  
24 Modification Of Preliminary Injunction and Entry Of Final Judgment Against High  
25 Park Investment Group and Harbor Financial Investment Group (the  
26 "Application").

27 The Court, having considered the Commission's Application, the supporting  
28 Memorandum of Points and Authorities, Declaration and Exhibits, and all other

1 evidence and argument presented regarding the Application, finds that:

- 2       A. This Court has jurisdiction over the parties to, and the subject matter  
3       of, this action.
- 4       B. The Commission filed an *Ex Parte* Application For A Temporary  
5       Restraining Order and Orders: (1) Freezing Assets; (2) Appointing a  
6       Temporary Receiver; (3) Repatriating Assets Of High Park Investment  
7       Group, Inc. And Harbor Financial Investment Group, Inc.; (4)  
8       Prohibiting The Destruction Of Documents; (5) Granting Expedited  
9       Discovery; And Order To Show Cause Re Preliminary Injunction and  
10      Appointment of a Permanent Receiver (the “TRO Application”).
- 11      C. On November 9, 2005, the Court granted a temporary restraining order  
12      and orders freezing assets, appointing a temporary receiver,  
13      repatriating assets, prohibiting the destruction of documents, and  
14      granting expedited discovery (the “November 9, 2005 TRO Order”).
- 15      D. As part of its November 9, 2005 TRO Order, the Court found good  
16      cause exists to believe that defendants High Park, Harbor Financial,  
17      and Showalter and each of them have engaged in, are engaging in, and  
18      are about to engage in transactions, acts, practices and courses of  
19      business that constitute violations of Section 17(a) of the Securities  
20      Act of 1933 (the “Securities Act”), 15 U.S.C. § 77q(a), and Section  
21      10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”),  
22      15 U.S.C. § 78j(b) and Rule 10b 5 thereunder, 17 C.F.R.
- 23      E. As part of its November 9, 2005 TRO Order, the Court also found,  
24      among other things, that the Commission has demonstrated a  
25      probability of success on the merits; that there is the possibility of  
26      dissipation of assets; and that the defendants High Park, Harbor  
27      Financial, and Showalter will continue to engage in such violations to  
28      the immediate and irreparable loss and damage to investors and to the

1 general public unless they are restrained and enjoined.

2 F. The Court set a hearing for December 16, 2005, at 3:30 p.m. and  
3 ordered defendants High Park, Harbor Financial, and Showalter to  
4 appear to show cause, if there be any, why a preliminary injunction  
5 should not be granted in accordance with the prayer for relief  
6 contained in the Complaint filed by the Commission.

7 G. As part of its November 9, 2005 TRO Order, the Court also appointed  
8 Robb Evans & Associates LLC as the temporary receiver over  
9 Defendants High Park and Harbor Financial.

10 H. Pursuant to a stipulation by the parties, the Court appointed Robb  
11 Evans & Associates LLC as the permanent receiver on December 13,  
12 2005 and issued a preliminary injunction against Showalter, High  
13 Park, and Harbor Financial.

14 I. On January 11, 2007, the Court entered judgments against High Park  
15 and Harbor Financial, permanently enjoining them from Sections 5(a),  
16 5(c), and 17(a) of the Securities Act, 15 U.S.C. §§ 77e and 77q, and  
17 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
18 promulgated thereunder, 17 C.F.R. § 240.10b-5.

19 J. On February 26, 2007, the Court discharged Robb Evans & Associates  
20 LLC of its duties as receiver.

21 K. Defendant Showalter does not oppose the Commission's Application  
22 for the following order:

23 **ORDER**

24 The Court, having considered the Commission's Application, the supporting  
25 memoranda of points and authorities, declaration and exhibits, and all other  
26 evidence and argument presented regarding the Application, and finding that Court  
27 has jurisdiction over the parties to, and the subject matter of, this action, that the  
28 Commission has demonstrated a probability of success on the merits and a

1 possibility of dissipation of assets in this case, IT IS HEREBY ORDERED, for  
2 good cause shown, as follows:

3 **I.**

4 IT IS ORDERED that the Commission's request for a modified preliminary  
5 injunction and orders: (1) Freezing Assets; and (2) Prohibiting the Destruction of  
6 Documents is hereby GRANTED.

7 **II.**

8 IT IS FURTHER ORDERED that defendant Showalter, and his agents,  
9 trustees, servants, employees, attorneys, accountants, and affiliates, and those  
10 persons in active concert or participation with him, who receive actual notice of  
11 this Order, by personal service or otherwise, and each of them, be and hereby are  
12 preliminarily restrained and enjoined from, directly or indirectly, making use of  
13 any means or instruments of transportation or communication in interstate  
14 commerce or of the mails, to sell, to offer to sell, or to offer to buy any security, or  
15 carrying or causing any security to be carried through the mails or in interstate  
16 commerce, by any means or instruments of transportation, for the purpose of sale  
17 or delivery after sale, unless a registration statement is in effect as to such security,  
18 in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and  
19 77e(c).

20 **III.**

21 IT IS FURTHER ORDERED that defendant Showalter, and his agents,  
22 trustees, servants, employees, attorneys, accountants, and affiliates, and those  
23 persons in active concert or participation with him, who receive actual notice of  
24 this Order, by personal service or otherwise, and each of them, be and hereby are  
25 preliminarily restrained and enjoined from, directly or indirectly, in the offer or  
26 sale of any securities, by the use of any means or instruments of transportation or  
27 communication in interstate commerce or by use of the mails:

28 A. employing any device, scheme or artifice to defraud;

1 B. obtaining money or property by means of any untrue statement of a  
2 material fact or any omission to state a material fact necessary in order  
3 to make the statements made, in light of the circumstances under  
4 which they were made, not misleading; or

5 C. engaging in any transaction, practice, or course of business which  
6 operates or would operate as a fraud or deceit upon the purchaser in  
7 violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

8 **IV.**

9 IT IS FURTHER ORDERED that defendant Showalter, and his agents,  
10 trustees, servants, employees, attorneys, accountants, and affiliates, and those  
11 persons in active concert or participation with him, who receive actual notice of  
12 this Order, by personal service or otherwise, and each of them, be and hereby are  
13 preliminarily restrained and enjoined from, directly or indirectly, in connection  
14 with the purchase or sale of any security, by the use of any means or  
15 instrumentality of interstate commerce, or of the mails, or of any facility of any  
16 national securities exchange:

17 A. employing any device, scheme or artifice to defraud;

18 B. making any untrue statement of a material fact or omitting to state a  
19 material fact necessary in order to make the statements made, in the  
20 light of the circumstances under which they were made, not  
21 misleading; or

22 C. engaging in any practice, or course of business which operates or  
23 would operate as a fraud or deceit upon any person in violation of  
24 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b 5  
25 thereunder, 17 C.F.R. § 240.10b 5.

26 **V.**

27 IT IS FURTHER ORDERED that, except as otherwise ordered by this  
28 Court, defendants High Park, Harbor Financial, and Showalter, and their officers,

1 agents, servants, employees, attorneys, subsidiaries, and affiliates, and those  
2 persons in active concert or participation with any of them, who receive actual  
3 notice of this Order, by personal service or otherwise, and each of them, be and  
4 hereby are preliminarily restrained and enjoined from, directly or indirectly,  
5 transferring, assigning, selling, hypothecating, changing, wasting, dissipating,  
6 converting, concealing, encumbering, or otherwise disposing of, in any manner,  
7 any funds, assets, securities, claims, negotiable instruments, or other real or  
8 personal property, including any notes or deeds of trust or other interests in real  
9 property, wherever located, of defendants High Park, Harbor Financial, and  
10 Showalter, and their subsidiaries and affiliates, whether owned by, controlled by,  
11 managed by or in the possession or custody of any of them, and from transferring,  
12 encumbering, dissipating, incurring charges or cash advances on any debit or credit  
13 card or credit arrangement, of defendants High Park, Harbor Financial, and  
14 Showalter.

15 **VI.**

16 IT IS FURTHER ORDERED that except as otherwise ordered by this Court,  
17 an immediate freeze shall be placed on all monies and assets (with an allowance  
18 for necessary and reasonable living expenses to be granted only upon good cause  
19 shown by application to the Court with notice to and an opportunity for the  
20 Commission to be heard) in all accounts at any bank, financial institution, or  
21 brokerage firm, all certificates of deposit, and other funds or assets, held in the  
22 name of, for the benefit of, or over which signatory authority is held by High Park,  
23 Harbor Financial, Showalter, or any trust, partnership, joint venture, person or  
24 entity affiliated with any of the defendants, including, but not limited to, the  
25 accounts set forth below:

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<b>Bank Name</b>	<b>Account Name</b>	<b>Account No(s).</b>
Washington Mutual Bank	High Park Investment Group, Inc.	098 104768 4 098 104767 5 098 104767 6 098 104769 2
Washington Mutual Bank	Harbor Financial Investment Group, Inc.	098 499206 3
Wells Fargo Bank	Edward R. Showalter	874 3112297
Wells Fargo Bank	International Financial Group, Inc., dba IFG Goldstar Cement Co.	201 8218651 201 8218404

**VII.**

IT IS FURTHER ORDERED that no officer, agent, servant, employee, or attorney of High Park or Harbor Financial, or their subsidiaries or affiliates, shall take any action or purport to take any action, in the name of or on behalf of High Park or Harbor Financial, or any of their subsidiaries and affiliates, without the written consent of the permanent receiver or order of this Court.

**VIII.**

IT IS FURTHER ORDERED that representatives of the Commission are authorized to have continuing access to inspect or copy any or all of the corporate books and records and other documents of High Park, Harbor Financial, and their subsidiaries and affiliates, and continuing access to inspect their funds, property, assets, negotiable instruments, and collateral, wherever located.

**IX.**

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, defendants High Park, Harbor Financial, and Showalter, and their officers,

1 agents, servants, employees, attorneys, subsidiaries, and affiliates, and those  
2 persons in active concert or participation with any of them, who receive actual  
3 notice of this Order, by personal service or otherwise, and each of them, be and  
4 hereby are preliminarily restrained and enjoined from, directly or indirectly:  
5 destroying, mutilating, concealing, transferring, altering, or otherwise disposing of,  
6 in any manner, any documents, which includes all books, records, computer  
7 programs, computer files, computer printouts, correspondence, memoranda,  
8 brochures, or any other documents of any kind in their possession, custody, or  
9 control, however created, produced, or stored (manually, mechanically,  
10 electronically, or otherwise), pertaining in any manner to defendants High Park,  
11 Harbor Financial, and Showalter.

12 **X.**

13 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over  
14 this action for the purpose of implementing and carrying out the terms of all orders  
15 and decrees which may be entered herein and to entertain any suitable application  
16 or motion for additional relief within the jurisdiction of this Court.

17 IT IS SO ORDERED.

18  
19 DATED: October 20, 2008



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21 UNITED STATES DISTRICT JUDGE  
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