

1 MARC J. FAGEL (Cal. Bar No. 154425)
 ROBERT TASHJIAN (Cal. Bar No. 191007)
 2 tashjianr@sec.gov
 LLOYD FARNHAM (Cal. Bar No. 202231)
 3 farnhaml@sec.gov

4 Attorneys for Plaintiff
 5 SECURITIES AND EXCHANGE COMMISSION
 44 Montgomery Street, 26th Floor
 6 San Francisco, California 94104
 Telephone: (415) 705-2500
 7 Facsimile: (415) 705-2501

8
 9
 10 UNITED STATES DISTRICT COURT
 11 NORTHERN DISTRICT OF CALIFORNIA
 12 SAN FRANCISCO DIVISION

13
 14 SECURITIES AND EXCHANGE COMMISSION,

Case No. 09-CV-1880 EMC

15 Plaintiff,

16 v.

JOINT STATUS REPORT AND
 UPDATED CASE MANAGEMENT
 STATEMENT ; ORDER RESETTNG CMC

17 MAHER F. KARA, MICHAEL F. KARA,
 BASSAM Y. SALMAN, and KARIM I. BAYYOUK,

18 Defendants.

Further Case Management Conf.:
 February 3, 2012 at 10:30 a.m.
 Honorable Edward M. Chen
 Courtroom 5

19
 20
 21
 22 This matter is currently set for a Further Case Management Conference on February 3,
 23 2012, at 10:30 a.m. The parties submit this Joint Status Report and Updated Case Management
 24 Statement in advance of the Conference.

25 **I. STATUS REPORT**

26 Since the last Status Conference before this court, the Commission has reached a
 27 resolution with defendant Emile Jilwan, and the Court has entered a Final Judgment against
 28 Jilwan pursuant to the Consent Judgment submitted by the parties.

1 The related criminal action against defendant Bassam Salman, U.S. v. Bassam Yacoub
2 Salman, Case No. CR 11-0625 EMC, has been assigned to this Court and is on the Court's
3 calendar for a Status Conference and Trial Setting Hearing on February 8, 2012.

4 The other related criminal action charges defendants Maher Kara, Michael Kara (named
5 as Mounir Kara in the indictment), and Emile Jilwan, in the case titled U.S. v. Kara, et al., Case
6 No. CR 09-0417 EMC. Maher Kara and Michael Kara have entered guilty pleas, but have not
7 been sentenced. Maher Kara and Michael Kara are set for a Status Conference on June 20, 2012.

8 In light of the guilty pleas of Maher Kara and Michael Kara, counsel for the Commission
9 and these defendants are continuing to discuss potential resolution of the Commission's claims
10 against them, but no agreed resolution has been reached at this time.

11 No trial date has been set for the civil action, and dates regarding discovery deadlines and
12 pretrial dates have been previously vacated.

13 **II. UPDATED CASE MANAGEMENT STATEMENT**

14 The parties provide the following information, updating the Case Management Statement
15 previously submitted in this matter:

16 There are four defendants remaining in this civil enforcement action brought by the
17 Commission: Maher Kara, Michael Kara, Bassam Salman, and Karim Bayyouk. All these
18 defendants have been served and have appeared in the case.

19 Before discovery was stayed, the parties had begun discovery, including conducting
20 depositions. The Commission produced documents obtained during its investigation pursuant to
21 Rule 26 initial disclosure obligations and document requests, and the defendants have made Rule
22 26 initial disclosures and responded to document requests served by the Commission.

23 The facts of the case, the legal issues, and the relief sought by the Commission have not
24 changed since the case was filed and the parties submitted the original Case Management
25 Statement. The parties do not anticipate any amendments to the pleadings at this time.

26 The case will be tried to a jury, pursuant to jury demands made by the defendants. The
27 parties estimate a 10-day jury trial.
28

1 Given the posture of the case, with three of the defendants in the civil case also facing
2 criminal charges arising from the same conduct, the parties do not believe it would be productive
3 or practical to set a trial date at this time.

4
5 Dated: January 26, 2011

Respectfully submitted,

6
7 /s/ Lloyd Farnham
8 LLOYD FARNHAM
9 Attorney for Plaintiff
10 SECURITIES AND EXCHANGE COMMISSION

11 /s/ George C. Harris
12 GEORGE C. HARRIS
13 Morrison & Foerster LLP
14 Attorneys for Defendant MAHER KARA

15 /s/ Ismail Ramsey
16 ISMAIL RAMSEY
17 Ramsey & Ehrlich LLP
18 Attorneys for Defendant MICHAEL F. KARA

19 /s/ Patrick W. Blegen
20 PATRICK W. BLEGEN
21 Attorneys for Defendant BASSAM Y. SALMAN

22 /s/ Matthew F. Leitman
23 MATTHEW F. LEITMAN
24 Miller Canfield Paddock and Stone, PLC
25 Attorneys for Defendant KARIM I. BAYYOUK

26
27
28 **GENERAL ORDER 45 ATTESTATION**

In accordance with General Order 45, each of the signatories to this document have
concurrented in its filing, and I shall maintain records to support these concurrences.

/s/ Lloyd Farnham
LLOYD FARNHAM
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION

IT IS SO ORDERED that the Further CMC is reset from 2/3/12 to 5/4/12 at 10:30 a.m.
An updated joint CMC Statement is due 4/27/12.

Edward M. Chen
U.S. District Judge

