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 10 UNITED STATES DISTRICT COURT  
 11 NORTHERN DISTRICT OF CALIFORNIA  
 12 SAN FRANCISCO DIVISION  
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14 SECURITIES AND EXCHANGE  
 15 COMMISSION,

16 Plaintiff,

17 v.

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

20 Defendants.  
 21

Case No. 3:09-cv-1880-EMC

JOINT STATUS REPORT AND  
 UPDATED CASE MANAGEMENT  
 CONFERENCE STATEMENT

Further Case Management Conference:  
 June 26, 2014, 10:30 a.m.  
 Honorable Edward M. Chen  
 Courtroom 5, 17th Floor

22 This matter is currently set for a Further Case Management Conference on June 26, 2014.  
 23 The parties submit this Joint Status Report and Updated Case Management Conference  
 24 Statement to update the Court on the status of the proceedings in this civil case. The defendants  
 25 remaining in this action are also involved in pending criminal cases. Two defendants have  
 26 already been sentenced, and two remaining defendants are currently scheduled to be sentenced in  
 27 August and September 2014. Counsel for the Commission has discussed potential resolution of  
 28 the civil case with each remaining defendant, but no proposed resolutions have been finalized.

1           There are four remaining defendants in this insider trading action brought by the  
2 Securities and Exchange Commission (“Commission”), (1) Maher Kara, (2) Michael Kara,  
3 (3) Bassam Salman, and (4) Karim Bayyouk. Each of the defendants in the Commission action  
4 is also a defendant in related criminal matters arising from the insider trading allegations or  
5 investigation that are also the subject of the Commission’s enforcement action. Maher Kara and  
6 Michael Kara have pled guilty but have not been sentenced (U.S. v. Kara, et al., Case No. 09-  
7 CR-0417 EMC). Michael Kara is scheduled to be sentenced on August 27, 2014, and Maher  
8 Kara is scheduled to be sentenced on September 10, 2014.

9           On September 30, 2013, a jury returned a guilty verdict regarding the charges against  
10 Bassam Salman, U.S. v. Bassam Yacoub Salman, Case No. 11- CR-0625 EMC. The Court  
11 imposed a criminal sentence regarding Mr. Salman on April 9, 2014.

12           On September 3, 2013, a jury returned a guilty verdict regarding the charge against  
13 Karim Bayyouk, U.S. v. Karim Iskander Bayyouk, Case No. 12-CR-0420 EMC. The Court  
14 imposed a criminal sentence regarding Mr. Bayyouk on April 15, 2014.

15           No trial date has been set for the Commission’s civil action, and dates regarding  
16 discovery deadlines and pretrial dates have been vacated by prior orders. The Court held a case  
17 management conference in this case on October 26, 2012, the last time the parties to the civil  
18 case appeared before the Court, and directed the Commission matter stayed until the criminal  
19 matters are resolved. (Docket No. 113) On March 18, 2014, the Court continued the Further  
20 Case Management Conference until June 26, 2014 (after the criminal sentencing dates that were  
21 at that time set for April and May). The parties believe it is premature to set a discovery  
22 schedule until the criminal cases are resolved.

23  
24 Dated: June 19, 2014

Respectfully submitted,

25 /s/ Lloyd Farnham

LLOYD FARNHAM

Attorney for Plaintiff

SECURITIES AND EXCHANGE COMMISSION

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/s/ George C. Harris  
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/s/ Patrick W. Blegen  
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Attorneys for Defendant BASSAM Y. SALMAN

/s/ Brian H. Getz  
BRIAN H. GETZ  
Attorneys for Defendant KARIM I. BAYYOUK

In accordance with Civil L.R. 5-1, each of the signatories to this document has concurred in its filing, and I shall maintain records to support these concurrences.

/s/ Lloyd Farnham  
LLOYD FARNHAM

IT IS SO ORDERED that the further CMC is reset from 6/26/14 to 10/9/14 at 10:30 a.m. An updated joint CMC statement shall be filed by 10/2/14.

EDWARD M. CHEN  
U.S. DISTRICT JUDGE

