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

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 13 SECURITIES AND EXCHANGE
 COMMISSION,

14 Plaintiff,

15 v.

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

18 Defendants.
 19

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

JOINT STATUS REPORT AND
 UPDATED CASE MANAGEMENT
 CONFERENCE STATEMENT

Further Case Management Conference:
 June 11, 2015, 10:30 a.m.
 Honorable Edward M. Chen
 Courtroom 5, 17th Floor

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 21 This matter is currently set for a Further Case Management Conference on June 11, 2015.
 22 The parties submit this Joint Status Report and Updated Case Management Conference
 23 Statement to update the Court on the status of the proceedings in this civil case. The defendants
 24 remaining in this action were also charged in related criminal cases before this Court.

25 **BACKGROUND**

26 A jury returned a guilty verdict regarding the charges against defendant Bassam Salman
 27 on September 30, 2013. *See United States v. Bassam Yacoub Salman*, Case No. 11-CR-625

1 EMC. The Court imposed a criminal sentence regarding Mr. Salman on April 9, 2014. Mr.
2 Salman is appealing the verdict to the Ninth Circuit Court of Appeals.

3 A jury returned a guilty verdict regarding the charge against defendant Karim Bayyounk
4 on September 3, 2013. *See United States v. Karim Iskander Bayyounk*, Case No. 12-CR-420
5 EMC. The Court imposed a criminal sentence regarding Mr. Bayyounk on April 15, 2014.
6 Mr. Bayyounk is appealing the verdict to the Ninth Circuit Court of Appeals.

7 Defendant Michael Kara pleaded guilty to two counts and was sentenced by the Court on
8 December 12, 2014. *See United States v. Mounir Fayeze Kara*, Case No. 12-CR-417 EMC. The
9 defendant and the government stipulated to an amount of restitution, which the Court approved
10 on April 27, 2015. The Court entered an amended judgment on April 29, 2015.

11 Defendant Maher Kara also pleaded guilty to two counts and was sentenced by the Court
12 on December 23, 2014. *See United States v. Maher Fayeze Kara*, Case No. 12-CR-417 EMC.

13 **STATUS**

14 Counsel for the Commission and counsel for Mr. Salman and Mr. Bayyounk have reached
15 an agreement in principle to resolve the pending civil claims against both defendants.
16 Commission staff is in the process of recommending the proposed resolutions to the
17 Commission. The staff anticipates that the Commission will consider the staff's
18 recommendation within the next four weeks. Commission approval of the two proposed
19 settlements would completely resolve the pending action against Mr. Salman and Mr. Bayyounk,
20 subject to the Court's ultimate approval and entry of final judgment.

21 Counsel for the Commission and counsel for Maher Kara have also reached an agreement
22 in principle. Commission staff intends to recommend the proposed resolution to the
23 Commission, a process that would take approximately six to eight weeks.

24 Commission counsel and counsel for Michael Kara have begun to discuss a resolution
25 now that the Court has entered an amended judgment in his criminal matter. Any agreement in
26 principle to resolve the Commission's claims would likely be considered by the Commission at
27 the same time it considers the proposed resolution with defendant Maher Kara.

1 **REQUEST**

2 In light of the current status, the parties would propose that the Court set a further Case
3 Management Conference in August 2015.

4 Dated: June 4, 2015

Respectfully submitted,

5 /s/ Robert L. Tashjian
6 ROBERT L. TASHJIAN
7 Attorney for Plaintiff
8 SECURITIES AND EXCHANGE COMMISSION

9 /s/ George C. Harris
10 GEORGE C. HARRIS
11 JUSTIN D. HOOGS
12 Morrison & Foerster LLP
13 Attorneys for Defendant MAHER KARA

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

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

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

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

26 /s/ Robert L. Tashjian
27 ROBERT L. TASHJIAN

28 IT IS SO ORDERED that the further CMC
is reset for 8/27/15 at 10:30 a.m. An
updated joint CMC statement shall be
filed by 8/20/15.

Edward M. Chen
U.S. District Judge

