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

16 Plaintiff,

17 v.

18 MAHER F. KARA, MICHAEL F. KARA,  
 EMILE Y. JILWAN, ZAHY T. HADDAD,  
 19 BASSAM Y. SALMAN, and KARIM I. BAYYOUK,

20 Defendants.

Case No. CV 09-1880 MHP

JOINT STATUS REPORT AND  
 STIPULATED REQUEST TO  
 CONTINUE STATUS CONFERENCE  
 AND DISCOVERY DEADLINES

~~PROPOSED~~ ORDER]

21 By Order dated January 25, 2011, this matter is currently set for a further Status  
 22 Conference on March 28, 2011. The Status Conference has been previously continued by the  
 23 Court in order to follow the Trial and Motions Setting Conference in the related criminal action  
 24 pending before the Court. Pursuant to a stipulation entered by the parties to the criminal action  
 25 and on order of the Court, the Trial and Motions Setting Conference in the criminal action has  
 26 now been continued to April 25, 2011. There are significant issues to be resolved in the criminal  
 27 action, including the determination of the competency to enter a guilty plea by a defendant in the  
 28 criminal action who is also a defendant in this civil action. The hearing regarding the

1 competency of this defendant in the criminal action took place on March 21, 2011, with an order  
2 to be issued by the court, and the defendants in the criminal proceeding have been ordered to  
3 appear before the court on April 25, 2011. Accordingly, the parties to this civil action request  
4 that the Court continue certain discovery deadlines by about 45 days and reschedule the further  
5 Status Conference in this case to May 9, 2011.

6 **A. STATUS OF THE CASE**

7 Three of the defendants in this civil action are also defendants in a related criminal case,  
8 *United States v. Maher Fayez Kara, et al.*, No. CR 09-0417 MHP. The criminal indictment  
9 contains factual allegations also alleged in the Commission's civil action. The Court has  
10 adjourned the criminal action until April 25, 2011. The Court has not set a trial date for either  
11 the related criminal case or this civil action.

12 Discovery is underway in the civil case, and the Commission has produced documents  
13 obtained during its investigation, pursuant to initial disclosure obligations and defendants'  
14 document requests, and defendants have responded to the document requests served by the  
15 Commission. The parties have conducted two third-party depositions, and have agreed to  
16 reschedule others in order to attempt to resolve the claims in the civil case.

17 **B. STIPULATION TO CONTINUE STATUS CONFERENCE AND DISCOVERY**

18 The parties agree that the status conference and other discovery dates should be  
19 continued by about 45 days, and that discovery should be stayed until a further status conference.  
20 This stay in the discovery in this action will permit the parties to the criminal case to try to  
21 resolve the case, and permit the parties to discuss resolution of the civil claims.

22 The parties stipulate to continuing the following dates, by 42 days:

23

<u>Event or deadline</u>	<u>Current Date</u>	<u>Proposed Continued Date</u>
24 Further Status Conference	March 28, 2011	May 9, 2011
25 Disclosure of witnesses, case in chief	June 17, 2011	July 29, 2011
26 Discovery cut-off	July 15, 2011	August 26, 2011
27 Plaintiff's expert designation and reports	August 19, 2011	September 30, 2011

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<u>Event or deadline</u>	<u>Current Date</u>	<u>Proposed Continued Date</u>
Defendants' expert designation and reports	August 31, 2011	October 12, 2011
Plaintiff's rebuttal expert designation and reports	September 16, 2011	October 28, 2011
Defendants' rebuttal expert designation and reports	October 5, 2011	November 16, 2011
Dispositive motions to be heard	November 14, 2011	December 19, 2011

Dated: March 21, 2011

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

/s/ George C. Harris  
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/s/ Ismail Ramsey  
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/s/ William H. Green  
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/s/ Patrick W. Blegen  
PATRICK W. BLEGEN  
Attorneys for Defendant BASSAM Y. SALMAN

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

**GENERAL ORDER 45 ATTESTATION**

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

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

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2  
3 **[PROPOSED] ORDER**

4 The Court has considered the materials and papers submitted by counsel in this matter  
5 and for good cause shown, IT IS HEREBY ORDERED as follows:

6 The Status Conference previously set for March 28, 2011, is vacated and rescheduled for  
7 May 9, 2011, at 3:00 p.m., with a joint status report to be filed one week prior to the conference.

8 Discovery in this case shall be stayed until the Status Conference on May 9, 2011.

9 The following discovery deadlines previously set by the Court are continued to the  
10 following dates:

11 Further Status Conference	May 9, 2011
12 Disclosure of witnesses, case in chief	July 29, 2011
13 Discovery cut-off	August 26, 2011
14 Plaintiff's expert designation and reports	September 30, 2011
15 Defendants' expert designation and reports	October 12, 2011
16 Plaintiff's rebuttal expert designation and reports	October 28, 2011
17 Defendants' rebuttal expert designation and reports	November 16, 2011
18 Dispositive motions to be heard	December 19, 2011

19 IT IS SO ORDERED.

20 Dated: 3/22, 2011

