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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

JUL 20 2007

ALAN SLATER, Clerk of the Court

BY D SANCHEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

THE PEOPLE OF THE STATE OF CALIFORNIA, by and through the CALIFORNIA CORPORATIONS COMMISSIONER, Plaintiff, vs. STEVEN ARTHUR SCOTT, an individual, and doing business as BENCHMARK FINANCIAL SERVICES, Defendants.	Case No.: 06CC07158 STIPULATION TO ENTRY OF AN ORDER ISSUING AN AMENDED PRELIMINARY INJUNCTION, CIVIL PENALTIES, DENIAL AND BAR BY DEFENDANTS, STEVEN ARTHUR SCOTT, AN INDIVIDUAL, AND DOING BUSINESS AS BENCHMARK FINANCIAL SERVICES, AND ORDER Judge: James P. Gray Dept: C9 Settlement Conference Date: May 25, 2007 Settlement Conference Time: 8:45 a.m. Trial Date: Vacated

It was hereby stipulated to by and between the parties herein, the People of the State of California, by and through the California Corporations Commissioner, Plaintiff, and Defendants, STEVEN ARTHUR SCOTT, an individual, and doing business as BENCHMARK FINANCIAL SERVICES, as follows:

A. The parties Stipulated to entry of an Order issuing an Amended Preliminary Injunction enjoining Defendants Scott, an individual, and doing business as Defendant Benchmark Financial

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Services and its officers, directors, successors in interest, agents, employees, attorneys in fact, and all persons acting in concert or participating with them, or any of them, from directly or indirectly:

1. Violating California Corporations Code section 25230 by conducting business as an investment adviser without first securing a certificate from the California Corporations Commissioner, or substantially assisting violations thereof in the State of California.

2. Violating California Corporations Code section 25235 subdivision (d) by engaging in fraudulent, deceptive, or manipulative practices, including but not limited to distributing advertisements containing client testimonials, within the meaning of the California Code of Regulations, title 10, section 260.235 subdivision (a)(1).

3. Violating California Corporations Code section 25235 subdivision (d) by engaging in fraudulent, deceptive, or manipulative practices, including but not limited to distributing advertisements containing misrepresentations of material fact, within the meaning of the California Code of Regulations, title 10, section 260.235 subdivision (a)(5).

4. Violating California Corporations Code section 25235 subdivision (d) by engaging in fraudulent, deceptive, or manipulative practices, including but not limited to failing to disclose a self-regulatory organization's disciplinary proceeding, within the meaning of the California Code of Regulations, title 10, section 260.235.4 subdivision (a)(3).

B. The parties Stipulated to the entry of a Judgment against Defendants for civil penalties in the amount of $297,092.34 to be paid to the California Department of Corporations.

1. Defendants will make payments on the civil penalties as follows:

a. Defendants to send payments to the California Department of Corporations, Attn: Alex Calero, at 1350 Front Street, Room 2034, San Diego, CA 92101.

b. Defendants' payments are due on the first of each month, commencing with July 1, 2007. Defendants' payments will be deemed late if not received by the California Department of Corporations on the tenth day of each month.

c. Defendants to send the first payment, in the amount of $50,000.00, on or

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before July 1, 2007.

d. Defendants to send a payment of at least $2,000.00 per month thereafter.

2. If Defendants make payments totaling $100,000.00 by August 1, 2008, Defendants will be relieved from paying the remaining balance of $197,092.34 and the judgment will be deemed paid in full. Should Defendants fail to make payments totaling $100,000.00 by August 1, 2008 or should Defendants make a late payment, Plaintiff may file the judgment and Defendants will be liable for the entire amount of $297,092.34 less any prior payments toward the civil penalties made by Defendants.

C. The parties Stipulated to the denial of Benchmark Financial Services, Inc.'s application for an investment adviser certificate filed with the California Corporations Commissioner on July 28, 2006. Further, Defendant Scott, on behalf of Defendant Benchmark Financial Services and Benchmark Financial Services, Inc., waives their right of judicial review, reinstatement or reduction of penalties relating to said denial.

D. The parties, and in particular Defendant Scott, Stipulated to an indefinite bar from holding any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser. Further, Defendant Scott waives his right to appeal this portion of the Stipulation and Order.

E. The parties Stipulated to the entry of an Order issuing a Permanent Injunction, on terms as specified in section "A" above, enjoining Defendant Scott, an individual, and doing business as Defendant Benchmark Financial Services to be entered upon motion by Plaintiff either after Defendants (1) make payments totaling $100,000.00 on or before August 1, 2008; (2) fail to make payments totaling $100,000.00 by August 1, 2008; or (3) make a late payment.

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F. This Order is to remain in full force and effect until further order of this Court.

Dated: 7-6-07

Defendants STEVEN ARTHUR SCOTT, an individual, and doing business as BENCHMARK FINANCIAL SERVICES and BENCHMARK FINANCIAL SERVICES, INC.

By _____
STEVEN ARTHUR SCOTT

APPROVED AS TO FORM AND CONTENT:

Dated: 7-6-07

By _____
EUGENE V. ZECH
Attorney for Defendants

Dated: 7/13/07

By _____
ALEX CALERO
Attorney for Plaintiff

IT IS SO ORDERED:

Dated: 7-20-07

JUDGE JAMES P. GRAY
JUDGE OF THE SUPERIOR COURT

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