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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

SCANTECH IMAGING, INC. et al.,

Defendants.

) CASE NO. 02CC00144
)
) ASSIGNED FOR ALL PURPOSES TO:
)
) JUDGE C. ROBERT JAMESON
)
) DEPARTMENT CX101
)
) (PROPOSED)
) FINAL JUDGMENT OF PERMANENT
) INJUNCTION AND OTHER ANCILLARY
) RELIEF AS TO DEFENDANT VICTOR
) ESCHBACH
)
) HEARING DATE:
)
) DATE ACTION FILED: 6/7/02
)
) NO TRIAL DATE
)
)
)
)

1 Plaintiff, The People of the State of California, by and through, Demetrios A. Boutris,
2 California Corporations Commissioner ("Plaintiff" or "Commissioner") have filed a First Amended
3 Complaint against Defendant Victor Eschbach ("Defendant").

4 A. Defendant has admitted jurisdiction of this Court over him and over the subject
5 matter of this action. Defendant has entered a general appearance in this action. Defendant has
6 acknowledged that entry of said general appearance is equivalent to personal service of the summons
7 on him pursuant to Section 410.50 of the California Code of Civil Procedure.

8 B. Defendant has admitted service of the First Amended Summons and the First
9 Amended Complaint filed in this matter.

10 C. Defendant has read the First Amended Complaint, the Stipulation to Entry of Final
11 Judgment of Permanent Injunction and Other Ancillary Relief Between Plaintiff and Defendant
12 Victor Eschbach ("Stipulation") and this proposed Final Judgment of Permanent Injunction and
13 Other Ancillary Relief Pursuant to Stipulation as to Defendant Victor Eschbach ("Final Judgment").

14 D. Defendant, without admitting or denying the allegations in the First Amended
15 Complaint and without notice of further proceedings, has voluntarily consented to the entry by the
16 Court of the Final Judgment.

17 E. Defendant has waived entry of Findings of Fact and Conclusions of Law under
18 California Code of Civil Procedure Section 632 and all rights to appeal the entry of the Final
19 Judgment.

20 F. Plaintiff and Defendant have stipulated and agreed that if any paragraph, clause, or
21 provision of the Stipulation or of the Final Judgment entered thereto, or the application thereof, is
22 held invalid or unenforceable, such decision shall affect only the paragraph, clause or provision so
23 construed or interpreted, and the invalidity shall not affect the provisions or the application of the
24 Stipulation, or of the Final Judgment entered thereto, which can be given effect without the invalid
25 provisions or application, and to this end, the provisions of the Stipulation, and of the Final
26 Judgment entered thereto, have been declared by Plaintiff and by Defendant to be severable.

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1 G. Plaintiff and Defendant have stipulated and agreed that the Stipulation may be
2 executed in one or more separate counterparts, each of which when so executed, shall be deemed an
3 original. Such counterparts shall together constitute and be one and the same instrument.

4 H. Defendant has stipulated and agreed that he entered into the Stipulation voluntarily
5 and without coercion, and has acknowledged that no promises, threats or assurances have been made
6 by Plaintiff or any officer, or agent thereof to induce him to enter into the Stipulation.

7 **PURSUANT TO STIPULATION OF THE PARTIES AND GOOD CAUSE**
8 **APPEARING THEREFOR, IT IS HEREBY ADJUDGED, ORDERED AND DECREED**
9 **THAT JUDGMENT BE ENTERED AS FOLLOWS:**

10 1. Defendant Victor Eschbach, and his agents, employees, attorneys in fact in their
11 capacities as such, and all persons acting in concert or participating with him, shall be and are hereby
12 permanently enjoined from engaging in, committing, aiding and abetting, or performing directly or
13 indirectly, by any means whatsoever, any of the following acts:

14 a. Violating California Corporations Code Section 25110 by offering to sell, selling,
15 arranging for the sale of, issuing, engaging in the business of selling, negotiating for the sale of, or
16 otherwise in any way dealing or participating in the offer or sale, in this state, of any security of any
17 kind, including but not limited to the securities described in the First Amended Complaint filed in
18 this action, unless and until Defendant shall have first applied for, and secured from the
19 Commissioner, a qualification pursuant to California Corporations Code Section 25111, 25112, or
20 25113 authorizing the offer and sale of such securities;

21 b. Violating California Corporations Code Section 25401 by offering to sell, selling,
22 offering to buy or buying any security in this state by means of any written or oral communication of
23 any kind whatsoever which includes any untrue statement of any material fact or omits or fails to
24 state any material fact necessary in order to make the statements made, in light of the circumstances
25 under which they were made, not misleading, including but not limited to the misrepresentations and
26 omissions described in the First Amended Complaint filed in this action; and

27 c. Violating Corporations Code Section 25210 by effecting any transaction in, or
28 inducing or attempting to induce the purchase or sale of, any security in California, including but not

1 limited to the securities described in the First Amended Complaint, without having first applied for
2 and secured from the commissioner a certificate, then in effect, authorizing the Defendant or any
3 business entity that he directly or indirectly controls, to act or conduct business as a broker-dealer.

4 d. Removing, destroying, mutilating, concealing, altering, transferring or otherwise
5 disposing of, in any manner, any books, records, computer files, correspondence, brochures, manuals
6 or any other writings or documents of any kind as defined under California Evidence Code Section
7 250 relating to the transactions and course of conduct as alleged in the First Amended Complaint
8 filed in this action, that are in the possession, custody or control of Defendant for a period of four
9 years from the date of the entry of the Final Judgment.

10 2. Defendant Victor Eschbach shall be liable to Plaintiff for a judgment of restitution, in
11 the amount of Four Hundred Fifty Thousand Dollars (\$450,000.00), together with interest thereon at
12 the legal rate per annum until said amounts are paid in full.

13 3. Defendant Victor Eschbach shall be liable to Plaintiff for a judgment of civil
14 penalties, in the amount of One Million Eight Hundred Seventy Five Thousand Dollars
15 (\$1,875,000.00), together with interest thereon at the legal rate per annum until said amounts are
16 paid in full.

17 4. Defendant Victor Eschbach shall be permanently enjoined and barred from directly or
18 indirectly holding, in this state, any position of employment, management or control of any broker-
19 dealer defined pursuant to Section 25004 of the California Corporations Code, as of the date of the
20 entry of the Final Judgment.

21 5. Defendant Victor Eschbach shall be permanently enjoined and barred from directly or
22 indirectly holding, in this state, any position of employment, management or control of any
23 investment adviser defined pursuant to Section 25009 of the California Corporations Code, as of the
24 date of the entry of the Final Judgment.

25 6. The Commissioner shall not to take any administrative or civil action against the
26 Defendant based on information known to the Commissioner or his agents or employees at the time
27 of the filing of the First Amended Complaint or based on any act or omission alleged in the First
28 Amended Complaint. Nothing in the Stipulation or the Final Judgment shall preclude any other

1 federal, state or county agency from initiating any other prosecution based upon the allegations
2 contained in the First Amended Complaint in the above-entitled case or based on any other acts by
3 the Defendant which may violate California or federal law.

4 7. Nothing in the Stipulation or in the Final Judgment in this matter, shall preclude the
5 Commissioner, or his agents or employees, to the extent authorized by law, from referring any
6 evidence or information regarding this matter to any district attorney or any other state or federal law
7 enforcement official, or from assisting, cooperating, or co-prosecuting with regards to any
8 investigation and/or action brought by any other federal, state or county agency. Further, nothing in
9 the Stipulation or in the Final Judgment in this matter shall bind or otherwise prevent any other
10 federal, state or county agency from the performance of its duties.

11 8. The Court shall retain jurisdiction of this action in order to implement and enforce the
12 terms of the Stipulation and the Final Judgment pursuant thereto, and to entertain any suitable
13 application or motion for additional relief or modification of any order made herein within the
14 jurisdiction of the Court.

15 DATED: August 21, 2002

The Honorable Ronald L. Bauer____
JUDGE OF THE CALIFORNIA SUPERIOR
COURT FOR THE COUNTY OF ORANGE

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