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CLERK, U.S. DISTRICT COURT
FEB 16 2006
CENTRAL DISTRICT OF CALIFORNIA
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BY *[Signature]*

12 UNITED STATES DISTRICT COURT
13 FOR THE CENTRAL DISTRICT OF CALIFORNIA
14 SOUTHERN DIVISION

15 2006 FEB 15 AM 9:23
16 SECURITIES AND EXCHANGE
COMMISSION,

17 Plaintiff,

18 vs.

19
20 LAMBERT VANDER TUIG (a/k/a
21 LAMBERT VANDER TAG a/k/a DEAN L.
22 VANDER TAG a/k/a DEAN L.
23 VANDERTAG), THE CAROLINA
DEVELOPMENT COMPANY, INC. (a/k/a
THE CAROLINA COMPANY AT
PINEHURST, INC.), AND JONATHAN
24 CARMAN

25 Defendants.

Case No.
SACV06-172 AHS (ANx)

PROPOSED ORDER,
TEMPORARY
RESTRAINING ORDER
ACCELERATING
DISCOVERY AND ORDER
TO SHOW CAUSE

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1 Plaintiff Securities and Exchange Commission ("Commission") has made an
2 *Ex Parte* Motion for a Temporary Restraining Order and Other Relief against
3 defendants Lambert Vander Tuig, Jonathan Carman, and The Carolina Development
4 Company, Inc. ("Carolina Company") to restrain defendants from engaging in
5 ongoing violations of the federal securities laws. The Court has considered the
6 Commission's Memorandum in Support of the *Ex Parte* Motion for Temporary
7 Restraining Order and Other Relief, the exhibits filed therewith, and the supporting
8 declarations and documentation, together with the argument of counsel. Based upon
9 the foregoing, the Court makes the following findings:

- 10 1. This Court has jurisdiction over the subject matter of this action and over
11 defendants.
- 12 2. The Commission has made a sufficient and proper showing that
13 irreparable injury, loss or damage will result if defendants are notified of
14 the Commission's application prior to it being heard.
- 15 3. The Commission has made a sufficient and proper showing in support of
16 the relief granted herein, as required by Section 20(b) of the Securities Act
17 of 1933 ("Securities Act") [15 U.S.C. § 77t(b)] and Section 21(d) of the
18 Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78u(d)]
19 by evidence establishing a *prima facie* case of and a strong likelihood that
20 the Commission will prevail at trial on the merits and that the defendants,
21 and each of them, directly or indirectly, have engaged in and, unless
22 restrained and enjoined by order of this Court, will continue to engage in
23 acts, practices, and courses of business constituting violations of Sections
24 5(a), 5(c) and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)]
25 and 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and
26 Rule 10b-5 [17 C.F.R. § 240.10b-5] and Vander Tuig and Carman will
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1 engage in acts, practices and courses of business constituting violations of
2 Section 15 (a) of the Exchange Act [15 U.S.C. § 78o(a)] and Vander Tuig,
3 unless restrained and enjoined by order of this Court, will continue to
4 engage in acts, practices, and courses of business constituting violations of
5 Section 15(b)(6)(B) of the Exchange Act [15 U.S.C. § 78o(b)(6)(B)].

6 **NOW THEREFORE:**

7 **I.**

8 **IT IS HEREBY ORDERED THAT** the Commission's *Ex Parte* Motion
9 for a Temporary Restraining Order and Other Relief is granted.

10 **II.**

11 **IT IS HEREBY FURTHER ORDERED THAT** pending the
12 determination of the Commission's Motion for a Preliminary Injunction or hearing
13 on the merits defendants and their officers, agents, servants, employees, attorneys,
14 and accountants, and those persons in active concert or participation with any of
15 them, who receive actual notice of the order by personal service or otherwise, and
16 each of them, are temporarily restrained and enjoined from engaging in the
17 transactions, acts, practices and courses of business described herein, and from
18 engaging in conduct of similar purport and object in violation of Sections 5(a),
19 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and
20 Rule 10b-5 thereunder.

21 **III.**

22 **IT IS HEREBY FURTHER ORDERED THAT** pending the
23 determination of the Commission's Motion for a Preliminary Injunction or hearing
24 on the merits defendants Vander Tuig and Carman and their officers, agents,
25 servants, employees, attorneys, and accountants, and those persons in active
26 concert or participation with any of them, who receive actual notice of the order by
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1 personal service or otherwise, and each of them, are temporarily restrained and
2 enjoined from engaging in the transactions, acts, practices and courses of business
3 described herein, and from engaging in conduct of similar purport and object in
4 violation of Section 5(a) of the Exchange Act.

5 **IV.**

6 **IT IS HEREBY FURTHER ORDERED THAT** pending the
7 determination of the Commission's Motion for a Preliminary Injunction or hearing
8 on the merits defendant Vander Tuig is temporarily restrained and enjoined from
9 engaging in the transactions, acts, practices and courses of business described
10 herein, and from engaging in conduct of similar purport and object in violation of
11 Sections 15(b)(6)(B) of the Exchange Act thereunder.

12 **V.**

13 **IT IS HEREBY FURTHER ORDERED THAT** defendants, and each of
14 them, appear before this Court at 3 o'clock in the p. m., on the 27th day of
15 February, 2006, in Courtroom 10A, of the United States District Court for the
16 Central District of California, Southern Division, 411 West 4th Street, Santa Ana,
17 California, or as soon thereafter as they can be heard, to show cause, if any there be,
18 why this Court should not enter a Preliminary Injunction and order preliminary
19 relief against the defendants pursuant to Rule 65 of the Federal Rules of Civil
20 Procedure, and extending the temporary relief granted in this Order until a final
21 adjudication on the merits may be had.

22 **VI.**

23 Pending the above ordered preliminary injunction hearing, the Court hereby
24 orders expedited discovery as detailed below:

- 25 a. The parties will exchange initial disclosures on or before

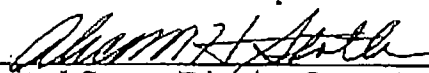
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- 1 b. Discovery may commence immediately. The parties need not await the
2 exchange of initial disclosures prior to initiating discovery through any
3 other means permitted by the Federal Rules of Civil Procedure.
4 c. Depositions may be scheduled on three days written notice to the
5 parties, which notice must be served by facsimile and electronic mail.
6 d. The parties must respond to interrogatories within 3 days of service
7 thereof. Service of interrogatories must be made by facsimile and
8 electronic mail.
9 e. The parties must respond to requests for the production of documents
10 and requests for admission within 5 days service thereof.

11 VII.

12 This Court shall retain jurisdiction over this action for the purposes of
13 implementing and carrying out the terms of all orders and decrees which may be
14 entered herein and to entertain any suitable application or motion for additional
15 relief within the jurisdiction of this Court.

16 Dated this 16th day of February 2006.

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20 United States District Court Judge
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