PRESTON DuFAUCHARD
California Corporations Commissioner
WAYNE STRUMPFER
Deputy Commissioner
ALAN S. WEINGER
Supervising Attorney
KIRK E. WALLACE (SBN 129953)
Corporations Counsel
71 Stevenson Street, Suite 2100
San Francisco, CA 94105
Telephone: (415) 972-8546

Attorneys for the State of California,
Department of Corporations

FILED / ENDORSED
OCT 16 2006
By C. Walker, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

THE PEOPLE OF THE STATE OF CALIFORNIA, by and through the CALIFORNIA CORPORATIONS COMMISSIONER, Plaintiff, vs. DERIVIUM CAPITAL, LLC, a South Carolina Corporation; FIRST SECURITIES CAPITAL, LLC, a South Carolina Corporation; FSC FIRST SECURITIES CAPITAL, LLC, a Texas Corporation; DIVERSIFIED DESIGN ASSOCIATES, an Irish Corporation; DR. CHARLES CATHCART, individually and doing business as DERIVIUM CAPITAL, LLC FSC FIRST SECURITIES CAPITAL and FIRST SECURITIES CAPITAL, LLC; SCOTT CATHCART, individually and doing business as DERIVIUM CAPITAL, LLC, FSC FIRST SECURITIES CAPITAL and FIRST SECURITIES CAPTIAL, LLC; YURI DEBEVC, individually and doing business as DERIVIUM CAPITAL, LLC FSC FIRST SECURITIES CAPITAL and FIRST SECURITIES CAPITAL, LLC , BANCROFT VENTURES LIMITED, an Isle of Man Corporation, and DOES 1 through 70, Defendants.	Case No.: 02AS05849 JUDGMENT AFTER TRIAL FOR CIVIL PENALTIES AND PERMANENT INJUNCTION AGAINST BANCROFT VENTURES LIMITED TRIAL DATE: August 14, 2006 DEPT.: 36 The Honorable Lloyd A Phillips Jr.

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

Pursuant to defendant Bancroft Ventures Limited's failure to appear at the time and place designated for trial of the above captioned manner of August 14, 2006 and as supported by the evidence provided by plaintiff the People of the State of California at the trial in support of its case against Bancroft Ventures Limited, before the Honorable Lloyd A Phillips Jr., presiding, judgment is ordered.

IT IS HEREBY ADJUDGED, ORDERED, AND DECREED:

That judgment is entered against Bancroft Ventures Limited and in favor of the California Department of Corporations in the amount of $1,300,000.00 (one million three hundred thousand dollars) in civil penalties for 520 violations of Financial Code Section 22100 for acting as a commercial finance lender in California without a license as alleged in the First Cause of Action of the Complaint in the above captioned action.

Judgment is further entered against Bancroft Ventures Limited and in favor of the California Department of Corporations for an additional amount of $13,000,000.00 (thirteen million dollars) for civil penalties for 520 violations of California Corporations Code Section 25210 for inducing the buying and selling of securities without a broker dealers license as alleged in the Second Cause of Action of the Complaint in the above captioned action. The Court expressly finds that based on the evidence presented at trial, that the stock loans transactions entered into by Bancroft Ventures Limited amounted to the constructive purchase and sale of the securities pledged as collateral for the stock loans for the purpose of California Corporations Code Section 25210.

The total amount of the Judgment for civil penalties against Bancroft Ventures Limited and in favor of the California Department of Corporations is $14,300,000.00 (fourteen million three

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hundred thousand dollars).

Further, Bancroft Ventures, its employees and agents and all other persons acting in concert or participating with any of them, and each of them, are permanently restrained and enjoined from violating California Financial Code section 22100 and California Corporations Code Section 25210, including engaging in the marketing, brokering, or making of stock loans or otherwise engaging in the business of a commercial lender, or effecting any transaction in or inducing the buying or selling of securities in the State of California or to California residents, unless and until they have complied with all applicable California State Law licensing requirements for such activities.

IT IS SO ORDERED.

Date: 10/16, 2006

By: LLOYD A. PHILLIPS, JR.

Honorable Lloyd A. Phillips Jr.
Judge of the Superior Court

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