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FILED
LOS ANGELES SUPERIOR COURT

OCT 30 2012

JOHN A. CLARKE, DEPUTY
BY: D. HARO, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA, by and through the CALIFORNIA CORPORATIONS COMMISSIONER,

Plaintiff,

vs.

CANAM CAPITAL CORP. a Nevada corporation; PREMIER EQUITY FUND, LLC, a Nevada limited liability company; PREMIER EQUITY FUND II, LLC, a Nevada limited liability company; PREMIER EQUITY FUND III, LLC, a Nevada limited liability company; PREMIER EQUITY FUND IV, LLC, a Nevada limited liability company; JAY JORDAN BARNHARDT, as an individual; KELLY KEITH MORGAN, as an individual; AARON KANE BARNHARDT, as an individual, and Does 1 through 10, inclusive,

Defendants.

And

POWER RESEARCH CORP., a California corporation, and Relief Does 1- 10, inclusive,

Relief Defendants.

Case No.: BC453286

Action Filed: January 20, 2011

Assigned to Hon. Mel Red Recana, Dept. 45

[PROPOSED] FINAL JUDGMENT

1 The California Commissioner of Corporations (“Commissioner” or “Plaintiff”) filed this
2 action on January 20, 2011 pursuant to the Corporate Securities Law of 1968, California
3 Corporations Code Section 25000 *et seq.* (“CSL”) against defendants CanAm Capital Corp.
4 “CanAm”), Premier Equity Fund, LLC, Premier Equity Fund II, LLC, Premier Equity Fund III,
5 LLC; Premier Equity Fund IV, LLC; Premier Equity Fund V, LLC (collectively, the “Entity
6 Defendants”); Jay Jordan Barnhardt (“J. Barnhardt”); Aaron Kane Barnhardt (“A. Barnardt”) and
7 Kelly Keith Morgan (“Morgan”). In addition, Plaintiff named as Relief Defendants Power
8 Research Corp., Steve Bowling Heraty (“Heraty”) and Santa Rita Partner, Inc. (“Santa Rita”).¹

9 Plaintiff alleges violations of CSL sections 25110 (offer or sale of securities without
10 qualification) and 25401 (the offer or sale of securities by means of material misrepresentations or
11 omissions), and violations of a Desist and Refrain Order issued by the Commissioner on February
12 11, 2009 (“2009 Order”).

13 Defendants have stipulated to the receipt of a copy of the operative Complaint
14 (“Complaint”), have entered a general appearance and admitted to the continuing jurisdiction of
15 this court over themselves and over the subject matter of this action. Without admitting or
16 denying any material allegation of the Complaint, defendants have consented to the entry of this
17 Final Judgment, waiving any trial or adjudication of any fact or law herein or the taking of any
18 proof.

19 **NOW, THEREFORE, GOOD CAUSE APPEARING , IT IS ORDERED**

20 **THAT:**

21 1. Defendants CanAm Capital Corp., Premier Equity Fund, LLC, Premier Equity
22 Fund II, LLC, Premier Equity Fund III, LLC, Premier Equity Fund IV, LLC, and Premier Equity
23 Fund V, LLC, Jay Jordan Barnhardt, Aaron Kane Barnhardt, and Kelly Keith Morgan agree to the
24 issuance by the Court in the above-entitled action of a permanent injunction enjoining all
25 Defendants, their agents, employees, attorneys in fact, and all persons acting in concert or
26 participating with them, from directly or indirectly:

27 _____
28 ¹ Heraty and Santa Rita previously stipulated to entry of judgment and are no longer in the action.

- 1 a. Violating California Corporations Code section 25110, by offering to sell, selling,
2 arranging for the sale of, issuing, engaging in the business of selling, or negotiating for
3 the sale of any security of any kind, including but not limited to, the securities
4 described in the Complaint, unless such security or transaction is qualified;
- 5 b. Violating California Corporations Code section 25401, by offering to sell or selling any
6 security of any kind, including but not limited to, the securities described in the
7 Complaint, by means of any written or oral communication which includes any untrue
8 statement of material fact or omits to state any material fact necessary in order to make
9 the statements made, in the light of the circumstances under which they are made, not
10 misleading; and
- 11 c. Violating the Commissioner's 2009 Desist and Refrain Order for offering and selling
12 unqualified non-exempt securities in violation of the CSL.

13 2. The Entity Defendants agree to the Court's entry of a final judgment of restitution
14 against them and in favor of Plaintiff in the total amount of \$17,860,000. The liability for
15 restitution shall be joint and several as against the Entity Defendants.

16 3. Jay Jordan Barnhardt hereby forfeits all right, title and interest in and to the CanAm
17 defined benefits/pension plan, and assigns to the Receiver all of his right, title and interest in and
18 to the following specific assets: (1) All cash held in the Receiver's accounts, including funds from
19 J. Barnhardt's Bank of America account, proceeds from the sale of the residence on Doheny
20 Avenue, and the personal property that was located in the CanAm offices; (2) Funds in the CanAm
21 Defined Benefit Plan, currently frozen by the Receiver at Charles Schwab; (3) the Porsche and a
22 Ferrari automobile which are both located at Horseless Carriage in New Jersey; and (5) the Jetta
23 which the Court has already approved for sale. Other than as specifically set forth herein, the
24 Receiver will not seek to collect any additional assets from J. Barnhardt.

25 4. Aaron Kane Barnhardt hereby forfeits all right, title and interest in and to the
26 CanAm defined benefits/pension plan, and assigns to the Receiver all of his right, title and interest
27 in and to the following specific assets: (1) All cash held in the Receiver's accounts, including
28 funds from the accounts of Power Research and Santa Rita; (2) the IRA at TD/Ameritrade No.

1 781-696398, which funds all came from the CanAm pension/defined benefit plan. Other than as
2 specifically set forth herein, the Receiver will not seek to collect any additional assets from A.
3 Barnhardt.

4 5. Kelly Keith Morgan forfeits all right, title and interest in and to the CanAm defined
5 benefits/pension plan, and assigns to the Receiver all of his right, title and interest in and to the
6 following specific assets: (1) All cash in the Receiver's accounts; and (2) his Vanguard IRA
7 account ending in 0015, which funds all came from the CanAm pension/defined benefit plan.
8 Other than as specifically set forth herein, the Receiver will not seek to collect any additional
9 assets from Morgan.

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

14 7. Subject to the terms and conditions herein, Relief Defendant Power Research Corp.
15 is hereby dismissed with prejudice.

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17 Dated: 10/30/12

18 _____
19 Hon. Mel Red Recana, Judge of the Superior Court
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