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ENDORSED

2008 JUL 10 PM 2:41

SACRAMENTO COURTS  
DEPT. #54

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN WEINGER  
Lead Corporations Counsel  
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Corporations Counsel  
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7 Attorneys for the Plaintiff STATE OF CALIFORNIA,  
DEPARTMENT OF CORPORATIONS

8  
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 FOR THE COUNTY OF SACRAMENTO

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

13 Plaintiff,

14  
15 vs.

16  
17 DIAMOND "S" OIL, INC., MASADA PETROLEUM  
LLC, PETE LIPPINCOTT, MICHAEL P. JOHNSTONE  
18 Defendants.

Case No.: 07AS03728

ORDER GRANTING  
PERMANENT INJUNCTION  
AGAINST MICHAEL P.  
JOHNSTONE

19  
20  
21 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD

22 In the above-entitled action, Defendant, Michael P. Johnstone and Plaintiff, The People of the  
23 State of California by and through the California Corporations Commissioner, having settled this  
24 action as between them, stipulate to the entry of this Order Granting Permanent Injunction Against  
25 Michael P. Johnstone  
26

27 IT IS HEREBY ADJUDGED, ORDERED, AND DECREED  
28

1 Michael P. Johnstone is permanently restrained and enjoined from

2 A. Violating Section 25110, by offering to sell, selling, arranging for the sale of, issuing,  
3 engaging in the business of selling, negotiating for the sale of, or otherwise in any way dealing or  
4 participating in the offer or sale of, any security of any kind, including but not limited to the  
5 securities described in this Complaint to a California resident or in California.

6 B. Violating Section 25401 by offering to sell or selling any security of any kind, to a  
7 California Resident or in California, including but not limited to, the securities described in the  
8 Complaint in this action, by means of any written or oral communication which includes any  
9 untrue statement of material fact or omits or fails to state any material fact necessary in order to  
10 make the statements made, in the light of the circumstances under which they are made, not  
11 misleading.

12 C. Violating any Desist and Refrain Order issued by the Commissioner including the  
13 orders issued on May 18, 2006, and July 17, 2007 by offering and selling unqualified, non-exempt  
14 securities in violation of California Corporations Code section 25110 and doing so by means of  
15 misrepresentations or omissions of material fact in violation of California Corporations Code  
16 section 25401.

17 D. Violating California Corporations Code section 25210, by engaging in the business  
18 of effecting any transaction in, or attempting to induce the purchase of securities in this state,  
19 unless and until they have applied for and secured from the Commissioner a certificate  
20 authorizing them to act in that capacity.  
21

22 This court retains jurisdiction over defendant and the subject matter of the action to enforce  
23 the above referenced injunction.

24 IT IS SO ORDERED

25 Date: JUL 10 2008 ~~2008~~

26  
27 By: SHELLEYANNE W.L. CHANG  
28 Judge of the Superior Court