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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

MOHIT A. KHANNA and MAK 1
ENTERPRISES GROUP, LLC,

Defendants,

and

FIRST OPPORTUNITIES
MANAGEMENT GROUP, INC., and
SHARANJIT K. KHANNA aka
SHARANJIT K. GREWAL,

Relief Defendants.

Case No. 09cv1784 BEN (CAB)

**TEMPORARY RESTRAINING
ORDER AND ORDERS: (1)
FREEZING ASSETS; (2)
APPOINTING A TEMPORARY
RECEIVER; (3) PROHIBITING
THE DESTRUCTION OF
DOCUMENTS; (4) GRANTING
EXPEDITED DISCOVERY; (5)
REQUIRING ACCOUNTINGS; (6)
REPATRIATING FUNDS; AND (7)
REQUIRING MOHIT KHANNA TO
SURRENDER PASSPORT; AND
ORDER TO SHOW CAUSE RE
PRELIMINARY INJUNCTION AND
APPOINTMENT OF A
PERMANENT RECEIVER**

1 This matter came to be heard upon the *Ex Parte* Application of Plaintiff Securities
2 and Exchange Commission (“Commission”) for a Temporary Restraining Order And
3 Orders: (1) Freezing Assets; (2) Appointing A Temporary Receiver; (3) Prohibiting The
4 Destruction Of Documents; (4) Granting Expedited Discovery; (5) Requiring
5 Accountings; (6) Repatriating Funds; And (7) Requiring Mohit Khanna to Surrender
6 Passport; And To Show Cause Re Preliminary Injunction And Appointment Of A
7 Permanent Receiver (the “Application”).

8 The Court, having considered the Commission’s Complaint, its Application, the
9 Memorandum of Points and Authorities, and the Declarations and other documents filed
10 in support of the Application, and all other evidence and argument presented regarding
11 the Application, finds that:

12 A. This Court has jurisdiction over the parties to, and the subject matter of,
13 this action.

14 B. Good cause exists to believe that defendants, Mohit A. Khanna (“Khanna”)
15 and MAK 1 Enterprises Group, LLC (“MAK 1”) (collectively, “Defendants”), and each
16 of them, have engaged in, are engaging in, and are about to engage in transactions, acts,
17 practices and courses of business that constitute violations of Sections 5(a), 5(c), and
18 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77e(a), 77e(c), and
19 77q(a), and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15
20 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

21 C. The Commission has demonstrated a probability of success on the merits in
22 this action and the possibility of dissipation of assets.

23 D. Good cause exists to believe that Defendants will continue to engage in
24 such violations to the immediate and irreparable loss and damage to investors and to the
25 general public unless they are restrained and enjoined.

26 E. It is appropriate and the interests of justice require that the Commission’s
27 Application be granted without notice to the Defendants as the Commission has set forth
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1 in its Application the reasons supporting its claim that notice should not be required, and
2 it appears from specific facts shown by the Declarations filed by the Commission that
3 immediate and irreparable injury, loss, or damage will result if notice to the Defendants is
4 given.

5 **I.**

6 IT IS HEREBY ORDERED that the Commission's Application for a Temporary
7 Restraining Order and Orders: (1) Freezing Assets; (2) Appointing A Temporary
8 Receiver; (3) Prohibiting The Destruction Of Documents; (4) Granting Expedited
9 Discovery; (5) Requiring Accountings; (6) Repatriating Funds; And (7) Requiring
10 Khanna to Surrender Passport; And To Show Cause Re Preliminary Injunction And
11 Appointment Of A Permanent Receiver is GRANTED.

12 **II.**

13 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1 and their
14 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those
15 persons in active concert or participation with any of them who receive actual notice of
16 this Order, by personal service or otherwise, and each of them, be and hereby are
17 temporarily restrained and enjoined from, directly or indirectly, in the absence of any
18 applicable exemption:

- 19 (a) Unless a registration statement is in effect as to a security, making use of
20 any means or instruments of transportation or communication in interstate
21 commerce or of the mails to sell such security through the use or medium
22 of any prospectus or otherwise;
- 23 (b) Unless a registration statement is in effect as to a security, carrying or
24 causing to be carried through the mails or in interstate commerce, by any
25 means or instruments of transportation, any such security for the purpose of
26 sale or for delivery after sale; or
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1 (c) Making use of any means or instruments of transportation or
2 communication in interstate commerce or of the mails to offer to sell or
3 offer to buy through the use or medium of any prospectus or otherwise any
4 security, unless a registration statement has been filed with the Commission
5 as to such security, or while the registration statement is the subject of a
6 refusal order or stop order or (prior to the effective date of the registration
7 statement) any public proceeding or examination under Section 8 of the
8 Securities Act, 15 U.S.C. § 77h;
9 in violation of Section 5 of the Securities Act, 15 U.S.C. § 77e.

10 **III.**

11 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1, and their
12 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those
13 persons in active concert or participation with any of them, who receive actual notice of
14 this Order, by personal service or otherwise, and each of them, be and hereby are
15 temporarily restrained and enjoined from, directly or indirectly, in the offer or sale of any
16 securities, by the use of any means or instruments of transportation or communication in
17 interstate commerce or by the use of the mails:

- 18 A. employing any device, scheme or artifice to defraud;
19 B. obtaining money or property by means of any untrue statement of a
20 material fact or any omission to state a material fact necessary in order to
21 make the statements made, in light of the circumstances under which they
22 were made, not misleading; or
23 C. engaging in any transaction, practice, or course of business which operates
24 or would operate as a fraud or deceit upon the purchaser;

25 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

1 **IV.**

2 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1, and their
3 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those
4 persons in active concert or participation with any of them, who receive actual notice of
5 this Order, by personal service or otherwise, and each of them, be and hereby are
6 temporarily restrained and enjoined from, directly or indirectly, in connection with the
7 purchase or sale of any security, by the use of any means or instrumentality of interstate
8 commerce, or of the mails, or of any facility of any national securities exchange:

- 9 A. employing any device, scheme or artifice to defraud;
10 B. making any untrue statement of a material fact or omitting to state a
11 material fact necessary in order to make the statements made, in the light of
12 the circumstances under which they were made, not misleading; or
13 C. engaging in any act, practice, or course of business which operates or
14 would operate as a fraud or deceit upon any person;

15 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5
16 thereunder, 17 C.F.R. § 240.10b-5.

17 **V.**

18 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
19 Defendants Khanna and MAK 1, and their officers, agents, servants, employees,
20 attorneys, subsidiaries and affiliates, and those persons in active concert or participation
21 with any of them, who receive actual notice of this Order, by personal service or
22 otherwise, and each of them, be and hereby are temporarily restrained and enjoined from,
23 directly or indirectly:

- 24 A. transferring, assigning, selling, hypothecating, changing, wasting,
25 dissipating, converting, concealing, encumbering, or otherwise disposing
26 of, in any manner, any funds, assets, securities, claims, or other real or
27 personal property, wherever located, of Defendants Khanna and MAK 1, or
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1 their subsidiaries or affiliates, owned by, controlled by, managed by or in
2 the possession or custody of any of them;

3 B. transferring, assigning, selling, hypothecating, encumbering, or otherwise
4 disposing of any securities, including, but not limited to, any investment
5 contracts or other securities of Defendant MAK 1, or any of its subsidiaries
6 or affiliates.

7 **VI.**

8 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, an
9 immediate freeze shall be placed on all monies and assets (with an allowance for
10 necessary and reasonable living expenses to be granted only upon good cause shown by
11 application to the Court with notice to and an opportunity for the Commission to be
12 heard) in all accounts at any bank, financial institution or brokerage firm (including any
13 futures commission merchant), all certificates of deposit, and other funds or assets, held
14 in the name of, for the benefit of, or over which account authority is held by Khanna and
15 MAK 1, or any entity affiliated with any of them, including, but not limited to, the
16 accounts set forth below:

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<u>Bank Name</u>	<u>Account Name</u>	<u>Account No. (last 4 digits)</u>
Union Bank of California	MAK 1 Enterprises Group, LLC	6132
Union Bank of California	MAK 1 Enterprises Group, LLC	6586
Union Bank of California	MAK 1 Enterprises Group, LLC	0011
Union Bank of California	MAK 1 Enterprises Group, LLC	0490
Union Bank of California	MAK 1 Enterprises Group, LLC	0496
Union Bank of California	2008 Khanna Family Trust	8634
Union Bank of California	2008 Khanna Family Trust	7893
Union Bank of California	MAK 1 Enterprises Group, LLC	0326

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1	Union Bank of California	Mohit Khanna	0865
2	Union Bank of California	Mohit Khanna	0970
3	Union Bank of California	First Opportunities Management	6655
4		Group, LLC	
5	Union Bank of California	First Opportunities Management	6353
6		Group, LLC	
7	Union Bank of California	2005 Khanna Family Trust	0865
8	Union Bank of California	2005 Khanna Family Trust	3384
9	Union Bank of California	2005 Khanna Family Trust	3376
10	Union Bank of California	2005 Khanna Family Trust	8009
11	Union Bank of California	2005 Khanna Family Trust	8568
12	Union Bank of California	Mohit Khanna	3328
13	Union Bank of California	Trustee for Mischa K. Khanna	0309
14	Union Bank of California	Sharanjit Khanna	0970
15	Wachovia	2005 Khanna Family Trust	7635
16	Wachovia	2005 Khanna Family Trust	7648
17	Wachovia	MAK 1 Enterprises Group, LLC	7540
18	Wachovia	MAK 1 Enterprises Group, LLC	7553
19	Wells Fargo Bank	MAK 1 Enterprises Group, LLC	0247
20	California Bank & Trust	MAK 1 Enterprises Group, LLC	0520
21	Sunrise Bank of San Diego	MAK 1 Enterprises Group, LLC	1787
22	Bank of America	MAK 1 Enterprises Group, LLC	0404
23	Bank of America	First Opportunities Management	1871
24		Group, LLC	

VII.

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2 IT IS FURTHER ORDERED that La Bella & McNamara LLP is appointed as
3 temporary receiver of MAK 1, and its subsidiaries and affiliates, with full powers of an
4 equity receiver, including, but not limited to, full power over all funds, assets, collateral,
5 premises (whether owned, leased, occupied, or otherwise controlled), choses in action,
6 books, records, papers and other property belonging to, being managed by or in the
7 possession of or control of MAK 1, and its subsidiaries and affiliates, and that such
8 receiver is immediately authorized, empowered and directed:

- 9 A. to have access to and to collect and take custody, control, possession, and
10 charge of all funds, assets, collateral, premises (whether owned, leased,
11 occupied, or otherwise controlled), choses in action, books, records, papers
12 and other real or personal property, wherever located, of or managed by
13 MAK 1, and its subsidiaries and affiliates, with full power to sue, foreclose,
14 marshal, collect, receive, and take into possession all such property
15 (including access to and taking custody, control, and possession of all such
16 MAK 1 property, and that of its subsidiaries and affiliates);
- 17 B. to have control of, and to be added as the sole authorized signatory for, all
18 accounts of the entities in receivership, including all accounts at any bank,
19 title company, escrow agent, financial institution or brokerage firm
20 (including any futures commission merchant) which has possession,
21 custody or control of any assets or funds of MAK 1, and its subsidiaries and
22 affiliates, or which maintains accounts over which MAK 1, and its
23 subsidiaries and affiliates, and/or any of their employees or agents have
24 signatory authority;
- 25 C. to conduct such investigation and discovery as may be necessary to locate
26 and account for all of the assets of or managed by MAK 1, and its
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1 subsidiaries and affiliates, and to engage and employ attorneys, accountants
2 and other persons to assist in such investigation and discovery;

3 D. to take such action as is necessary and appropriate to preserve and take
4 control of and to prevent the dissipation, concealment, or disposition of any
5 assets of or managed by MAK 1, and its subsidiaries and affiliates;

6 E. to make an accounting, as soon as practicable, to this Court, the
7 Commission, and any interested government agencies, including the
8 Commodity Futures Trading Commission, of the assets and financial
9 condition of MAK 1, and to file the accounting with the Court and deliver
10 copies thereof to all parties;

11 F. to make such payments and disbursements from the funds and assets taken
12 into custody, control, and possession or thereafter received by him or her,
13 and to incur, or authorize the making of, such agreements as may be
14 necessary and advisable in discharging his or her duties as temporary
15 receiver;

16 G. to employ attorneys, accountants, and others to investigate and, where
17 appropriate, to institute, pursue, and prosecute all claims and causes of
18 action of whatever kind and nature which may now or hereafter exist as a
19 result of the activities of present or past employees or agents of MAK 1,
20 and its subsidiaries and affiliates; and

21 H. to have access to and monitor all mail, electronic mail, and video phone of
22 the entities in receivership in order to review such mail, electronic mail, and
23 video phone which he or she deems relates to their business and the
24 discharging of his or her duties as temporary receiver.

25 **VIII.**

26 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1, their
27 subsidiaries and affiliates, including all of the other entities in receivership, and their
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1 officers, agents, servants, employees and attorneys, and any other persons who are in
2 custody, possession or control of any assets, collateral, books, records, papers or other
3 property of or managed by any of the entities in receivership, shall forthwith give access
4 to and control of such property to the temporary receiver.

5 **IX.**

6 IT IS FURTHER ORDERED that no officer, agent, servant, employee, or attorney
7 of MAK 1 and/or Khanna shall take any action or purport to take any action, in the name
8 of or on behalf of MAK 1 without the written consent of the temporary receiver or order
9 of this Court.

10 **X.**

11 IT IS FURTHER ORDERED that, except by leave of this Court, during the
12 pendency of this receivership, all clients, investors, trust beneficiaries, note holders,
13 creditors, claimants, lessors, and all other persons or entities seeking relief of any kind, in
14 law or in equity, from Khanna and MAK 1, or their subsidiaries or affiliates, and all
15 persons acting on behalf of any such investor, trust beneficiary, note holder, creditor,
16 claimant, lessor, consultant group, or other person, including sheriffs, marshals, servants,
17 agents, employees, and attorneys, are hereby restrained and enjoined from, directly or
18 indirectly, with respect to these persons and entities:

- 19 A. commencing, prosecuting, continuing or enforcing any suit or proceeding
20 (other than the present action by the Commission) against any of them;
- 21 B. using self-help or executing or issuing or causing the execution or issuance
22 of any court attachment, subpoena, replevin, execution or other process for
23 the purpose of impounding or taking possession of or interfering with or
24 creating or enforcing a lien upon any property or property interests owned
25 by or in the possession of MAK 1; and
- 26 C. doing any act or thing whatsoever to interfere with taking control,
27 possession or management by the temporary receiver appointed hereunder
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1 of the property and assets owned, controlled or managed by or in the
2 possession of MAK 1, or in any way to interfere with or harass the
3 temporary receiver or his or her attorneys, accountants, employees, or
4 agents or to interfere in any manner with the discharge of the temporary
5 receiver's duties and responsibilities hereunder.

6 **XI.**

7 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1, and their
8 subsidiaries, affiliates, officers, agents, servants, employees, and attorneys, shall
9 cooperate with and assist the temporary receiver and shall take no action, directly or
10 indirectly, to hinder, obstruct, or otherwise interfere with the temporary receiver or his or
11 her attorneys, accountants, employees, or agents, in the conduct of the temporary
12 receiver's duties or to interfere in any manner, directly or indirectly, with the custody,
13 possession, management, or control by the temporary receiver of the funds, assets,
14 collateral, premises, and choses in action described above.

15 **XII.**

16 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1, and their
17 subsidiaries and affiliates, shall pay the costs, fees and expenses of the temporary
18 receiver incurred in connection with the performance of his or her duties described in this
19 Order, including the costs and expenses of those persons who may be engaged or
20 employed by the temporary receiver to assist him or her in carrying out his or her duties
21 and obligations. All applications for costs, fees, and expenses for services rendered in
22 connection with the receivership other than routine and necessary business expenses in
23 conducting the receivership, such as salaries, rent, and any and all other reasonable
24 operating expenses, shall be made by application setting forth in reasonable detail the
25 nature of the services and shall be heard by the Court.
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1 **XIII.**

2 IT IS FURTHER ORDERED that no bond shall be required in connection with the
3 appointment of the temporary receiver. Except for an act of gross negligence, the
4 temporary receiver shall not be liable for any loss or damage incurred by any of the
5 Defendants, their officers, agents, servants, employees and attorneys or any other person,
6 by reason of any act performed or omitted to be performed by the temporary receiver in
7 connection with the discharge of his or her duties and responsibilities.

8 **XIV.**

9 IT IS FURTHER ORDERED that representatives of the Commission are
10 authorized to have continuing access to inspect or copy any or all of the corporate books
11 and records and other documents of Khanna and MAK 1 and the other entities in
12 receivership, and continuing access to inspect their funds, property, assets and collateral,
13 wherever located.

14 **XV.**

15 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
16 Defendants Khanna and MAK 1, and their officers, agents, servants, employees,
17 attorneys, subsidiaries and affiliates, including the other entities in receivership, and those
18 persons in active concert or participation with any of them, who receive actual notice of
19 this Order, by personal service or otherwise, and each of them, be and hereby are
20 temporarily restrained and enjoined from, directly or indirectly: destroying, mutilating,
21 concealing, transferring, altering, or otherwise disposing of, in any manner, any
22 documents, which includes all books, records, computer programs, computer files,
23 computer printouts, contracts, correspondence, memoranda, brochures, or any other
24 documents of any kind in their possession, custody or control, however created,
25 produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in
26 any manner to Defendants Khanna and MAK 1, and their subsidiaries and affiliates.

1 **XVI.**

2 IT IS FURTHER ORDERED that the Commission's application for expedited
3 discovery be and hereby is granted and that the Commission may take depositions of
4 defendants and non-parties upon oral examination subject to two calendar days notice
5 pursuant to Rules 30(a) and 45 of the Federal Rules of Civil Procedure, that the
6 Commission may take more than one deposition at the same time, that depositions of the
7 defendants may be taken on any day, including Saturdays, Sundays, and holidays subject
8 to two calendar days notice, including notice given personally, by facsimile or by
9 electronic mail, and the Commission may take more than ten depositions.

10 **XVII.**

11 IT IS FURTHER ORDERED that Defendant Khanna shall, within five days of the
12 issuance of this Order, prepare and deliver to the Commission a detailed and complete
13 schedule of all of his personal assets, including all real and personal property exceeding
14 \$5,000 in value, and all bank, securities, futures and other accounts identified by
15 institution, branch address and account number. The accounting shall include a
16 description of the source(s) of all such assets. Such accounting shall be filed with the
17 Court and a copy shall be delivered to the Commission's Los Angeles Regional Office.
18 After completion of the accounting, Defendant Khanna shall produce to the
19 Commission's Los Angeles Regional Office, at a time agreeable to the Commission, all
20 books, records and other documents supporting or underlying his accounting.

21 **XVIII.**

22 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1, and their
23 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, including the
24 other entities in receivership, shall, within 24 hours of the issuance of this Order, cause to
25 be prepared and delivered to the temporary receiver, a detailed and complete schedule of
26 all desk top computers, laptop computers, cellular phones, and/or personal digital
27 assistants ("PDA") owned and/or used by them in connection with their business. In the
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1 case of Defendant Khanna, he shall, within 24 hours of the issuance of this Order, prepare
2 and deliver to the temporary receiver, a detailed and complete schedule of all desk top
3 computers, laptop computers, cellular phones, and/or PDA's owned, controlled or used
4 by him for any purpose. The schedules required by this section shall include at a
5 minimum the make, model and description of each computer, cellular phone, and/or
6 PDA, along with its location, the name of the person primarily assigned to use the
7 computer, cellular phone, and/or PDA, all passwords necessary to access the computer,
8 cellular phone, and/or PDA, and all passwords necessary to access and use the software
9 contained on the computer, cellular phone, and/or PDA. The temporary receiver shall be
10 authorized to make an electronic, digital or hard copy of all of the data contained on the
11 computers, cellular phones, and/or PDAs.

12 **XIX.**

13 IT IS FURTHER ORDERED that Defendants Khanna and MAK 1, and their
14 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, including the
15 other entities in receivership, shall, within 24 hours of the issuance of this Order, cause to
16 be prepared and delivered to the temporary receiver, a detailed and complete schedule of
17 all passwords, usernames, and identification numbers for all web sites, email accounts,
18 and all accounts at any bank, financial institution or brokerage firm (including any futures
19 commission merchant) operated by or to which MAK 1 has access.

20 **XX.**

21 IT IS FURTHER ORDERED that, within ten days from the date of this Order,
22 Defendants Khanna and MAK 1 and each of them, shall transfer to the registry of this
23 Court all assets, funds, and other property held in foreign locations in the name of Khanna
24 and MAK 1, or for the benefit or under the direct or indirect control of any of them, or over
25 which any of them exercise control or signatory authority.
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1 **XXI.**

2 IT IS FURTHER ORDERED that, immediately upon entry of this Order and service
3 therefore, defendant Mohit Khanna shall surrender to the Clerk of the Court all passports
4 that he holds. The Clerk of the Court shall maintain custody of such passports until
5 otherwise ordered by this Court.

6 **XXII.**

7 IT IS FURTHER ORDERED that this Temporary Restraining Order shall expire
8 at 5:00 p.m. on August 31, 2009, unless, for good cause shown, it is extended or unless
9 the parties against whom it is directed consent that it may be extended for a longer
10 period.

11 **XXIII.**

12 IT IS FURTHER ORDERED that at 4:00 p.m. on August 31, 2009, or as soon
13 thereafter as the parties can be heard, the Defendants, and each of them, shall appear
14 before the Honorable Roger T. Benitez, Judge of the United States District Court for the
15 Southern District of California, to show cause, if there be any, why a preliminary
16 injunction should not be granted and a permanent receiver not appointed in accordance
17 with the prayer for relief contained in this Complaint filed by the Commission. Any
18 declarations, affidavits, points and authorities, or other submissions in support of, or in
19 opposition to, the issuance of such an Order shall be filed with the Court and delivered to
20 the Commission's Los Angeles office and the offices of the Defendants and/or their
21 attorneys no later than 4:00 p.m. on August 24, 2009. Any reply papers shall be filed
22 with the Court and delivered to opposing counsel no later than 4:00 p.m. on August 27,
23 2009. Service of all such papers shall be by electronic mail, facsimile, or personal
24 service.

25 **XXIV.**


26 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this
27 action for the purpose of implementing and carrying out the terms of all orders and
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1 decrees which may be entered herein and to entertain any suitable application or motion
2 for additional relief within the jurisdiction of this Court.

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4 IT IS SO ORDERED.

5 DATED: August 18, 2009

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7 TIME: 4:30 p.m.

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11 Hon. Roger T. Benitez
12 United States District Judge
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