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SACRAMENTO COURTS
DEPT. #54

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

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 FOR THE COUNTY OF SACRAMENTO

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

13 Plaintiff,

14 vs.
15

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

Case No.: 07AS03728

ORDER GRANTING
PERMANENT INJUNCTION
AGAINST DIAMOND "S" OIL,
INC., MASADA PETROLEUM
LLC, AND PETE LIPPINCOTT

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21 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD
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24 In the above-entitled action, Defendants, Diamond "S" Oil, Inc., Masada Petroleum LLC, and
25 Pete Lippincott, and Plaintiff, The People of the State of California by and through the California
26 Corporations Commissioner, having settled this action as between them, stipulate to the entry of
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State of California - Department of Corporations

1 this Order Granting Permanent Injunction Against Diamond "S" Oil, Inc., Masada Petroleum
2 LLC, and Pete Lippincott

3 IT IS HEREBY ADJUDGED, ORDERED, AND DECREED

4 Diamond "S" Oil, Inc., Masada Petroleum LLC, Pete Lippincott and all other persons
5 acting in concert or participating with any of them, and each of them, are permanently restrained
6 and enjoined from
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8 A. Violating Section 25110, by offering to sell, selling, arranging for the sale of, issuing,
9 engaging in the business of selling, negotiating for the sale of, or otherwise in any way dealing or
10 participating in the offer or sale of, any security of any kind, including but not limited to the
11 securities described in this Complaint to a California resident or in California.

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

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

23 D. Violating California Corporations Code section 25210, by engaging in the business
24 of effecting any transaction in, or attempting to induce the purchase of securities in this state,
25 unless and until they have applied for and secured from the Commissioner a certificate
26 authorizing them to act in that capacity.
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This court retains jurisdiction over defendants and the subject matter of the action to enforce the above referenced injunction.

IT IS SO ORDERED

Date: JUL 11 2008

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