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Attorneys for Defendants

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of Consumer Protection,	)	CIVIL NO. 05-1-1356-07 SSM (Other Civil Action)
	)	
Plaintiff,	)	SECOND ORDER MODIFYING PRELIMINARY INJUNCTION
	)	
vs.	)	
	)	
Defendants.	)	<u>HEARING</u>
	)	Date: August 25, 2005
PACIFIC EDUCATIONAL SERVICES COMPANY, a Nevada corporation dba Hawaii College of Pharmacy; DENISE A. CRISWELL aka Deedee Criswell aka DeDe Criswell aka Denise Criswell Nakajima and DAVID CHAMPION MONROE fka David Yacas,	)	Time: 1:30 p.m. Judge: Sabrina S. McKenna
	)	Trial Date: None SCF Date: None

SECOND ORDER MODIFYING PRELIMINARY INJUNCTION

WHEREAS on August 3, 2005 the Plaintiff filed a Motion for Preliminary Injunction seeking, among other things, to freeze the assets of the Defendants;

S. McKenna on August 10, 2005 at 10:30 o'clock a.m.;

WHEREAS Plaintiff was represented by Jeffrey E. Brunton and Defendants were represented by Kelvin H. Kaneshiro;

WHEREAS the court having reviewed the materials in support of and in opposition to the motion and the court having heard oral arguments of counsel; and good cause appearing granted the motion;

WHEREAS a Preliminary Injunction was entered by the Court on August 10, 2005;

WHEREAS some of the employees and staff of the Defendant Pacific Educational Services Company petitioned the court to permit payment of accrued salaries and other employment benefits;

WHEREAS the court reserved the matter of consideration of the employees and staff petition for further hearing on August 11, 2005 at 9:00 o'clock a.m.;

WHEREAS the matter came on for further hearing before the Honorable Sabrina S. McKenna on August 11, 2005 at 9:00 o'clock a.m.;

WHEREAS Plaintiff was represented by Jeffrey E. Brunton and Defendants were represented by Kelvin H. Kaneshiro;

WHEREAS the court reserved certain matters for further consideration and set a further hearing for August 25, 2005 at 1:30 p.m.;

WHEREAS the matter came on for further hearing before the Honorable Sabrina S. McKenna on August 25, 2005 at 1:30 p.m.;

WHEREAS Plaintiff was represented by Jeffrey E. Brunton and Defendants were represented by James A. Kawachika and Kelvin H. Kaneshiro;

WHEREAS the court having heard oral arguments of counsel; and good cause appearing;

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the Preliminary Injunction entered on August 10, 2005, which remains in full force and effect, is further modified as follows:

1. The Court hereby lifts the asset freeze currently in effect to permit the release of funds to cover postage and other cost of mailing transcripts that were requested by students.

2. The Court hereby lifts the asset freeze to release funds to compensate employees Heather Barrie, Corrigan M. Taylor and Scott Banks for work to carry out the terms of the Amended Order Modifying Preliminary Injunction from August 11, 2005 up to and including August 25, 2005 in the following amounts: Heather Barrie--\$1,840.38; Corrigan Taylor--\$1,840.38; and Scott Banks--\$4,600.96. Ms. Barrie, Ms. Taylor and Mr. Banks shall be compensated in said amounts as consultants or independent contractors.

**IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that:

1. The Court reserves ruling regarding payment of H. A. Hasan's past due salary subject to a separate motion for such payment.

2. The Court reserves ruling regarding certain requests for reimbursement of travel and relocation expenses subject to a separate motion for such payment.

3. The Court grants Defendants' request for a settlement conference. Said conference shall be held on August 26, 2005 at 9:30 a.m. before the Honorable

3. The Court grants Defendants' request for a settlement conference. Said conference shall be held on August 26, 2005 at 9:30 a.m. before the Honorable Randal Lee.

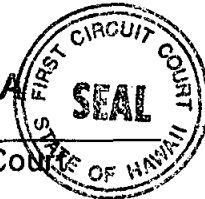
4. The matter be continued for further hearing on August 29, 2005 at 10:30 a.m. at which time Defendants will procure the appearance of a representative from the Hawaii Medical Service Association to testify regarding the availability of COBRA benefits to the former employees of Defendant Pacific Educational Service Company.

5. All other requests to lift the asset freeze not addressed above are denied.

DATED: Honolulu, Hawaii, AUG 29 2005

SABRINA S. MCKENNA

Judge of the above-entitled Court



APPROVED AS TO FORM:

JEFFREY E. BRUNTON  
Attorney for Plaintiff

Civil No. 05-1-1356-07 SSM; State v Pacific Educational Services, Company et al;  
SECOND ORDER MODIFYING PRELIMINARY INJUNCTION