STATE OF HAWAII
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JEFFREY E. BRUNTON #2833 Office of Consumer Protection 235 South Beretania Street, Room 801 Honolulu, Hawaii 96813-2419 Telephone: (808) 586-2636

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Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

| STATE OF HAWAII, by its Office of Consumer Protection, | Other Civil Action) |
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| Plaintiff, |) DEFAULT JUDGMENT AGAINST DEFENDANT THE PRESCOTT GROUP, INC. |
| vs. | |
| STEVEN W. MOSS and THE PRESCOTT GROUP, INC., a dissolved |) Motion Filed September 7, 2001) |
| Nevada corporation fdba The Prescott College of Business & Leadership Studies, | HEARING Date: October 2, 2001 Time: 8:30 a.m. |
| Defendants. | Judge: Sabrina S. McKenna |
| | |
| |) SCF: None Trial Date: None |

DEFAULT JUDGMENT AGAINST DEFENDANT THE PRESCOTT GROUP, INC.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant

The Prescott Group, Inc., their agents, employees, successors and assigns, directly or indirectly, individually or in concert with others, or through any corporate or other device, be and are hereby permanently enjoined from:

JEFFREY E. BRUNTON #2833 Office of Consumer Protection 235 South Beretania Street, Room 801 Honolulu, Hawaii 96813-2419 Telephone: (808) 586-2636

Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

| STATE OF HAWAII, by its Office of Consumer Protection, |) CIVIL NO. 01-1-1362-05 (SSM)) (Other Civil Action) |
|--|---|
| Plaintiff, | ,) DEFAULT JUDGMENT AGAINST) DEFENDANT THE PRESCOTT GROUP,) INC. |
| vs. |) |
| STEVEN W. MOSS and THE PRESCOTT GROUP, INC., a dissolved |) Motion Filed September 7, 2001)) |
| Nevada corporation fdba The Prescott College of Business & Leadership Studies, |) HEARING Date: October 2, 2001 Time: 8:30 a.m. |
| Defendants. |) Judge: Sabrina S. McKenna) |
| |)) SCF: None) Trial Date: None |

DEFAULT JUDGMENT AGAINST DEFENDANT THE PRESCOTT GROUP, INC.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant

The Prescott Group, Inc., their agents, employees, successors and assigns, directly or indirectly, individually or in concert with others, or through any corporate or other device, be and are hereby permanently enjoined from:

- a. Providing any post-secondary instructional programs or courses leading to a degree;
- b. Acting as or holding themselves out as a "college, academy, institute, institution, university" or anything similar thereto;
- c. Failing to comply with Hawaii Rev. Stat. Chap. 446E or § 480-2(a) in any particulars; and
- d. Owning or operating any business in the State of Hawaii or claiming to operate under the laws of the State of Hawaii until all restitution, civil penalties and costs entered herein are fully satisfied

IT IS FURTHER ORDERED the Business Registration Division of the Department of Commerce and Consumer Affairs of the State of Hawaii to dissolve, terminate, revoke and/or cancel all tradenames, trademarks, corporate registrations, certificates of authority held by or for Defendants The Prescott Group, Inc.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
The Prescott Group, Inc. be and is hereby, jointly and severally, ordered to make
restitution to each consumer who requests a refund by paying said consumer a full
refund of any amount(s) paid within 20 days of receipt of such a request.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant The Prescott Group, Inc. be and hereby is liable to Plaintiff for civil penalties in the amount of \$500,000.00.

Plaintiff's claims against Defendant Steven W. Moss remain.

| DATED: Honolulu, Hawaii, | | |
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| | Judge of the above-entitled Court | |
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| APPROVED AS TO FORM | | |
| | | |
| ALAN LING WONG | | |
| Attorney for Defendant Steven W. Mos | is | |

Civil No. 01-1-1362-05 (SSM); State of Hawaii vs. Steven W. Moss, et al; DEFAULT JUDGMENT AGAINST DEFENDANT THE PRESCOTT GROUP, INC.

| DATED: Honolulu, Hawaii, | UCI 2 9 2001 | |
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| | Judge of the above-entitled Court | · · · · · · · · · · · · · · · · · · · |
| APPROVED AS TO FORM | | |
| ALAN LING WONG Attorney for Defendant Steven W. Moss | | |

Civil No. 01-1-1362-05 (SSM); State of Hawaii vs. Steven W. Moss, et al; DEFAULT JUDGMENT AGAINST DEFENDANT THE PRESCOTT GROUP, INC.