

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
CIVIL DIVISION

**A. HEATH ABSHURE, ARKANSAS
SECURITIES COMMISSIONER**

PLAINTIFF

v.

Case No. CV2009-5346

**CLEAN TECHNOLOGY INTERNATIONAL
CORPORATION; DIAMOND CAPITAL
CORPORATION; WILLIAM DARRELL LAINHART,
INDIVIDUALLY, AND AS TRUSTEE OF
CAPITAL HERITAGE IRREVOCABLE TRUST AND
CAPITAL HERITAGE REVOCABLE TRUST;
IRENE M. F. LAINHART; REX ROBERTSON;
AND JAMES STEAD, JR.**

FILED 07/30/09 16:15:10
Pat o'brien Pulaski Circuit Cler
Cr08 By _____

DEFENDANTS

and

**CAPITAL HERITAGE IRREVOCABLE TRUST
CAPITAL HERITAGE REVOCABLE TRUST**

RELIEF DEFENDANT

TEMPORARY RESTRAINING ORDER

Plaintiff A. Heath Abshure, Arkansas Securities Commissioner (Commissioner), having filed his complaint for permanent injunction and other equitable relief in this matter pursuant to Ark. Code Ann. § 23-42-209(a)(3) and (b) (Repl. 2000) and Ark. Const. Amend. 80, and having applied *ex parte* for a temporary restraining order pursuant to Rule 65 of the Arkansas Rules of Civil Procedure and other equitable relief pursuant to Ark. Code Ann. § 23-42-209 (Repl. 2000), and the Court having considering the motion, plaintiff's brief, exhibits and other materials filed in support thereof, and now being advised in the premises, finds as follows:

1. This Court has jurisdiction of the subject matter of this case and there is good cause to believe that it will have jurisdiction of all parties hereto.
2. Good cause exists to believe that the Commissioner ultimately will succeed in establishing

that the above-named defendants have engaged in, and are likely to engage in, acts and practices that violate the Arkansas Securities Act (Act), codified at Ark. Code Ann. § 23-42-101 *et seq.* (Repl. 2000), and thus prevail on the merits.

3. Good cause exists to believe that the Court's ability to grant effective final relief for consumers in the form of monetary redress from the sale, transfer, destruction, concealment or other disposition of the defendants' assets or records will suffer immediate and irreparable damage unless defendants are immediately restrained or enjoined forthwith and without notice.
4. It further appears to the Court that if the issuance of this temporary restraining order, order appointing receiver, order preventing the destruction and spoliation of evidence, order freezing assets, and order for accounting is delayed until notice is given to the opposing parties, there is a strong likelihood that investor funds may be lost to the detriment of those investors.
5. No security is required of any agency of the State of Arkansas for issuance of a restraining order, Ark. R. Civ. Pro. 65(d), and no bond may be required of the Commissioner in seeking the relief sought herein. Ark. Code Ann. § 23-42-209(a)(5) (Repl. 2000).

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendants, their agents, servants, employees, assigns and those persons acting on their behalf, under their direction and control and/or in active concert or participation with them who receive actual notice of this order, by personal service, facsimile or otherwise, be and hereby are, and until further notice of this Court, restrained from:

- A. Offering or selling any security in this state;

- B. Transacting business in this state as broker-dealers or agents;
- C. Directly or indirectly, making untrue statements of material facts in connection with the offer, sale and/or purchase of securities from or in this state;
- D. Omitting to state material facts necessary in order to make statements made, in light of the circumstances under which they are made, not misleading, in connection with the offer, sale and/or purchase of securities from or in this state; and
- E. Directly or indirectly, engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the offer, sale and/or purchase of securities from or in this state.

II.

IT IS FURTHER ORDERED that defendants, their agents, servants, employees, assigns and those persons acting on their behalf, under their direction and control and/or in active concert or participation with them who receive actual notice of this order, by personal service, facsimile or otherwise, be and hereby are, and until further notice of this Court, restrained from tampering with, mutilating, altering, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to defendants or any financial transaction by defendants or to which defendants were parties.

III.

IT IS FURTHER ORDERED that pending determination of the application for permanent injunction, the assets of defendants Clean Technology International Corporation (CTIC); Diamond Capital Corporation (DCC); William Darrell Lainhart (D. Lainhart); Irene M. F. Lainhart (I. Lainhart), Capital Heritage Irrevocable Trust (CHIT) and Capital Heritage Revocable

Trust (CHRT) be, and hereby are, frozen. The freeze shall include, but not be limited to, those funds located in any bank, depository institution or securities brokerage account. It shall also apply to accounts in the name of any individuals or entities controlled by defendants CTIC; DCC; D. Lainhart; I. Lainhart, CHIT and CHRT or over which said defendants have signatory or other designated authority, if the funds are derived to any extent from the activities alleged in plaintiff's complaint. All banks or other financial institutions served with a copy of this order shall cooperate with the Arkansas Securities Department relating to implementation of this order, including imposing a freeze on all assets, including accounts and funds, and producing records relating thereto. Facsimile transmission shall constitute service on the banks or other depository and financial institutions or securities brokerage firms.

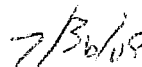
IV.

IT IS FURTHER ORDERED that a hearing is hereby set at **1:30 p.m.** on the **18th** day of **August, 2009**, at the **6th** Division Pulaski County Circuit Court, Pulaski County Courthouse, **401 West Markham Street, Suite 210, Little Rock, Arkansas**, at which time the defendants may seek the dissolution of this Temporary Restraining Order and the plaintiff may seek a permanent injunction and other equitable relief.

IT IS SO ORDERED.



CIRCUIT JUDGE



DATE