

Jeffrey L. Silvestrini (2959)
Joshua K. Peterman (Bar No. 10248)
COHNE RAPPAPORT & SEGAL
257 East 200 South, Suite 700
Salt Lake City, Utah 84111
Telephone: (801) 532-2666
Jeff@crslaw.com
Josh@crslaw.com

Merle L. Royce II (Illinois SBN 2408597)
(Admitted Pro Hac Vice)
70 West Madison Street, Suite 2100
Chicago, Illinois 60602-4253
Telephone: (312) 553-1233
Royce4law@earthlink.net
Attorneys for Plaintiff

FILED DISTRICT COURT
Third Judicial District

AUG 15 2008

SALT LAKE COUNTY
By [Signature] Deputy Clerk

IN THE THIRD DISTRICT COURT OF SALT LAKE COUNTY
STATE OF UTAH

ROBERT FLETCHER, LUANN T.
FLETCHER, WALTER PERICH, KIM
PERICH, AK CAPITAL, LLC, KENNETH J.
DEMAREE, MILLIE DEMAREE, JIM
JACOB and WAYNE H. HANSON,

Plaintiffs,

vs.

VELTEX CORPORATION, JAVEED
MATIN, SAASHA CAMPBELL and
MAZAR HAQUE,

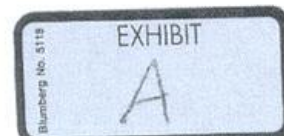
Defendants.

ORDER GRANTING PLAINTIFFS'
MOTION FOR PRELIMINARY
INJUNCTION, DENYING MOTION TO
SET ASIDE ENTRIES OF DEFAULT
AND GRANTING PLAINTIFFS'
MOTION FOR RECONSIDERATION OF
DEFENDANTS EMERGENCY MOTION
FOR APPOINTMENT OF INTERIM
RECEIVER AMENDING THE
TEMPORARY RESTRAINING ORDER

Civil No. 080907145

Judge Kate A. Toomey

The above-entitled matter having come for a hearing before the Court, the Honorable



Kate A. Toomey Third District Judge and Plaintiffs represented by their counsel Jeffrey L. Silvestrini of and for Cohne Rappaport & Segal and Merle L. Royce, and Defendants JAVEED MATIN, SAASHA CAMPBELL and MAZAR HAQUE represented by their counsel, Knute A. Rife and the Court having heard and accepted the proffer of testimony of Patrick Day and Merle Royce and having heard the testimony of Lee Scharf and Stephen Macklem and having reviewed the papers and having heard argument and good cause appearing therefor hereby finds and rules as follows:

1. Plaintiffs have sustained their burden of demonstrating that Javeed Matin requested the transfer of 120,000,000 shares of Veltex stock by the transfer agent for the company without shareholder approval, without board approval and in violation of the Orders of the United States District Court for the Central District of California, justifying the removal of the board of directors and officers of Veltex Corporation, including Javeed Matin and justifying the appointment of a Receiver to operate the corporation until a shareholders meeting of the corporation may be held to elect a new board of directors.

2. Plaintiffs have shown that irreparable harm is threatened if a preliminary injunction does not issue.

3. Plaintiffs have shown that the threatened injury outweighs any harm to the Defendants if the Preliminary Injunction issues.

4. Plaintiffs have shown that the issuance of the Preliminary Injunction would not be adverse to the public interest. In fact, the Court finds that the Preliminary Injunction would be consistent with the public interest.

5. Plaintiffs have additionally shown a substantial likelihood of success on the merits

of this matter.

Therefore the Court Orders as follows:

1. The Plaintiffs' Motion for a Preliminary Injunction is granted and the Temporary Restraining Order previously ordered by the Court on July 21, 2008 is hereby converted to a Preliminary Injunction during the pendency of this action until further order of this Court;

2. The Court finds that had the facts presented in Plaintiffs' Motion to Reconsider the Defendants' Emergency Motion to Amend the Temporary Restraining Order been known to the Court it would, in fact, have ruled differently. The Court vacates the Order it executed on August 5, 2008 appointing F. Wayne Elggren in place of Lee Scharf as Receiver and confirms that Lee Scharf is and shall remain the Receiver of Veltex Corporation with all of the powers granted unto him pursuant to the Temporary Restraining Order. The Court specifically finds that Mr. Scharf is in a better position to keep the company running, he is on-site and he has already made substantial progress in locating assets and attempting to reestablish the company's marketing functions. The Court has the authority to sustain Mr. Scharf's appointment pursuant to the ruling in *Chen v. Stewart*, 100 P.3d 1177 (Utah 2004), if not otherwise.

3. The Defendants have failed to show good cause as to why they failed to answer or otherwise respond to Plaintiffs Complaint within the time permitted pursuant to the rules. The Court therefore denies Defendants' Motion to Set Aside Entries of Default.

4. Plaintiffs' Motion for Reconsideration of the Court's Ruling on Plaintiffs' Emergency Motion is granted.

5. The individual Defendants are hereby specifically ordered to return to the Receiver all computer servers of Veltex Corporation, all computer towers of Veltex Corporation,

all inventory of Veltex Corporation and to turn over to the Receiver all bank accounts or other assets of Veltex Corporation.

DATED this 15 day of August, 2008.

BY THE COURT:



HONORABLE KATE TOOMEY
THIRD DISTRICT COURT JUDGE


Approved as to Form:


Knute A. Rife
Attorney for Defendants

I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT, SALT LAKE COUNTY, STATE OF UTAH.

DATE: 08-22-2008


DEPUTY COURT CLERK

