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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

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JAMES N. HATTEN, Clerk
By: *[Signature]*
Deputy Clerk

JAN 06 2011

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By: *[Signature]*
Deputy Clerk

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

Civil Action No.

v.

STANLEY J. KOWALEWSKI
and SJK INVESTMENT
MANAGEMENT, LLC,

Defendants.

1:11-CV-0056

TCB

**ORDER TO SHOW CAUSE, TEMPORARY RESTRAINING
ORDER, ORDER FREEZING ASSETS, ORDER REQUIRING AN
ACCOUNTING, ORDER PROHIBITING DESTRUCTION OF
DOCUMENTS AND ORDER EXPEDITING DISCOVERY**

Upon the Motion of the Plaintiff Securities and Exchange Commission ("Commission"), upon the Certification of the Commission submitted pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, and upon the Complaint in this action and supporting documents relied on and submitted therewith, and it appearing from the allegations set forth in the papers submitted by the Commission that the Defendants Stanley J. Kowalewski ("Kowalewski") and SJK Investment Management, LLC ("SJK"), pending final determination of this action may, unless

restrained, continue to engage in acts and practices which constitute violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77e(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(1) (2) and (4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8], and that Defendants may dissipate funds fraudulently obtained, and it appearing that adequate grounds exist for the issuance of this Order,

I.

IT IS HEREBY ORDERED that Defendants show cause, if any there be, before Judge Timothy C. Batten, Sr. of this Court, at 2 o'clock p.m. on the 20th day of January, 2010, in Courtroom 1788 of the United States Courthouse for the Northern District of Georgia, Richard B. Russell Federal Building and Courthouse, 75 Spring Street, S.W., Atlanta, Georgia 30303-3361, or as soon thereafter as the matter can be heard, why a Preliminary Injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure should not be granted, as requested by the Commission.

II.

IT IS FURTHER ORDERED that until further order of this Court Defendants, their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them, in connection with the purchase or sale or in the offer or sale of securities, by use of any means or instrumentalities of interstate commerce or any means or instruments of transportation or communication in interstate commerce, or by the mails or any facility of any national securities exchange, be, and hereby are, enjoined and restrained from, directly or indirectly:

- (a) employing any device, scheme or artifice to defraud;
- (b) engaging in any act, practice, transaction or course of business which operates or would operate as a fraud or deceit upon any person;
- (c) obtaining money or property by means of any untrue statement of a material fact, or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (d) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading,

in violation of Section 17(a) of the Securities Act, 15 U.S.C. 77q(a), Section 10(b) of the Exchange Act of 1934, 15 U.S.C. 78j(b), and Rule 10b-5, 17 C.F.R. 240.10b-5, thereunder.

II.

IT IS FURTHER ORDERED that, pending determination of the Motion for Preliminary Injunction, Defendants, their agents, servants, employees, attorneys and those persons in active concert or participation with them, and each of them, be and hereby are, restrained from violating Section 206(1) and (2) of the Advisers Act [15 U.S.C. 80b-6(1) and (2)], by, while acting as an investment adviser, making use of means and instruments of transportation and communication in interstate commerce and of the mails:

- (a) to employ any device, scheme, or artifice to defraud any client or prospective client; or
- (b) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

III.

IT IS FURTHER ORDERED that, pending determination of the Motion for Preliminary Injunction, Defendants and their agents, servants, employees, attorneys and those persons in active concert or participation with them, be, and they hereby

are, restrained from, directly or indirectly:

- (a) making any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle; or
- (b) otherwise engaging in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle

in violation of Section 206(4) of the Advisers Act and Rule 206(4)-8, 17 C.F.R. § 275.206(4)-8].

IV.

IT IS FURTHER ORDERED that, pending determination of the Motion for Preliminary Injunction and further order of this Court, all assets of, or under the control of Defendants are frozen. The freeze shall include, but not be limited to, those funds located in any bank or brokerage accounts of Defendants and SJK and Absolute Return Fund, LLC, SJK Absolute Return Fund, Ltd. and SJK Special Opportunities Fund, LP (collectively “Kowalewski Funds”), who are further identified and described in the Commission’s Complaint. Defendants, the Kowalewski Funds, their respective officers, agents, servants, employees, attorneys,

and all persons in active concert or participation with them, except any trustee, receiver or special fiscal agent appointed by this Court, be, and hereby are, restrained from, directly and indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets and property owned by, controlled by, or in the possession of said Defendants or the Kowalewski Funds. This Court further enjoins any disbursement by Defendants, the Kowalewski Funds, their respective agents, representatives, employees and officers and all persons acting in concert or participation with them, whatever business names they may operate under, of any proceeds derived from the securities offerings alleged in the Commission's Complaint, regardless of where said proceeds are located. The freeze shall include but not be limited to those funds located in any bank accounts, brokerage accounts, and any other accounts or property of Defendants or the Kowalewski Funds.

V.

IT IS FURTHER ORDERED that, pending determination of the Motion for Preliminary Injunction, Defendants and their officers, agents, employees, servants, attorneys, and any bank, brokerage firm, mutual fund, hedge fund or other financial entity or institution or any other person, partnership, corporation or other entity maintaining, holding or having custody or control of any assets of the

Defendants or the Kowalewski Funds who receive actual notice of this Order, and all persons in active concert or participation with them, and each of them, are restrained and enjoined from destroying, transferring or otherwise rendering illegible all books, records, papers, ledgers, accounts, statements and other documents employed in any of such Defendants' business, which reflect the business activities of any Defendant, or which reflect the transactions described in the Commission's Complaint.

VI.

IT IS FURTHER ORDERED that the Commission may take expedited discovery as follows:

B. Pursuant to Rule 30(a) of the Federal Rules of Civil Procedure, the Commission may take depositions upon oral examination subject to three days notice ~~prior to the expiration of thirty (30) days after service of the Summons and Complaint upon Defendants,;~~ ^{yes}

C. Pursuant to Rule 33(a) of the Federal Rules of Civil Procedure, Defendants shall answer all the Commission's interrogatories within three (3) days of service of such interrogatories;

- D. Pursuant to Rule 34 of the Federal Rules of Civil Procedure, upon request of the Commission, Defendants shall produce all documents within three (3) days of service of such request;
- E. Pursuant to Rule 36(a) of the Federal Rules of Civil Procedure, Defendants shall answer all of the Commission's requests for admissions within three (3) days of service of such request;
- F. The Commission may serve discovery by facsimile or by any other means provided for within the Federal Rules of Civil Procedure;
- G. All written responses to the Commission's requests for discovery under the Federal Rules of Civil Procedure shall be delivered to the Commission at 3475 Lenox Road N.E., Suite 500, Atlanta, Georgia 30326-1232, or such other place as counsel for the Commission may direct, by the most expeditious means available, including facsimile.

VII.

IT IS FURTHER ORDERED that each Defendant prepare and present to this Court and to the Commission a sworn accounting of all funds received by that Defendant pursuant to the scheme described in the Commission's Complaint and of the disposition and use of said proceeds. This accounting shall include, but not be limited to, the name, address and contact person for each Investor (or for entities

contracting with investors) in SJK Absolute Return Fund, Ltd. and SJK Special Opportunities Fund, LP and SJK Special Opportunities Fund, LP, the amount invested, the total amount received from investors, the date each such investment was made and a listing of all expenditures showing the amount and to whom paid and the date of payment. The accountings shall be submitted to this Court and served upon the Commission within five (5) days from the date of entry of this Order.

VIII.

IT IS FURTHER ORDERED that any bank, brokerage firm, mutual fund, hedge fund or other financial entity or institution or any other person, partnership, corporation or other entity maintaining or having custody or control of: (a) any brokerage or depository accounts or other assets of the Defendants or the Kowalewski Funds; or, (b) accounts into which proceeds of the subject investment offering(s) have been deposited; (c) accounts or assets under the direct or indirect control of any Defendant or the Kowalewski Funds, or (d) other tangible or intangible assets under the direct or indirect control of any Defendant or any of the Kowalewski Funds, who receives actual notice of this Order, shall:

- (i) freeze such accounts, funds or assets;
- (ii) within five (5) business days of receipt of such notice, file with

