SUPERIOR COURT OF NEW JERSEY
MONMOUTH VICINAGE
FILED
MAY 12 2006
ALEXANDER D. LEHRER,
JSC

ZULIMA V. FARBER, Attorney General of the State of New Jersey, on behalf of FRANKLIN L. WIDMANN, Chief of the New Jersey Bureau of Securities,

Plaintiff,

v.

GARY S. KLEIN, JOSEPH SPUGANI, NIZAR AZZAM, R.E.I. GROUP, INC., a New Jersey Corporation, R.E.I. HIGHLAND PARK, LLC, a New Jersey Limited Liability Company, HOBE SOUNDS INVESTORS, LLC, a New Jersey Limited Liability Company, HOBE SOUND FL - GOMEZ, LLC, a New Jersey Limited Liability Company, HOBE SOUND, FL - DOTTIE, LLC, a New Jersey Limited Liability Company, JUMPING BROOK ROAD, LLC, a New Jersey Limited Liability Company, 218 1/2 4TH AVENUE, LLC, a New Jersey Limited Liability Company, 601 BANGS AVENUE, LLC, a New Jersey Limited Liability Company, 711 BANGS AVENUE ASBURY PARK, LLC, a New Jersey Limited Liability Company, 613 BANGS AVENUE ASBURY PARK, LLC, a New Jersey Limited Liability Company, 600 MAIN STREET, LLC, a New Jersey Limited Liability Company, 1001 MAIN STREET ASBURY PARK, LLC, a New Jersey Limited Liability Company, 400 MAIN STREET AVON, LLC, a New Jersey Limited Liability Company, RIVERDALE COMMONS

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION - COUNTY OF MONMOUTH
Docket No. C-109-06

Civil Action

CONSENT ORDER APPOINTING FISCAL MONITOR AND GRANTING OTHER ANCILLARY RELIEF

LLC, a New Jersey Limited Liability Company, RIVERDALE MORTGAGE INVESTORS, LLC, a New Jersey Limited Liability Company, 716 COOKMAN AVENUE, LLC, a New Jersey Limited Liability Company, 633 COOKMAN AVENUE, LLC, a New Jersey Limited Liability Company, 310 MAIN STREET ASBURY PARK, LLC, a New Jersey Limited Liability Company, 505 SUMMERFIELD AVENUE, LLC, a New Jersey Limited Liability Company, 508 MONROE AVENUE, LLC, a New Jersey Limited Liability Company, REI GROUP @ THE DELMONTE HOTEL, LLC, a New Jersey Limited Liability Company, REI GROUP @ THE STERLING, LLC, a New Jersey Limited Liability Company, REI GROUP AT INZA AND SOUTH 11TH, LLC, a New Jersey Limited Liability Company, REI GROUP AT 205 SECOND AVENUE, LLC, a New Jersey Limited Liability Company, HSM PROPERTY, L.P., a New Jersey Limited Liability Partnership, ROAN LANE DEVELOPMENT GROUP, LLC, a Florida Limited Liability Company, MT. DORA DEVELOPMENT GROUP, LLC, a Florida Limited Liability Company, FORT PIERCE, FL - HOPE POINT, LLC, a Florida Limited Liability Company.

Defendants.

This matter is brought before the Court by Zulima V. Farber, Attorney General of New Jersey (Deputy Attorney General

Samuel Scott Cornish appearing), on behalf of Franklin L. Widmann, Chief of the New Jersey Bureau of Securities (the "Bureau") with offices at 153 Halsey Street, 6th Floor, Newark, New Jersey, seeking preliminary injunctive and ancillary relief under R. 4:52-1, R. 4:67-1, and the Uniform Securities Law (1997) of New Jersey, N.J.S.A. 49:3-47 et seq. (the "Securities Law").

On April 19, 2006, the Court entered an Order to Show Cause with Temporary Restraints, which, among other things, temporarily restrained defendant Nizar Azzam ("Defendant Azzam") from violating certain provisions of the Securities Laws, froze his assets, and prohibited the destruction and ordered the preservation of evidence.

On April 24, 2006, the Court entered an Order preliminarily enjoining Defendant Azzam from violating certain provisions of the Securities Laws, requiring Defendant Azzam to produce a verified accounting within sixty days of the entry of that Order, appointing Jerold L. Zaro, Esq. as Defendant Azzam's fiscal monitor, partially vacating the asset freeze imposed by the Court's April 19, 2005 order, and prohibiting Defendant Azzam from spending, disbursing, or dissipating assets, except for necessary living expenses, such as food, utility bills, taxes, and other expenses that are normally expended in the

ordinary course of living, including reasonable attorneys' fees, ("the April 24th Order").

The Court has considered the Verified Complaint, Certification of Investigator Julian Leone, Certification of Investor Donna Winters, and Brief In Support of Plaintiff's Application; and for good cause shown:

IT IS ON THIS 12th DAY OF MAY 2006 AGREED AND ORDERED that the April 24th Order be and hereby is vacated; and

IT IS FURTHER AGREED AND ORDERED that Defendant Azzam is:

1. Preliminarily enjoined and restrained from engaging in the conduct alleged in the Verified Complaint and any conduct in violation of the Securities Law;

2. Preliminarily enjoined and restrained from issuing, offering, or selling any unregistered securities, including the REI Notes, to, from, or within the State of New Jersey in violation of N.J.S.A. 49:3-60;

3. Preliminarily enjoined and restrained from issuing, offering, or selling any securities, including the REI Notes, in a fraudulent or deceitful manner in violation of N.J.S.A. 49:3-52(a), (b), (c);

4. Preliminarily enjoined and restrained from acting as unregistered broker-dealers or agents in the State of New Jersey in violation of N.J.S.A. 49:3-56(a);

5. Preliminarily enjoined and restrained from employing unregistered agents in the State of New Jersey in violation of N.J.S.A. 49:3-56(h);

6. Preliminarily enjoined and restrained from destroying or concealing any documents, evidence, books, or records relating in any way to the business, operations, or affairs of Defendants or the finances and current or past assets, including past and existing bank accounts, of the individual defendants;

7. Required to preserve all data or information on any computer, personal hand-held device, or other electronic device relating in any way to the business, operations, or affairs of Defendants or the finances and current or past assets, including past and existing bank accounts, of the individual defendants; and

8. Required to, within sixty days of the date of the entry of this Order, provide a verified accounting of all assets, funds, and property held directly or indirectly by Defendant Azzam that stems from, was generated by, obtained in connection with, or that relates in any manner to the business or operations of Defendants, including, but not limited to, any funds that originated from or were obtained from an investor of Defendants.

IT IS FURTHER AGREED AND ORDERED that:

9. Jerold L. Zaro, Esq. is the fiscal monitor of Defendant Azzam;

10. In addition to the other duties and prohibitions in this Order, Defendant Azzam shall:

a. within ten business days of the entry of this Order, produce to Mr. Zaro an informal accounting of all his assets. Throughout this Order, the term "assets" includes, but is not limited to, real property, personal property, checking and savings accounts, brokerage and trading accounts, all assets frozen by and delineated in the Court's April 19, 2006 Order, and all other assets and property of every description;

i. the informal accounting is separate and distinct from the Court-ordered verified accounting;

ii. production of the informal accounting shall not constitute any admission regarding the origin of Defendant Azzam's assets;

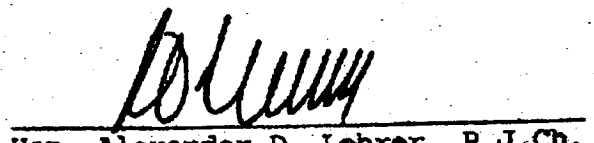
b. Submit a monthly report to Mr. Zaro setting forth the aggregate amount of all expenditures or disbursements and all incursions of debt in

the previous calendar month; the monthly report shall be submitted to Mr. Zaro by 5:00 p.m. on the second Friday of every month, commencing on Friday, May 12, 2006, and continuing through the resolution of this case with respect to Defendant Azzam;

c. Obtain Mr. Zaro's approval, which shall not be unreasonably withheld, prior to making an expenditure, disbursement or incursion of debt in an amount greater than $5,000.

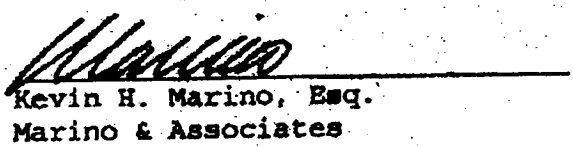
11. All parties shall receive the documents and information produced to Mr. Zaro under this Order; and

12. Either party to this Consent Order shall be permitted to seek modification of its terms on short notice to the other as permitted by the Court's schedule.



Hon. Alexander D. Lehrer, P.J.Ch.

Consenting to the Form, Content,
And Entry of this Order

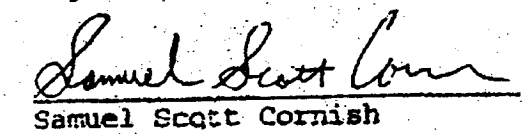


Dated: May 9, 2006

Kevin H. Marino, Esq.
Marino & Associates
One Newark Center, 9th Floor
Newark, New Jersey 07102-5211
Attorneys for Defendant Nizar Azzam

Consenting to the Form, Content,
And Entry of this Order

ZULIMA V. FARBER
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiff

By: 

Dated: May 10, 2006

Samuel Scott Cornish
Deputy Attorney General

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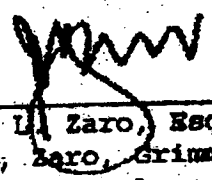
And Entry of this Order



Dated: May 9, 2006

Jerold L. Zaro, Esq.
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Ocean, New Jersey 07712