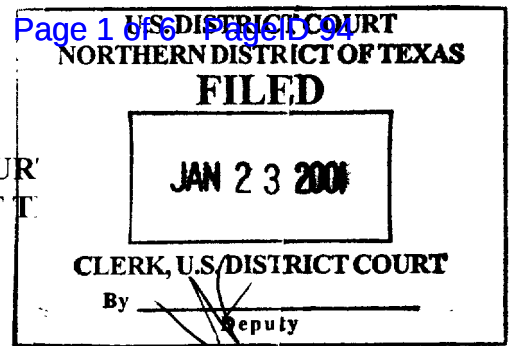


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UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

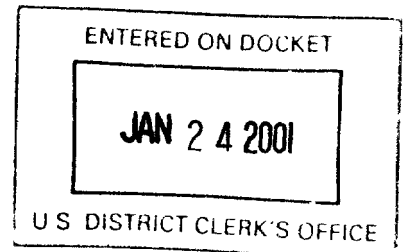
vs.

LE CLUB PRIVE, S.A.,

Defendants.

Case No. 3:00-CV-1851-R

Chief Judge Jerry Buchmeyer



**FINAL JUDGMENT BY DEFAULT AS TO  
LE CLUB PRIVE, S.A., ZDENEK KIESLICH, LE BARON SOLIDARITY, S.A.,  
LE BARON INSURED FUND, LE BARON HIGH INCOME FUND, AND  
LE BARON HIGH YIELD FUND**

This matter came before this Court on the motion of Plaintiff Securities and Exchange Commission, seeking entry of a final judgment by default, providing it with the relief requested in its Complaint against Defendants Le Club Prive, S.A., Zdenek Kieslich, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund, by reason of their failure to answer the Commission's Complaint, or otherwise appear in or defend this civil action.

This Court having considered the pleadings and declarations on file herein makes the following findings of fact and conclusions of law:

1. The Commission's Complaint against Le Club Prive, S.A., Zdenek Kieslich, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund was filed on August 24, 2000, and Le Club Prive, S.A., Zdenek Kieslich, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund were

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served with the Commission's Complaint, and this Court's Summons, on August 25, 2000.

2. Defendants Le Club Prive, S.A., Zdenek Kieslich, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund have not filed an answer nor have they otherwise appeared before this Court to defend in this cause. The allegations in the Commission's Complaint as to Le Club Prive, S.A., Zdenek Kieslich, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund conduct and activities are, as to them, deemed admitted.

3. Defendants Le Club Prive, S.A., Zdenek Kieslich, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund are not infants, nor incompetent. Defendants Le Club Prive, S.A., Zeneca Kinesics, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund are not eligible for relief under the Soldiers' and Sailors' Civil Relief Act of 1940 [50 U.S.C. Appendix, § 501 et seq.].

4. The Commission is entitled to entry of a final judgment of permanent injunction as to Le Club Prive, S.A., Zdenek Kieslich, , Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund for violating Sections 5(a), 5(c) and 17(a) of the Securities Act, 15 U.S.C. §§77e(a), 77e(c) and 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5; and against Le Baron Insured Fund, Le Baron High Income Fund and Le Baron High Yield Fund for additional violations of Section 7(a), or alternatively Section 7(d), of the Investment Company Act of 1940, 15 U.S.C. §§80a-7(a) and 80a-7(d) as alleged in the Complaint.

On the basis of the foregoing findings of fact and conclusions of law, **IT IS THEREFORE**

**ORDERED:**

Final Judgment by Default  
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I.

A. Defendants Le Club Prive, Zdenek Kieslich, Le Baron Solidarity, Le Baron Insured Fund, Le Baron High Income Funds and Le Baron High Yield Fund and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this final judgment by personal service or otherwise, and each of them, are restrained and enjoined from:

B. Violating Section 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §77q(a), by directly or indirectly, in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails: (1) employing any device, scheme or artifice to defraud; or (2) obtaining money or property by means of any untrue statement of material fact or any omission to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which they were made, not misleading; or (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser.

C. Violating Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §78j(b), by directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails or of any facility of any national securities exchange, using or employing in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered any manipulative or deceptive device or contrivance in contravention of a rule or regulation prescribed by the Securities and Exchange Commission.

D. Violating Rule 10b-5 of the Securities and Exchange Commission, 17 C.F.R. §240.10b-5, by directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails

or of any facility of any national securities exchange: (1) employing any device, scheme or artifice to defraud; (2) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which were made, not misleading; or (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

E. Violating Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §77e(a) and (c), by directly or indirectly, (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security through the use or medium of any prospectus or otherwise; or (b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, a security for the purpose of sale or for delivery after a sale, unless a registration statement is in effect as to that security; or (3) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security unless a registration statement has been filed with the Securities and Exchange Commission as to that security or while the registration statement is the subject of a refusal order or a stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. §77h.

F. With respect to Defendants Le Baron Insured Fund, Le Baron High Income Funds and Le Baron High Yield Fund and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating Section 7(a) or alternatively 7(d) of the Investment Company Act of 1940, by directly or indirectly, unless registered under Section

8 of the Investment Company Act, (a) offering for sale, selling, or delivering after sale, by the use of the mails or any means or instruments of interstate commerce, any security or any interest in a security, whether the issuer of such security is such investment company or another person, or by offering for sale, selling or delivering after sale any such security or interest, having reason to believe that such security or interest will be made the subject of a public offering by use of the mails or any means or instruments of interstate commerce; (b) purchasing, redeeming, retiring, or otherwise acquiring or attempting to acquire, by use of the mails or any means or instruments of interstate commerce, any security or any interest in a security, whether the issuer of such security is such investment company or another person; (c) controlling any investment company which does any of the acts enumerated in paragraphs (a) and (b) above; (d) engaging in any business in interstate commerce; or (e) controlling any company which is engaged in any business in interstate commerce.

## II.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to setting disgorgement, and prejudgment interest thereon, and all other relief requested by the Commission in its Complaint.

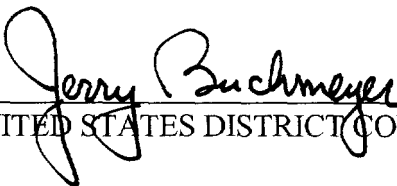
## III.

This Order may be served upon Le Club Prive, S.A., Zdenek Kieslich, Le Baron Solidarity, S.A., Le Baron Insured Fund, Le Baron High Income Fund, and Le Baron High Yield Fund in person or by electronic mail either by the United States Marshal, the Clerk of the Court, or any member of the staff of the Securities and Exchange Commission.

IV.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Order pursuant to Rules 58 and 79 of the Federal Rules Civil Procedure.

SIGNED this 23 day of JAN., 2001.

  
UNITED STATES DISTRICT COURT JUDGE