



U.S. SECURITIES AND EXCHANGE COMMISSION

Securities and Exchange Commission

Litigation Release No. 17872 / December 3, 2002

Commission Obtains Permanent Injunctions Against Individual Defendants in Offering Fraud Scheme

Securities and Exchange Commission v. California Autocare Corporation, Autocare Americorp, Joseph Sanfellipo, James E. Gasper, Kimball R. Vance, Jr. and Elihu M. Sigal, (Case No. EDCV 02-1999 VAP (SGLx)(C.D. Cal.)

On November 23, 2002, the U.S. District Court in Riverside, California entered permanent injunctions against Joseph Sanfellipo, James E. Gasper, Kimball R. Vance, Jr., and Elihu Sigal, who consented to permanent injunctions without admitting or denying the Commission's allegations. The Court also entered preliminary injunctions against defendants California AutoCare Corporation and AutoCare Americorp, continued the asset freeze and appointed a permanent receiver.

The Commission alleged that Sanfellipo raised at least \$500,000 through the sale of California Autocare Corporation stock. The Commission further alleged that California AutoCare communicated to investors that (1) California Autocare and Autocare Americorp had significant business relationships with Shell Oil Company, NAPA Auto Parts, Monroe, and Interstate Batteries, when in fact they did not; (2) there were 20 Autocare retail locations throughout California, when in fact there were only 5; and (3) California AutoCare and AutoCare America were negotiating sponsorship deals with Starbucks and Krispy Kreme Doughnuts, when in fact they were not.

The Commission further charged California AutoCare, AutoCare Americorp, Sanfellipo and Gasper with violations of the securities registration and antifraud provisions of the federal securities laws, namely Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) and Rule 10b-5 thereunder of the Securities Exchange Act of 1934 ("Exchange Act"). The Commission charged Vance and Sigal with violations of the securities and broker-dealer registration provisions of the securities laws, namely Sections 5(a) and 5(c) of the Securities Act and Section 15(a) of the Exchange Act. The amounts of disgorgement and penalties sought have not yet been determined.

Prior Litigation Release dealing with this case: LR-17844.

<http://www.sec.gov/litigation/litreleases/lr17872.htm>