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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COADUM ADVISORS, INC., MANSELL CAPITAL PARTNERS III, LLC, JAMES A. JEFFERY, THOMAS E. REPKE, COADUM CAPITAL FUND 1, LLC, COADUM CAPITAL FUND II, LP, COADUM CAPITAL FUND III, LP, and MANSELL ACQUISITION COMPANY LP,

Defendants.

Civil Action No. 1:08-CV-0011-ODE

ORDER GRANTING SEC'S MOTION FOR SUMMARY JUDGMENT, ENTERING FINAL JUDGMENT AND IMPOSING DISGORGEMENT, PREJUDGMENT INTEREST AND CIVIL PENALTIES AGAINST DEFENDANTS JEFFERY AND REPKE

Plaintiff Securities and Exchange Commission ("Commission") has filed its complaint herein. Defendants Jeffery and Repke have previously entered their general appearances, and have admitted the in personam jurisdiction of this Court over them and the jurisdiction of this Court over the subject matter of the action.

By order of this Court entered January 25, 2008, Jeffery and Repke were permanently enjoined from further violations of the antifraud provisions and fraud by an investment advisor provision of the federal securities laws. That order also directed that Jeffery and Repke "shall pay disgorgement and pre-judgment interest in an amount to be resolved upon motion of the Commission at a later date." In addition, the order also provided that Jeffery and Repke "shall pay a civil penalty in an amount to be resolved upon motion of the Commission at a later date." The order further provided, that for purposes of the Commission's motion to set disgorgement, prejudgment interest and to impose civil penalties, the allegations of the Commission's complaint shall be deemed to be true, and that Jeffery and Repke may not by way of defense contend that disgorgement, prejudgment interest and a civil penalty should not be imposed. Defendants Jeffery and Repke stipulated to the terms of the January 25, 2008 order against them.

The Commission's motion for summary judgment and to set disgorgement, prejudgment interest and civil penalties against Jeffery and Repke is currently before this Court. All of the allegations of the Commission's complaint are deemed to be true for purposes of this motion for summary judgment. The Commission's motion is also based upon the Declaration of Pat Huddleston, II, who serves as the court appointed

Receiver in this matter. Huddleston's Declaration sets forth the amounts by which Jeffery and Repke profited and benefitted from their fraud. In the Receiver's declaration in support of this motion for summary judgment, he concludes that defendant Jeffery benefitted from the fraud in the amount of $1,228,739.29 (Huddleston Declaration, ¶ 6-15), and that defendant Repke benefitted from the fraud in the amount of $2,739,862.33. (Huddleston Declaration, ¶ 16-26). The spreadsheet exhibits attached to the Receiver's Declaration set forth the precise and numerous transactions through multiple entities, by which Jeffery and Repke received the benefit of their fraud at the Receiver's expense. For example, among other improprieties, nearly a quarter million dollars of Coadum investor funds were transferred to a law firm with instructions to apply those funds to the personal residence for defendant Jeffery. As to defendant Repke, he regularly transferred funds to small businesses, without disclosure to Coadum investors, including businesses owned by his sister, and other businesses where the funds were "for the purchase of real estate," but where no such real estate was purchased. Based upon all of the information before this Court, the Court concludes that disgorgement is appropriate against defendant Jeffery in the amount by which he benefitted from the fraud, or $1,228,739.29. The Court

also concludes that disgorgement is appropriate against defendant Repke in the amount by which he benefitted from the fraud, or $2,739,862.33.

The Sullivan Declaration provides the SEC's prejudgment interest calculation for defendant Jeffery, which totals $110,512.02, and for defendant Repke which totals $246,421.47. The Court concludes that the total disgorgement and interest that should be imposed against defendant Jeffery equals $1,339,251.31. The Court further concludes that the total disgorgement and interest that should be imposed against defendant Repke equals $2,986,283.80. The amounts of prejudgment interest sought are reasonable, in that they are based upon the same quarterly interest rates used by the Internal Revenue Service for unpaid taxes.

The Commission also seeks summary judgment on the issue of a civil penalty against defendants Jeffery and Repke. Section 20(d) of the Securities Act of 1933 ("Securities Act") and Section 21(d)(3) of the Securities Exchange Act of 1934 ("Exchange Act") provide that the Commission may seek to have a court impose civil penalties for any violations of those acts. Civil monetary penalties pursuant to the Securities Act and the Exchange Act are required to be adjusted for inflation. Jeffery's and Repke's conduct herein occurred in 2006, 2007 and 2008, a period after the time that the adjustment became effective in early 2001. 17 C.F.R. § 201.1001, Adjustment of Civil Monetary

Penalties - 1996. LEXSEE 66 FR 8761 at 8762. The amounts of civil monetary penalties applicable herein are, therefore, the amounts for the relevant time of the violations.

First tier penalties for any violation (arising from conduct that as here, occurred after February 1, 2001) is appropriate in an amount not to exceed the greater of (a) $6,500 for any natural person and $60,000 for any other person, or (b) the gross amount of pecuniary gain for the defendant. Where fraud has occurred, the maximum penalty amounts rise to the greater of (a) $60,000 for any natural person and $300,000 for any other person, or (b) the gross amount of pecuniary gain for the defendant. When a defendant's violative conduct involved fraud and resulted in substantial losses to others, or significant risk of losses, a district court may impose a civil penalty in an amount not to exceed the greater of (a) $120,000 for a natural person and $600,000 for any other person, or (b) the gross amount of pecuniary gain for the defendant.[1]

This Court has concluded that it should impose a civil penalty against Jeffery and Repke. They jointly operated as the central point of the scheme,

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[1] Civil monetary penalties pursuant to the Securities Act and the Exchange Act are required to be adjusted for inflation. Jeffery's and Repke's conduct herein occurred in 2006, 2007 and 2008, after the time that the adjustment became effective in early 2001. 17 C.F.R. 201.1001, Adjustment of civil monetary penalties - 1996. LEXSEE 66 FR 8761 at 8762. The amounts of civil monetary penalties applicable herein are, therefore, the amounts for the relevant time of the violations.

when acting through the use of fraud and deceit, they obtained investor funds from the offer and sale of securities by the use of misleading financial information, false representations that a the investors' funds would remain untouched in an attorney's escrow account (when it was virtually immediately transferred to offshore accounts), and a failure to disclose that they were personally authorizing loans to the defendants from the investor funds, in contravention to the disclosures in the private placement memoranda. Jeffery and Repke also generated false account statements and sent them to investors. Those false account statements falsely represented to the investors that they had "earnings," when in fact the funds had not yet been invested and no earnings had therefore been generated. Jeffery and Repke clearly acted with scienter. As the companies' officers and directors, their state of mind is also imputed to the relevant company defendants. See Armstrong, Jones & Co. v. SEC, 421 F.2d 359, 362 (6th Cir.), cert. denied, 398 U.S. 958 (1970); SEC v. Interlink Data Network of Los Angeles, Inc., No. Civ. A93-3073, 1993 WL 603274 at *9, (C.D. Cal. Nov. 15, 1993), rev'd on other grounds, 77 F.3d 1201 (9th Cir. 1996). Jeffery's and Repke's activities clearly involved fraud and deceit. Given the repeated incidents of fraudulent solicitations by Jeffery and Repke, and given the fact that their

activity resulted in substantial losses to investors, a substantial civil penalty is appropriate.

Material Facts To Which No Genuine Issue Exists

From all of the evidence before the Court, it appears that no genuine issue exists as to the following facts:

On 1/23/2008, Jeffery and Repke executed a stipulation and consented to the entry of an order of permanent injunction and other relief in this litigation, in the form ultimately entered by this Court against them on 1/25/2008. (Statement of Material Facts ("SMF") ¶1). The Order provides, with Jeffery's and Repke's respective stipulations thereto, that they "shall pay" disgorgement, prejudgment interest and civil penalties in amounts to be resolved by motion of the Commission, and provided explicitly that for purposes of this motion, *"the allegations of the Commission's complaint shall be deemed to be true."* (SMF ¶2). The Order further provides that Jeffery and Repke may not by way of defense contend that disgorgement, prejudgment interest and civil penalties should not be imposed. (SMF ¶2).

From at least early 2006 through January 2008, Coadum and Mansell fraudulently raised approximately $30 million from investors who purchased interests in Coadum 1, and three limited partnerships, Coadum Capital Fund, II LP ("Coadum II"), Coadum Capital Fund, III LP ("Coadum III") and

Mansell Acquisition Company LP ("MAC") (collectively, the "limited partnerships"). Two of the offerings are ongoing. Jeffery and Repke controlled Coadum and Mansell and directed the offerings. (SMF ¶3). The defendants represented to investors that the investors would receive a return of from 3 to 6 percent per month (or 2.5 to 8 percent for Coadum 1). In addition, the defendants misrepresented to investors that their principal was protected and never left the escrow account, or was secured by collateral. A Coadum sales brochure made a similar statement. (SMF ¶4).

Coadum and Mansell invested the majority of the funds through Exodus Equities, Inc. ("Exodus") a Malta based "investment platform" which in turn appeared to have invested the funds in the Exodus Platinum Genesis Fund, Ltd., a Bermuda hedge fund which had yet to begin operation, and in "Pre-REIT convertible bonds" which had yet to provide any return. (SMF ¶5). In the meantime, the defendants falsely represented in monthly account statements to investors that the investors had been earning approximately four percent per month and that all or most of their principal was in escrow. (SMF ¶6). Without disclosure to investors, defendants Coadum and Mansell also "borrowed" in excess of $3 million of, or against, the investors' funds and disbursed approximately an additional $5 million to apparently related parties. (SMF ¶7). Defendants Jeffery and Repke and the

defendant entities they controlled, by virtue of their conduct, directly or indirectly, have engaged and, unless enjoined, will engage in violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], and 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 Coadum, Mansell, Repke and Jeffery have violated Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. 15 U.S.C. §§ 80b-6 (1) and (2)]. (SMF ¶8).

The Securities Offerings

Between January and May 2006, Coadum solicited residents of Canada and the United States to invest in Coadum 1. (SMF ¶9). Sales representatives promised investors a "perfect blend" of a secure principal and earnings of 2.5-8% per month. (SMF ¶10). In May 2006, the Alberta Securities Commission brought an administrative proceeding against Coadum, Coadum 1, Jeffery, Repke and others, alleging fraud and other violations. (SMF ¶11). Shortly thereafter, Coadum ceased promoting Coadum 1, rolled the investors into Coadum II, and began an offering in the United States and Canada of limited partnership interests in Coadum II. (SMF ¶12).

The Coadum II offering took place between July 2006 and July 2007. (SMF ¶13). In April 2007, Coadum began selling limited partnership interests in Coadum III. That offering was continuing when this case was commenced. (SMF ¶14). On August 31, 2007, Mansell began selling interests in MAC. That offering was also continuing when the complaint in this case was filed. (SMF ¶15). In excess of 150 investors, located throughout the United States and Canada, bought interests in Coadum 1, Coadum II, Coadum III and MAC. (SMF ¶16). Coadum and Mansell raised approximately $30 million from investors who purchased limited partnership interests in the three offerings. (SMF ¶17).

Coadum was general partner and investment adviser to Coadum II and Coadum III, while Mansell was general partner and investment adviser to MAC. (SMF ¶18). An entity denoted Coadum Advisors I, LLC is listed as the general partner of Coadum III. Coadum Advisors I, LLC is described as a Delaware limited liability company. Jeffery and Repke were described as the co-managing members. However, no such entity was registered in Delaware. An entity denoted Coadum Advisors LLC is registered in Delaware and may be the actual general partner. Regardless, Coadum is functionally conducted the offering and received the proceeds. (SMF ¶19).

The limited partnerships and Coadum 1 (an LLC) offered and sold their securities to the public through Jeffery, Repke and Coadum's vice president of marketing, and certain registered representatives associated with a registered broker-dealer. (SMF ¶20).

The PPMs described an investment objective involving the general partner or its team of investment managers pursuing a series of "risk-controlled" strategies. Those strategies allegedly consisted of purchasing AA or better rated securities at one price, and simultaneously selling the securities at a higher price, generating a profit on the price difference, which the PPMs referred to as "commercial trading programs." (SMF ¶21). At least some of the investors were assured of at least 3% and at most 6% return per month (in the case of Coadum 1, 2.5%-8%) on their initial investments and can take accrued earnings in cash at the end of each quarter or roll them over into the limited partnership. (SMF ¶22). The PPMs disclosed that the general partner was allocated, subject to a "hurdle" rate, a performance share equal to 85% of the appreciation credited to the capital account of each limited partner. (SMF ¶23). The PPMs also provided that the partnerships would reimburse the respective general partner for certain reasonable formation and investment related expenses. (SMF ¶24).

Through oral and written communications and meetings with investors, and through power point presentations to representatives associated with broker-dealers, the promoters Jeffrey and Repke, and at least one salesman solicited potential investors to invest in the limited partnerships by depositing a minimum of $100,000 into an escrow account held by Mayer and Associates, PC. ("Mayer PC") or another escrow account held by CFO Escrow Services, LLC, which transferred all deposits to Mayer PC. (SMF ¶25). The "escrow agent" was Mayer PC, a law firm operated by Melanie Mayer, an Atlanta area attorney. (SMF ¶26). Mayer did not apply any escrow criteria to the funds, but forwarded them to Coadum and others as directed by Repke and Jeffery. (SMF ¶27).

From July 2006 through the filing of the complaint in January 2008, investors deposited approximately $30 million into the escrow account for limited partnership interests in Coadum and Mansell. (SMF ¶28). Mayer, as escrow agent, and at the direction of Coadum and Jeffery, wire transferred a substantial majority of that amount to offshore accounts controlled by Exodus Equities, Inc. a Malta based entity. (SMF ¶29). The funds were purportedly invested in the Exodus Platinum Fund, and through Soleil Group Holdings Limited ("Soleil") at banks in Switzerland and on Malta. (SMF ¶30).

Exodus Platinum Fund is a Bermuda exempted mutual fund company. (SMF ¶31). It never launched, never actively traded, and never paid any earnings. (SMF ¶32). Soleil is also controlled by Exodus. (SMF ¶33). Like Exodus Platinum, Soleil has no active investment program and has had no earnings. (SMF ¶34). Soleil is purportedly in the "pre REIT process" of collecting funds to establish a REIT in the Netherlands. (SMF ¶35). Once the REIT is established, it ostensibly plans to issue convertible bonds for shares in the trust. (SMF ¶36). The remainder of the investors' funds were transferred to Coadum and appear to have been distributed to various entities affiliated with the defendants. (SMF ¶37). Meanwhile, the defendants provided investors with monthly statements reflecting returns of four percent per month. (SMF ¶38). Based apparently on those statements, most investors have been rolling over their "profits" or "earnings," or adding new investments. (SMF ¶39). Some investors withdrew money. (SMF ¶40). Approximately $1.7 million was paid out. (SMF ¶41).

In addition, Coadum borrowed $1 million from Coadum 1, $1 million from Coadum II and $1.355 million from investor funds held by Mayer PC. (SMF ¶42). Repke and Jeffery, acting as the board of directors of the respective partnerships or LLC, passed resolutions authorizing the "loans." (SMF ¶43).

Material Misrepresentations and Omissions

Fictitious Returns

Coadum and Mansell falsely represented in monthly account statements to investors that all or most of their principal is in escrow and that they had been earning approximately four percent per month. (SMF ¶44). The investors generally rolled over their "profits" or invested additional funds. (SMF ¶45). As noted above, there were no earnings on the funds invested with Exodus. (SMF ¶46).

Undisclosed Loans

During 2007, Jeffery and Repke, despite their fiduciary duties to the investors, failed to disclose to investors that they borrowed a total of approximately $3.4 million for three loans to Coadum. (SMF ¶47). On October 30, 2006, Repke and Jeffery executed a Resolution of the Board of Directors for Coadum 1 to authorize Exodus Platinum to transfer $1 million to Coadum Advisors as a bridge loan against funds held by Exodus Platinum Fund for "the purpose of liquidity for our projects." (SMF ¶48). On November 2, 2006, bank records show that Exodus deposited by wire transfer $1 million into Coadum's bank account. (SMF ¶49). On March 26, 2007, Repke and Jeffery, acting as the board of Coadum II, executed another resolution for a $1 million bridge loan against Coadum II's funds held by

Exodus for "the purpose of liquidity for our projects." (SMF ¶50). Coadum Advisors' bank account shows this $1 million loan from Exodus Platinum Fund deposited by wire transfer on March 30, 2007. (SMF ¶51). Another undisclosed loan of investors' funds occurred on October 10, 2007, upon Jeffery's direction to the escrow agent to transfer $1.355 million from the escrow account to Coadum's bank account. (SMF ¶52). Those funds were used to fund the operations of Coadum and Mansell, and were also used to make distributions to related entities. (SMF ¶53). The PPMs made no mention that the general partners might loan partnership funds to themselves. (SMF ¶54).

Principal Preservation

The defendants and their agents misrepresented to investors that the investors' principal will be protected. The defendants orally misrepresented to investors that their principal was protected and never left the escrow account. A Coadum sales brochure and other written materials made similar statements. (SMF ¶55). For example, one document offered "Principal Preservation," which was purportedly achieved by leaving client funds on deposit at an escrow company, pledging those funds to an asset manager which provided a U.S. Treasury security equal to the principal amount. The asset manager also established a line of credit against the principal which

was used for trading purposes. The providers of the line of credit purportedly had no recourse against the Treasury security. According to the representations, this procedure guaranteed that the funds were never at risk. (SMF ¶56). Similar representations were reflected in Coadum II's client account statements. The account statements were entitled, "PRINCIPAL PRESERVED ALTERNATIVE INVESTMENTS FOR GROWTH-ORIENTED CLIENTS" and reported the client's total amount of investment funds as "Ending Principal Balance In Escrow Account." (SMF ¶57). The statements also included a Capital Enhancement Program ("CEP") earnings activity report that showed the earnings rolled over (assuming the purported earnings have been rolled over). (SMF ¶58). Accordingly, "the ending principal balance in the escrow account" amounts to the investment funds and purported cumulative earnings. (SMF ¶59). Moreover, another document provided to investors was entitled "A Summary of Codium [sic] Capital Fund 1, LLC Capital Enhancement Program." That document represented that the investor's money will be locked into an escrow account in the investor's name on a "non-recourse" basis and that no one but the investor would have the ability to remove the principal amount. The promoters (Jeffery and Repke) then claimed that they would obtain a "non-recourse leveraged margin account" which would be used for trading, at no

risk to the investor. (SMF ¶60). In fact, no such risk free investment exists. Investors' funds were ever held in escrow as represented but were borrowed by the defendants, disbursed to related entities, and invested in various overseas investments. (SMF ¶61).

I.

DISGORGEMENT AND PREJUDGMENT INTEREST AGAINST DEFENDANT JEFFERY

IT IS HEREBY ORDERED that Defendant Jeffery shall pay disgorgement in the amount of $1,228,739.29, representing the investor funds by which he personally benefitted at the expense of the Coadum investors as a result of his illegal and fraudulent sales of Coadum securities outlined in the Commission's complaint. Pre-judgment interest owed by Jeffery from January 3, 2008 through October 22, 2009, totals $110,512.02. Defendant Jeffery shall satisfy this obligation by paying $1,339,251.31 within 30 days from the date of the entry of this Final Judgment by cashier's check, certified check, or postal money order made payable to the court appointed Receiver, Pat Huddleston, II; hand-delivered or delivered by overnight delivery service to the Receiver at The Huddleston Law Firm, 1300 Ridenour Boulevard, Suite 200, Kennesaw, Georgia 30152; and submitted under a cover letter which identifies James A. Jeffery as a defendant in these proceedings, a copy of which cover letter and money order or check shall be

sent to Edward G. Sullivan, Senior Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232, within 35 days from the entry of this Final Judgment. By making his payment, Defendant Jeffery relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to defendant Jeffery. The Receiver shall deposit the funds into an interest bearing account. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the Receiver until further order of the Court.

II.

DISGORGEMENT AND PREJUDGMENT INTEREST AGAINST DEFENDANT REPKE

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Repke shall pay disgorgement in the amount of $2,739,862.33, representing the investor funds by which he personally benefitted at the expense of the Coadum investors as a result of his illegal and fraudulent sales of Coadum securities outlined in the Commission's complaint. Pre-judgment interest owed by Repke from January 3, 2008 through October 22, 2009, totals $246,421.47. Defendant Repke shall satisfy this obligation by paying $2,986,283.80 within 30 days from the date of the entry of this Final Judgment by cashier's check, certified check, or postal money order made

payable to the court appointed Receiver, Pat Huddleston, II; hand-delivered or delivered by overnight delivery service to the Receiver at The Huddleston Law Firm, 1300 Ridenour Boulevard, Suite 200, Kennesaw, Georgia 30152; and submitted under a cover letter which identifies Thomas E. Repke as a defendant in these proceedings, a copy of which cover letter and money order or check shall be sent to Edward G. Sullivan, Senior Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232, within 35 days from the entry of this Final Judgment. By making his payment, Defendant Repke relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to defendant Repke. The Receiver shall deposit the funds into an interest bearing account. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the Receiver until further order of the Court.

III.

CIVIL PENALTY AGAINST DEFENDANT JEFFERY

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Jeffery pay a civil penalty pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act. Jeffery is ordered to pay the civil penalty in the amount of $ 1,288,739.29 to the Receiver, Pat

Huddleston, II within thirty (30) days from the date of the entry of this Final Judgment by cashier's check, certified check, or postal money order made payable to the Receiver, Pat Huddleston, II; hand-delivered or delivered by overnight delivery service to The Huddleston Law Firm, 1300 Ridenour Boulevard, Suite 200, Kennesaw, Georgia 30152; and submitted under a cover letter which identifies James A. Jeffery as a defendant in these proceedings, a copy of which cover letter and money order or check shall be sent to Edward G. Sullivan, Senior Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232, within 35 days from the entry of this Final Judgment. The Receiver shall deposit the funds into an interest bearing account. The civil penalty funds paid by Defendant Jeffery ("the Penalty Fund"), together with any interest and income earned thereon, shall be held by the Receiver in a separate account designated as such, until further order of the Court. The Court anticipates that it may, post final judgment, oversee and direct a distribution of the civil penalties collected in this matter to investor victims of Coadum's fraud in accordance with the Fair Funds for Investors provision of the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7246(a).

IV.

CIVIL PENALTY AGAINST DEFENDANT REPKE

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Repke pay a civil penalty pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act. Repke is ordered to pay the civil penalty in the amount of $2,739,862.33 to the Receiver, Pat Huddleston, II within thirty (30) days from the date of the entry of this Final Judgment by cashier's check, certified check, or postal money order made payable to the Receiver, Pat Huddleston, II; hand-delivered or delivered by overnight delivery service to The Huddleston Law Firm, 1300 Ridenour Boulevard, Suite 200, Kennesaw, Georgia 30152; and submitted under a cover letter which identifies Thomas E. Repke as a defendant in these proceedings, a copy of which cover letter and money order or check shall be sent to Edward G. Sullivan, Senior Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232, within 35 days from the entry of this Final Judgment. The Receiver shall deposit the funds into an interest bearing account. The civil penalty funds paid by Defendant Repke ("the Penalty Fund"), together with any interest and income earned thereon, shall be held by the Receiver in a separate account designated as such, until further order

of the Court. The Court anticipates that it may, post final judgment, oversee and direct a distribution of the civil penalties collected in this matter to investor victims of Coadum's fraud in accordance with the Fair Funds for Investors provision of the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7246(a).

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter for all purposes, including implementing and enforcing the terms of this Final Judgment, and may order other and further relief that this Court deems appropriate under the circumstances.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there is no just reason for delay, and the Clerk is directed to enter a Final Judgment against defendants Jeffery and Repke pursuant to the terms of this Order, and pursuant to the terms of the Order of Permanent Injunction previously entered in this Court against the defendants on January 25, 2008.

SO ORDERED, this 27 day of January, 2009.

ORINDA D. EVANS, JUDGE
U.S. DISTRICT COURT