

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**USDC-SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: APR 07 2015**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

**GTF ENTERPRISES, INC., GEDREY THOMPSON,
DEAN LEWIS, and SEZZIE GOODLUCK**

Defendants.

10 CV 4258 (RA)

ECF FILING

**AMENDED FINAL JUDGMENT BY DEFAULT AGAINST DEFENDANTS
GTF ENTERPRISES, INC. AND GEDREY THOMPSON**

Plaintiff Securities and Exchange Commission ("Commission"), having commenced this action on May 26, 2010, by filing its Complaint ("Complaint") for injunctive relief charging: (a) Defendants GTF Enterprises, Inc. ("GTF") and Gedrey Thompson ("Thompson"), collectively ("Defendants"), with violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77e(a), 77e(c) and 77q(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]; (b) defendant GTF with violations of Section 7(a) of the Investment Company Act of 1940 ("Company Act") [15 U.S.C. § 80a-7(a)]; and (c) defendant Thompson with violations of Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-6(1), 80b-6(2), 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8]; and following the service of the Summons and Complaint upon GTF on February 4, 2011; and following the service of the Complaint upon Thompson by publication between September 22 and

October 14, 2011 and the Court's Order dated March 1, 2012, deeming Thompson adequately served (Docket # 43); and upon the default of GTF and Thompson for failure to answer, plead or otherwise respond to the Complaint within the time provided by the Federal Rules of Civil Procedure ("FRCP"); and upon the Final Judgment by Default Against Defendants GTF Enterprises, Inc. and Gedrey Thompson, entered by the Court on September 20, 2013 ("Default Judgment") (Docket # 74); and this Court's Order of Reference referring this matter to the designated Magistrate Judge for Inquest After Default/Damages Hearing, dated September 20, 2013 (Docket # 75); and following the service of the Default Judgment and Notice of the Inquest and relevant briefing schedule upon Thompson by publication, between November 14 and December 8, 2013; and upon the Report and Recommendation of Magistrate Judge Kevin N. Fox, dated May 6, 2014 (Docket # 84); and upon Plaintiff's Memorandum of Law Setting Forth its Objections to the Report and Recommendation of Magistrate Kevin N. Fox That No Amount of Civil Penalty Be Awarded Against Defendants (Docket # 88); and upon the Court's Opinion and Order Adopting Report and Recommendation in Part, dated February 19, 2015 (Docket # 89); and this Court having found that it has jurisdiction over Defendants and over the subject matter of this action and the jurisdiction to grant the relief requested by the Commission, and good cause appearing for the entry of this Amended Final Judgment by Default ("Amended Default Judgment"):

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all persons in active concert or participation with either of them who receive actual notice of this Amended Default Judgment by personal service or otherwise are permanently enjoined and restrained from

violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] 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 use of the mails, directly or indirectly, singly or in concert:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain 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 statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

II.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all persons in active concert or participation with either of them who receive actual notice of this Amended Default Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, singly or in concert, Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit 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; or

- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

III.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all persons in active concert or participation with either of them who receive actual notice of this Amended Default Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, singly or in concert, in the absence of any applicable exemption, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] by:

- (a) unless a registration statement is in effect as to a security:
 - (1) making use of any means or instrument of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
 - (2) carrying or causing to be carried through the mails or in interstate commerce by any means or instrument of transportation any such security for the purpose of sale or for delivery after sale; or
- (b) 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 as to such security, or while the registration statement is the subject of a refusal order or 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].

IV.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED

that Defendant GTF and Defendant GTF's agents, servants, employees, attorneys, and all persons in active concert or participation with GTF who receive actual notice of this Amended Default Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, singly or in concert, Section 7(a) of the Company Act, 15 U.S.C. § 80a-7(a), by acting as an investment company:

- (a) without being registered as an investment company; and
- (b) where no exclusion or exemption from registration is available.

V.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that

Defendant Thompson and Defendant Thompson's agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Amended Default Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, singly or in concert, Sections 206(1), 206(2) and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2), 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8], through use of the means or instruments of transportation or communication in interstate commerce, or by the use of the mails, and while engaged in the business of advising others for compensation as to the advisability of investing in, purchasing, or selling securities:

- (a) to employ devices, schemes, or artifices to defraud investors or prospective investors;

- (b) to engage in transactions, practices, and courses of business which operate or would operate as a fraud or deceit upon investors or prospective investors;
- (c) to engage in acts, practices, and courses of business which were fraudulent, deceptive, or manipulative; or
- (d) make untrue statements of material facts or omit to state material facts necessary in order 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 a pooled investment vehicle.

VI.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that

Defendants are liable, jointly and severally, for disgorgement of \$584,457, representing ill-gotten gains as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$355,988.56, for a total of \$940,445.56; and Defendants shall satisfy this obligation by paying \$940,445.56 within fourteen (14) days after entry of the Default Judgment entered on September 20, 2013, to the Securities and Exchange Commission.

Defendants may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendants may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

Enterprise Services Center

Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall each be accompanied by a letter identifying the case title, civil action number, and name of this Court; GTF and Thompson as defendants in this action; and specifying that each payment is made pursuant to the Default Judgment.

Defendants shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action: Cynthia A. Matthews, Senior Counsel, U.S. Securities and Exchange Commission, 3 World Financial Center, Room 400, New York, New York 10281. By making these payments, Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendants.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Default Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

VII.

IT IS FURTHER ADJUDGED, ORDERED AND DECREED that Defendant GTF Enterprises, Inc. shall pay a civil penalty in the amount of \$650,000 and that Defendant Gedrey Thompson shall pay a civil penalty in the amount of \$130,000, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3) and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e), to the

Securities and Exchange Commission. Defendants shall make these payments within fourteen (14) days after entry of this Amended Default Judgment.

Defendants may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendants may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; GTF and Thompson as defendants in this action; and specifying that each payment is made pursuant to this Amended Final Judgment.

Defendants shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making these payments, Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendants. The Commission shall send the funds paid pursuant to this Amended Default Judgment to the United States Treasury. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury. Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

VIII.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that this Amended Default Judgment is binding upon Defendants GTF and Thompson and their agents, servants, employees, and attorneys, and upon all persons in active concert or participation with either of them who receive actual notice of this Amended Default Judgment by personal service or otherwise.

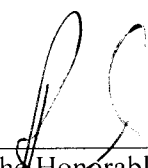
IX.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for purposes of enforcing the terms and conditions of this Amended Default Judgment.

X.

IT IS FURTHER ORDERED that there being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Amended Default Judgment forthwith and without further notice.

Dated: New York, New York
April 7, 2015



The Honorable Ronnie Abrams
United States District Judge

RM