

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CHARLES RICHARD HOMA, et al.

Defendants,

and

LINDY L. GAUSE, LINDA L. NICHOLS AND
NICHOLS AND ASSOCIATES,

Relief Defendants.

99 CV 6895
Hon. Ronald A.
Guzman

DOCKETED
JUL 23 2002

**ORDER OF DISGORGEMENT AND CIVIL PENALTY AGAINST
CHARLES R. HOMA, SUNSET FINANCIAL SERVICES, LLC,
C4T MANAGEMENT, INC., AND T/P FUNDING SERVICES, LLC**

Plaintiff United States Securities and Exchange Commission ("Commission"), having filed an Amended Complaint for Temporary Restraining Order, Preliminary and Permanent Injunction, and Other Equitable Relief ("Amended Complaint"), and the Defendants Charles R. Homa ("Homa"), Sunset Financial Services, LLC ("Sunset Financial"), C4T Management, Inc. ("C4T Management") and T/P Funding Services, LLC ("T/P Funding") (collectively, "the Homa Defendants"), having previously acknowledged receipt of the Amended Complaint, admitted the personal jurisdiction of this Court over them and consented to the entry of the Order of Permanent Injunction against them that the Court entered on March 13, 2000 ("Injunction Order"), and the Homa Defendants having executed the Consent and Stipulation filed with the Court and incorporated herein by reference ("Consent"), and the Commission and the Homa Defendants having waived the entry of Findings of Fact and Conclusions of Law as provided by Rule 52 of the Federal Rules of Civil Procedure, and the Homa

149-1

Defendants, without trial, argument, or adjudication of any issue of fact or law having consented to the entry of this Order of Disgorgement and Civil Penalty against Charles R. Homa, Sunset Financial Services, LLC, C4T Management, Inc. and T/P Funding, LLC ("Disgorgement Order"), and the Court, being fully advised in the premises, hereby states:

I.

IT IS ORDERED that the Injunction Order remains in effect.

II.

IT IS FURTHER ORDERED that the Homa Defendants shall pay disgorgement in the amount of \$157,993,830.25, representing their gains from the conduct alleged in the Commission's Amended Complaint in this matter, plus prejudgment interest of \$35,248,523.55.

III.

IT IS FURTHER ORDERED that Homa pay a third-tier civil penalty imposed pursuant to Section 20(d) of the Securities Act of 1933 [15 U.S.C. § 77t(d)] and Section 21(d) of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)] in the amount of \$110,000.

IV.

IT IS FURTHER ORDERED that Homa Defendants have forever disclaimed all right, title and interest in all assets of every kind, including but not limited to real property, personal property and choses in action, previously transferred to the Receiver in the "Agreed Order Appointing Receiver for Charles Richard Homa and Affiliates" dated November 2, 1999, or otherwise transferred to the Receiver or which are currently being held by the

Receiver or which are transferred to the Receiver in the future in order to satisfy the disgorgement obligation. No part of the receivership estate shall in any event be returned to the Homa Defendants or their successors or assigns. The Homa Defendants will continue to cooperate with the Receiver in the marshalling and liquidation of all such assets including the execution of documents from time to time requested by the Receiver to evidence the transfer of such assets. The Receiver shall have no obligation to file state or Federal Income Tax Returns for the Homa Defendants or pay associated taxes. The Receiver may from time to time abandon assets determined to be of little value.

V.

IT IS FURTHER ORDERED that the attached Consent of Homa, C4T Management, Sunset Financial and T/P Funding be, and hereby is, incorporated herein with the same force and effect as if fully set out.


VI.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all purposes, including enforcement of this Disgorgement Order.

VII.

IT IS FURTHER ORDERED that, there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Disgorgement Order.

Dated: June 6, 2002.


RONALD A. GUZMAN
UNITED STATES DISTRICT JUDGE