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By: *[Signature]*
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JUL 31 2003

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

LUTHER D. THOMAS, Clerk
By: *[Signature]*
Deputy Clerk

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

RICHARD P. SMYTH,
ARNOLD E. JOHNS, JR.,
MICHAEL J. BECKER, and
ALAN T. DAVIS,

Defendants.

Civil Action File No.
1:01-CV-1344-CC

**ORDER IMPOSING DISGORGEMENT AND PREJUDGMENT INTEREST
AGAINST MICHAEL J. BECKER, WAIVING PAYMENT IN EXCESS OF
\$225,000 AND ENTERING FINAL JUDGMENT AGAINST BECKER**

Plaintiff Securities and Exchange Commission ("Commission") has filed its Amended Complaint herein. Defendant Michael J. Becker ("Becker"), has previously entered a general appearance, and has admitted the in personam jurisdiction of this Court over him and the jurisdiction of this Court over the subject matter of the action. By order of this Court dated October 11, 2001, Becker was permanently enjoined from further violations of the antifraud provisions of the federal securities laws. The order of October 11, 2001 directed that Becker shall pay disgorgement and prejudgment interest in amounts to be resolved upon motion of the Commission at a later date.

The Commission has tendered a Stipulation and Consent of defendant Becker. In the stipulation, Becker agrees to the terms of this Order of Disgorgement which sets disgorgement against him in the amount of \$191,127 with prejudgment interest calculated at the quarterly rate for delinquent payments as calculated by the Internal Revenue

service for unpaid debts. Becker has consented to the entry of disgorgement and prejudgment interest against him and has consented to a payment of full disgorgement in the amount, along with prejudgment interest in the amount \$33,873 for a total amount of \$225,000. Becker's agreement to pay \$225,000 in disgorgement and partial prejudgment interest thereon, is conditioned upon a waiver of the payment of prejudgment interest in excess of \$33,873 based upon representations in his sworn statement of financial condition as of February 14, 2003. In accordance therewith, and this Court being fully advised in the premises:

I.

DISGORGEMENT AND PREJUDGMENT INTEREST

IT IS HEREBY ORDERED that Defendant Becker pay disgorgement in the amount of \$191,127, representing his losses avoided, from the conduct alleged in the Complaint, plus pre-judgment interest thereon at the rate used by the Internal Revenue Service for unpaid collections. However, based upon Defendant Becker's sworn representations in his Statement of Financial Condition dated February 14, 2003 and submitted to the Commission with Becker's consent, payment of disgorgement and prejudgment interest in excess of the sum of \$225,000 is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition. Becker is ordered to pay a total of \$225,000 to the United States Treasury. However, based upon Becker's sworn representations in his Statement of Financial Condition dated February 14, 2003, and submitted to the Commission, payment of disgorgement and pre-judgment interest thereon in excess of the sum of \$225,000 is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition. Becker is ordered to pay \$100,000

to the United States Treasury within sixty (60) days from the date of the entry of this Order by cashier's check, certified check, or postal money order made payable to the U.S. Treasury; hand-delivered or delivered by overnight delivery service to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and submitted under a cover letter which identifies Becker 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 65 days from the entry of this order. At each 90 day interval thereafter over the period of two years, Becker shall make payments of at least \$18,000 made payable as noted above, with notice as noted above. The final quarterly payment shall be a balloon payment of the balance due such that Becker's \$225,000 obligation is fully retired within two years from the date of the entry of this Order. The determination to waive the remainder of prejudgment interest is contingent upon the accuracy and completeness of Becker's Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Becker's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition this Court for an order requiring Defendant to pay the remainder of the total amount of prejudgment interest that would have accrued in this matter through the entry of the permanent injunction on October 11, 2001. In connection with any such petition, the only issues shall be whether the financial

information provided by Becker was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Order of Disgorgement, and the Commission may also request additional discovery. Becker may not, by way of defense to such petition, challenge the validity of his Consent or the Order of Disgorgement, contest the allegations in the Complaint filed by the Commission or assert that the payment of the remainder of the ordered disgorgement and/or prejudgment interest should not be ordered.

II.


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 Order, and may order other and further relief that this Court deems appropriate under the circumstances.

(Order and Signature Continued to Next Page)

III.

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 defendant Becker pursuant to the terms of this Order and pursuant to the terms of the Order of Permanent Injunction previously entered in this Court against him on October 11, 2001.

SO ORDERED, this 15th day of August, 2003.


CLARENCE COOPER, JUDGE
UNITED STATES DISTRICT COURT