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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

LARRY W. PROPES, CLERK
CHARLESTON, SC

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	CIVIL ACTION FILE
)	
v.)	NO. 2:02-1806-18
)	
SOUTHERN FINANCIAL GROUP, INC.,)	
RICHARD M. WOOTEN,)	
CHARLES DENNIS McKITTRICK and)	
GERALD F. HUNTER, JR.,)	
)	
Defendants,)	
)	
and)	
)	
SPRINGDALE INVESTMENTS, INC. and)	
ATLANTIC SECURITIES EXCHANGE, INC.,)	
)	
Relief Defendants.)	
)	

FINAL JUDGMENT AS TO GERALD F. HUNTER, JR.

The Securities and Exchange Commission having filed a Complaint and Defendant Gerald F. Hunter, Jr. ("Hunter") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

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I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendant Hunter, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (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:

(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 the 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,

in connection with the purchase or sale of any security.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Hunter, his agents, servants, employees, attorneys,

assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer of any security by the use of any means or instruments of transportation or communication interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of 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.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$996,674, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$153,902, for a total of \$1,120,576. Based on Defendant's sworn representations in his Statement of Financial Condition dated December 9, 2004, and other documents and

information submitted to the Commission, however, the Court is not ordering Defendant to pay a civil penalty and payment of all but \$100,000 of the disgorgement and pre-judgment interest thereon is waived. Hunter is ordered to pay the amount ordered above by paying \$10,000 to the Receiver in this case within ten (10) days from the date of the entry of this Order by cashier's check, certified check, or postal money order made payable to the Receiver; and identifying Hunter as a defendant in these proceedings, a copy of which cover letter and money order or check shall be sent to Alex Rue, Senior Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232. Subsequently, ninety (90) days after the first payment, Hunter shall pay the receiver \$10,000 in the same manner, and make the same notification to counsel for the Commission. At each 90 day interval thereafter for a period of three years (12 quarterly payments), Hunter shall make payments of at least \$4,500 each quarter made payable as noted above, with notice as noted above. Ninety (90) days after the twelfth and final quarterly payment, Hunter shall pay the balance of the \$100,000 that remains owing (\$24,000 if all payments are timely made) plus post-judgment interest accrued on the unpaid balance over the three and one-half (3 1/2) year period as a balloon payment. Post judgment interest shall be calculated at the rate charged by the IRS for unpaid taxes and shall be paid at

the time of the final balloon payment. Further, Defendant Hunter consents that in the event he fails to timely make any quarterly payment, the entire balance of the \$100,000 shall be due and owing, along with accrued post-judgment interest, and that he shall only receive credit for paying one-half (50%) of all funds paid up until that time in calculating the balance owing and postjudgment interest thereon. Defendant Hunter further consents that in the event he fails to timely make the final balloon payment, the entire balance shall be due and owing and he shall not receive credit for having paid any of the \$4,500 quarterly payments, i.e. Hunter will owe \$80,000 plus the accrued postjudgment interest.

The determination not to impose a civil penalty and to waive payment of all but \$100,000 of the disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of Defendant's Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant'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 the Court for an order requiring Defendant to pay the unpaid portion of the

disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant 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 Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1) challenge the validity of the Consent or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VI.

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 Final Judgment forthwith and without further notice.

Dated: January 17, 2005.


UNITED STATES DISTRICT JUDGE