

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA

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| SECURITIES AND EXCHANGE COMMISSION, | : | |
| | : | |
| Plaintiff, | : | |
| | : | |
| v. | : | Civil Action No. 3:08CV174 |
| | : | |
| RALPH GREGORY GIBBS, | : | |
| | : | |
| Defendant. | : | |

FINAL JUDGMENT AS TO DEFENDANT RALPH GREGORY GIBBS

The Securities and Exchange Commission having filed a Complaint and Defendant Ralph Gregory Gibbs having entered a general appearance; consented to the Court's jurisdiction over Gibbs 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:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Gibbs and Gibbs' agents, servants, employees, attorneys, 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, 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 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.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Gibbs and Gibbs' agents, servants, employees, attorneys, 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 of 1933 (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 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 FURTHER ORDERED, ADJUDGED, AND DECREED that Gibbs and Gibbs' agents, servants, employees, attorneys, 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 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments 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;

- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

- (c) 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 with the Commission 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 ORDERED, ADJUDGED, AND DECREED that:

- (a) Gibbs is liable for disgorgement of \$20,999,561, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$421,857, for a total of \$21,421,418. Based on Gibbs' sworn representations in his Statement of Financial Condition dated _____, and other documents and information submitted to the Commission, however, the Court is not ordering Gibbs to pay a civil penalty and the payment of disgorgement and pre-judgment interest shall be satisfied by the payment of: \$4,142,493 in cash, plus the accumulated interest; plus the proceeds from the sales of certain specific Gibbs' tangible assets and real properties, including, the real property located at 116 Cedar Street, New Haven, West Virginia; the real property located at 1308 Allendale Court, New Haven, West Virginia; a 2003 Mercedes E500; and other tangible personal property, to wit, a ring and watch; all of which cash and assets are currently held in escrow for the benefit of or pledged to a constructive trust in the name of "United States Securities and Exchange Commission for the benefit of Investors with Gregg Gibbs, d/b/a Golden Summit Group" (the "Constructive Trust Assets"). In accordance with this Court's Order Appointing a Receiver, payment of such Constructive Trust Assets shall be made to a Receiver,

for the benefit of the investors described in the Commission's Complaint (the "Investors"). Payment of the remaining balance of the disgorgement and prejudgment interest is waived based upon Gibbs' financial condition.

- (b) Payment of the disgorgement and prejudgment interest amount shall be, in part, satisfied by Gibbs' spouse, Robin Gibbs, disclaiming of any and all rights and/or claims to the Constructive Trust Assets and pledged assets; and
- (c) The determination not to impose a civil penalty and to waive payment of all but a portion of the disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of Gibbs' Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Gibbs' 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 Gibbs, petition the Court for an order requiring Gibbs 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 Gibbs 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

