

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CHALMER E. DETLING, II, ESQ., et al.,

Defendants.

Civil Action No. 1:11cv4565-TWT

FINAL JUDGMENT AS TO DEFENDANT CHALMER E. DETLING, II, ESQ.

The Securities and Exchange Commission having filed a Complaint and Defendant Chalmer E. Detling, II, Esq. (“Defendant”) 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:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's 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 HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's 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 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 and Defendant's 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 aiding and abetting any violation of Section 10(b) of Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 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.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$10,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$3,052, and a civil penalty in the amount of \$25,000 pursuant to Section 20 of the Securities Act [15 U.S.C. § 77t] and Section 21 of the Exchange Act [15 U.S.C. § 78u]. Defendant shall satisfy this obligation by paying \$38,052 to the Bank of Oklahoma, N.A., as trustee for the Series 2006A, 2006B, and 2006C industrial development revenue bonds issued by Raleigh County, West Virginia (the “Raleigh County Bonds”). Defendant shall make this payment pursuant to the terms of the payment schedule set forth in Paragraph VI below after entry of this Final Judgment by wire transfer, certified check, bank cashier’s check, bank money order, or United States postal money order. Defendant shall deliver or mail payment to the Bank of Oklahoma, N.A., Attn: Cynthia Wilkinson, Vice President and Trust Officer, One Williams Center, Tulsa, Oklahoma 74192. The payment shall be accompanied by a letter identifying Chalmer E. Detling, II, Esq. as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to

this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

Amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Bank of Oklahoma, N.A., as the Commission directs. Such a payment shall not

be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that a Fair Fund under Section 308(a) of the Sarbanes-Oxley Act of 2002 is hereby established for the purpose of distributing to injured investors the disgorgement, prejudgment interest, and civil penalty paid by Defendant, along with any additional monies, including post-judgment interest, that may be paid in this case. The Bank of Oklahoma, N.A., as trustee for the Raleigh County Bonds, shall distribute Defendant’s payment, and any additional monies received, on a pro rata basis to harmed investors who purchased the Raleigh County Bonds. The Bank of Oklahoma has agreed that it shall provide verification of receipt of Defendant’s payment to Commission’s counsel in this action, and to not charge or deduct any fees for its services in performing this distribution.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay \$38,052 in five installments according to the following schedule: (1) \$5,000 within fourteen (14) business days after entry of this Final Judgment; (2) \$5,000 within 90 days from the entry of the Final Judgment plus post-judgment interest pursuant to 28 U.S.C. § 1961; (3) \$5,000 within 180 days from the entry of the Final Judgment plus post-judgment interest pursuant to 28 U.S.C. § 1961; (4) \$5,000 within 270 days from the entry of the Final Judgment plus post-judgment interest pursuant to 28 U.S.C. § 1961; and (5) \$18,052 within 365 days from the entry of the Final Judgment plus post-judgment interest pursuant to 28 U.S.C. § 1961.

If Defendant fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including post-judgment interest, minus any payments made, shall become due and payable immediately without further application to the Court.

VII.

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.

VIII.

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.

Dated: January 4, 2012

/s/Thomas W. Thrash
UNITED STATES DISTRICT JUDGE