

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TEE TO GREEN GOLF PARKS, INC.,
STEVEN D. BLUMHAGEN, SUSAN BLUMHAGEN,
DAVID E. TROTTER, HANOVER FINANCIAL
GROUP, INC., DONALD W. OWENS,
FINANCIAL SECURITY GROUP
INSURANCE AGENCY, INC.,

Defendants.

RECEIVED
Civil Action No. 00 Civ. 0478 (SDF) 15 2000
WILLIAM W. SKREJINY
United States District Judge
Western District of New York
[Proposed]
FINAL
JUDGMENT
WITH RESPECT
TO DAVID
TROTTER
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FILED

Plaintiff, United States Securities and Exchange Commission ("Commission")
having commenced this action on May 31, 2000, by filing its Complaint ("Complaint")
for injunctive and other equitable relief, charging, among others, Defendant David E.
Trotter ("Trotter") with violations of Section 17(a) of the Securities Act of 1933
("Securities Act"), 15 U.S.C. § 77q(a), and Section 10(b) of the Securities Exchange Act
of 1934 ("Exchange Act"), 15 U.S.C. §§ 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5,
and following the issuance and timely service of a summons and Complaint upon Trotter
on June 8, 2000, and following Trotter's failure to answer or otherwise respond to the
Complaint within the time provided by the Federal Rules of Civil Procedure, and the
Commission having filed and served upon Trotter a Notice of Motion; Declaration of
Jonathan Roberts, dated November 13, 2000 (with exhibits); Memorandum of Law in

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Support of Entry of a Final Judgment by Default; and a copy of this proposed Final Judgment; and the Court having found that, pursuant to Fed. R. Civ. P. 55, Trotter has failed to answer the Complaint or otherwise defend against the Commission's action, and the Court having further found that this Court has jurisdiction over Trotter and over the subject matter of this action and the jurisdiction to grant the relief requested by the Commission, and the Court being fully advised of the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Trotter be, and hereby is, permanently enjoined and restrained from, directly or indirectly, singly or in concert, in the offer or sale of any security, by the use of any means or instrument of transportation or communication in interstate commerce or by the use of the mails:

- A. employing any device, scheme or artifice to defraud;
- B. obtaining money or property by means of any untrue statement of a material fact or omitting to state 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. engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser,

in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Trotter be, and hereby is, permanently enjoined and restrained from, directly or indirectly, singly or in concert, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme, or artifice to defraud;
- B. making any untrue statement of a material fact or omitting to state 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. engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Trotter shall disgorge the sum of \$776,630.42, representing \$606,230.58 in disgorgement of ill-gotten gains derived from the fraudulent conduct alleged in the Complaint, plus prejudgment interest of \$170,399.84. The disgorgement obligation is joint and several with defendant Hanover Financial Group, Inc. Trotter shall pay the amount he has been ordered to disgorge in the following manner:

- A. Within 30 business days of entry of this Final Judgment, the amount disgorged shall be paid into the registry of this Court by cashier's check, certified check or postal money order drawn to the order of "Clerk, United States District Court, W.D.N.Y.," whereupon the Clerk of this Court, or the Financial Deputy Clerk, is hereby directed to deposit said cashier's check, certified check or postal money order into an account for this case with the Court Registry Investment System (the "C.R.I.S. Account"), administered through the United States District Court for the Southern District of Texas.
- B. Simultaneously with making payment pursuant to subparagraph A above, copies of the cashier's check, certified check or U.S. postal money order, front and back, as well as any accompanying correspondence, shall be transmitted to Kay Lackey, Esq., Assistant Regional Director, U.S. Securities and Exchange Commission, Northeast Regional Office, Seven World Trade Center, New York, New York 10048. Such transmission shall be made under cover of a letter that identifies the defendant, the name and civil action number of this litigation, the name of this Court and the Commission case number "NY-6581."
- C. Funds in the C.R.I.S. Account shall be held until further order of the Court, and shall be disbursed in accordance with a plan of distribution to be submitted by Plaintiff Commission and approved by the Court. In no

event shall any portion of the C.R.I.S. Account be returned to Defendant, its successors or assigns.

- D. Interest earned on the C.R.I.S. Account shall be credited to the C.R.I.S. Account and shall thereafter be treated in the same manner as principal. Prior to making any disbursements from the C.R.I.S. Account, the Custodian of the C.R.I.S. Account is directed to deduct from the income on the investment a fee, not exceeding that authorized by the Judicial Conference of the United States and set by the Director of the Administrative Office at equal to ten percent (10%) of the income earned for deduction in the investment so held and without further order of the Court.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Trotter shall pay civil penalties as a result of his fraudulent conduct in the amount of \$606,230.58. The payment of civil penalties shall be made in the following manner:

- A. Within 30 business days of entry of this Final Judgment, Defendant Hanover Financial shall pay the civil penalties ordered by this Court to the United States Treasury. Such payment shall be: (1) made by United States postal money order, certified check, bank cashier's check or bank money order; (2) made payable to the Securities and Exchange Commission; (3) hand-delivered or mailed to the Comptroller, Securities and Exchange

Commission, Operations Center, 6432 General Green Way, Alexandria, Stop 0-3, VA 22312; and (4) submitted under cover letter that identifies Trotter as a Defendant in this civil action.

- B. Simultaneously with making payment pursuant to subparagraph A above, copies of the cashier's check, certified check or U.S. postal money order, front and back, as well as any accompanying correspondence, shall be transmitted to Kay Lackey, Esq., Assistant Regional Director, U.S. Securities and Exchange Commission, Northeast Regional Office, Seven World Trade Center, New York, New York 10048. Such transmission shall be made under cover of a letter that identifies the defendant, the name and civil action number of this litigation, the name of this Court and the Commission case number "NY-6581."

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Fed. R. Civ. P. 65(d), this Final Judgment is binding upon Trotter, each of his agents, servants, employees, and attorneys-in-fact, and upon those persons in active concert or participation with it who receive actual notice of this Final Judgment by personal service or otherwise.

VI.

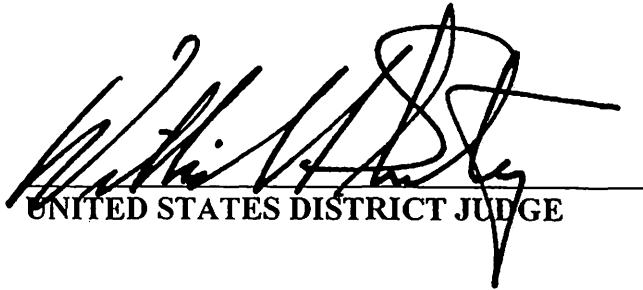
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, implementing and enforcing the terms and conditions of this Final Judgment.

VII.

IT IS FURTHER ORDERED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Final Judgment pursuant to Fed. R. Civ. P. 54(b).

Dated: Buffalo, New York

MARCH 22, 2001



UNITED STATES DISTRICT JUDGE