

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
v.	:
	:
CHARLES RICHARD HOMA, et al.	:
	:
Defendants,	:
and	:
	:
LINDY L. GAUSE, LINDA L. NICHOLS AND	:
NICHOLS AND ASSOCIATES,	:
	:
Relief Defendants.	:

99 CV 6895
Hon. Ronald A.
Guzman

DOCKETED
JUL 25 2002

**DISGORGEMENT ORDER AGAINST JOHN TELFORD SNIPES,
PREFERRED RETURNS, INC. AND JTP, INC.**

Plaintiff United States Securities and Exchange Commission ("Commission"), having filed an Amended Complaint for Temporary Restraining Order, Preliminary and Permanent Injunction, and Other Equitable Relief ("Amended Complaint"), and the Defendants John Telford Snipes ("Snipes"), JTP, Inc. ("JTP"), and Preferred Returns, Inc. ("PRI") (collectively, the "Snipes Defendants"), having previously acknowledged receipt of the Amended Complaint, admitted the personal jurisdiction of this Court over them and consented to the entry of the Order of Permanent Injunction against Snipes, JTP and PRI that the Court entered on October 17, 2000 ("Injunction Order"), and the Snipes Defendants' having executed the Consent and Stipulation filed with the Court and incorporated herein by reference ("Consent"), and the Commission and the Snipes Defendants having waived the entry of Findings of Fact and Conclusions of Law as provided by Rule 52 of the Federal Rules of Civil Procedure, and the Snipes Defendants, and without trial, argument, or adjudication of any

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issue of fact or law, having consented to the entry of this Disgorgement Order, and the Court, being fully advised in the premises, hereby states:

I.

IT IS ORDERED that the Injunction Order remains in effect.

II.

IT IS FURTHER ORDERED that the Snipes Defendants shall pay disgorgement in the amount of \$446,033.00, representing their gains from the conduct alleged in the Commission's Amended Complaint in this matter, plus prejudgment interest of \$99,510.24; provided, however, that upon the Snipes Defendants' effective transfer of all of the assets listed on Attachment A to the Consent, which shall be made to Phillip S. Stenger, the Receiver ("Receiver"), all remaining disgorgement and interest shall be waived based upon the sworn financial statements of: a) John T. Snipes, dated June 20, 2000; b) JTP, dated June 19, 2000; and c) PRI, dated June 19, 2000, which were submitted to the Commission. The transfer of assets listed on Attachment A shall be made within ten days of the entry of this Disgorgement Order.

III.

IT IS FURTHER ORDERED that based upon the sworn financial statements described in Section II above the Court is not ordering the Snipes Defendants to pay any civil penalty pursuant to Section 20(d) of the Securities Act of 1933 and Section 21(d)(3) of the Securities Exchange Act of 1934. The determination not to impose a penalty and to waive payment of the disgorgement and prejudgment interest above and beyond the transfer of all the

assets listed on Attachment A to the Consent is contingent on the accuracy and completeness of each of the Snipes Defendants' sworn statements regarding its financial condition.

If at any time following the entry of the Disgorgement Order the Commission obtains information indicating that any of the Snipes Defendants' representations to the Commission concerning their 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, petition the Court for an order requiring any of the Snipes Defendants to pay the balance of the \$446,033.00 in disgorgement, prejudgment and post-judgment interest thereon, and a civil penalty. In connection with such petition, the only issues shall be whether the financial information provided by any of the Snipes Defendants was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In any such petition, the Commission may move the Court to consider all available remedies, including, but not limited to, ordering any of the Snipes Defendants to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of the Court's Disgorgement Order. The Commission may also request additional discovery. The Snipes Defendants may not, by way of defense to such petition, (1) challenge the validity of this Consent or the Disgorgement Order; (2) contest the Commission's allegations in the Amended Complaint; (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 that Defendant JTP is ordered to execute any necessary forms required for the appointment of the Receiver and the release of all claims against the Receiver or any assets held by the Receiver (the "Receivership Estate"), in a form acceptable to the Receiver, within ten days of the entry of this Disgorgement Order.

V.

IT IS FURTHER ORDERED that Defendant PRI is ordered to execute any necessary forms required for the appointment of the Receiver and the release of all claims against the Receiver or the Receivership Estate, in a form acceptable to the Receiver, within ten days of the entry of this Disgorgement Order.

VI.


IT IS FURTHER ORDERED that the attached Consent of Snipes, JTP and PRI be, and hereby is, incorporated herein with the same force and effect as if fully set out.

VII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all purposes, including enforcement of this Disgorgement Order.

VIII.

IT IS FURTHER ORDERED that, there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Disgorgement Order.


RONALD A. GUZMAN
UNITED STATES DISTRICT JUDGE

Dated: June 27, 2002.