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JUN 28 2004

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION
LUTHER D. THOMAS, Clerk
By: [Signature] Deputy Clerk

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

JAMES L. GEORGE, PAUL E. BRODHAGEN
and MICHAEL J. WRIGHT,

Defendants.

CIVIL ACTION FILE NO.
1:02-CV-3310-HTW

ORDER IMPOSING DISGORGEMENT AND PREJUDGMENT INTEREST, AND
ENTERING FINAL JUDGMENT AGAINST MICHAEL J. WRIGHT

Plaintiff Securities and Exchange Commission
("Commission") has filed its complaint herein. Defendant
Michael J. Wright ("Wright"), has previously entered a
general appearance, and has admitted the in personam
jurisdiction of this Court over him and the jurisdiction of
this Court over the subject matter of the action.

By order of this Court dated February 20, 2003, Wright
was permanently enjoined from further violations of, among
other things, the registration provisions, antifraud
provisions and broker-dealer provisions of the federal
securities laws. That order also directed that Wright
"shall pay disgorgement and pre-judgment interest in an
amount to be resolved upon motion of the Commission at a

later date." In addition, the order provided that Wright "shall pay a civil penalty in an amount to be resolved upon motion of the Commission at a later date." The order further provided, that for purposes of the Commission's motion to set disgorgement, prejudgment interest and to impose the civil penalty, the allegations of the Commission's complaint shall be deemed to be true (except for allegations as to the amount of disgorgement) and that Wright may not by way of defense contend that disgorgement, prejudgment interest and a civil penalty should not be imposed. Wright stipulated to the terms of the February 20, 2003 order.

The Commission's motion to set disgorgement, prejudgment interest and a civil penalty is currently before this Court. Virtually all of the allegations of the Commission's complaint are deemed to be true for purposes of this motion. The Commission's motion is also based upon the Declaration of Lucy Graetz Kish, which focuses upon commissions that Wright received in connection with his sales of Tri-Star securities, and thereby comprises the basis for disgorgement against Wright, along with prejudgment interest thereon.

From all of the evidence before the Court, it appears that defendant Wright fraudulently sold Tri-Star securities

to about 15 investors in the amount of approximately \$250,000 during 1998 and 1999. He received commissions from Tri-Star that were deposited into his Bahamian credit card account. In connection with his sales of Tri-Star securities, Wright knowingly or with severe recklessness misrepresented to investors that Tri-Star had paid and expected to pay profits of approximately 20% per month after a 90-day wait. He had no reasonable basis for that claim.

Wright knowingly or with severe recklessness misrepresented to investors that Tri-Star used their funds for offshore investments. He also knowingly or with severe recklessness made misrepresentations and omissions of material fact to Tri-Star investors, including misrepresentations and omissions as to use of funds, projected profits, investment risks, regulatory compliance, commissions, his investigation of the scheme and qualifications of the promoters. By his stipulation, Wright admits for purposes of the pending motion that all of these facts are true.

The Declaration of Lucy Graetz Kish establishes that according to Wright's periodic Tri-Star statements, he earned commissions from Tri-Star as follows:

Tri-Star Statement of 06/20/1998	\$ 1,200.00
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Tri-Star Statement of 08/12/1998	\$ 284.00
Tri-Star Statement of 08/26/1998	\$ 317.00
Tri-Star Statement of 09/25/1998	\$ 380.00
Tri-Star Statement of 10/22/1998	\$ 4,396.19
Tri-Star Statement of 11/30/1998	\$ 7,289.66
Tri-Star Statement of 12/20/1998	\$ 6,347.59
Tri-Star Statement of 01/15/1999	\$ 3,657.11
Tri-Star Statement of 02/25/1999	\$ 7,028.53
Tri-Star Statement of 03/25/1999	\$ 6,674.23
Tri-Star Statement of 04/25/1999	\$10,770.75
Tri-Star Statement of 05/25/1999	\$ 8,764.90
Tri-Star Statement of 06/29/1999	\$ 9,537.88
Total	\$66,647.84

The Kish declaration also establishes that Wright actually received, as credits he took on his Leadenhall Trust Company Limited ("Leadenhall Trust") credit card account in the Bahamas, unjust enrichment in the total amount of \$61,329.66, which he withdrew from the foreign credit card account as follows:

09/02/98	\$ 264.00
09/17/98	\$ 317.00
10/23/98	\$ 1,380.00
11/16/98	\$ 5,684.78
12/14/98	\$ 7,289.66
01/18/99	\$ 6,347.59
02/25/99	\$ 3,657.10
03/30/99	\$ 7,028.53
04/29/99	\$18,591.00
06/23/99	\$10,000.00
06/28/99	\$ 770.00
Total	\$61,329.66.

The Commission also requests that the Court impose civil penalties against defendant Wright. Section 20(d) of the Securities Act of 1933 ("Securities Act") and Section

21(d)(3) of the Securities Exchange Act of 1934 ("Exchange Act") provide that the Commission may seek to have a court impose civil penalties for any violations of those acts, in an amount not to exceed the greater of (a) \$5,000 for any natural person and \$50,000 for any other person, or (b) the gross amount of pecuniary gain for the defendant. Where fraud has occurred, the maximum penalty amounts rise to the greater of (a) \$50,000 for any natural person and \$250,000 for any other person, or (b) the gross amount of pecuniary gain for the defendant. When a defendant's violative conduct involved fraud and resulted in substantial losses to others, or significant risk of losses, a district court may impose a civil penalty in an amount not to exceed the greater of (a) \$100,000 for a natural person and \$500,000 for any other person, or (b) the gross amount of pecuniary gain for the defendant.¹

I. DISGORGEMENT AND PREJUDGMENT INTEREST

IT IS HEREBY ORDERED that Defendant Wright pay disgorgement in the amount of \$61,329.66, representing the

¹ Although civil monetary penalties pursuant to the Securities Act and the Exchange Act are required to be adjusted for inflation, Wright's conduct herein occurred in 1998 and 1999, prior to the adjustment that became effective in early 2001. 17 C.F.R. 201.1001, Adjustment of civil monetary penalties - 1996. LEXSEE 66 FR 8761 at 8762. The amounts of civil monetary penalties applicable herein are, therefore, the amounts set forth in the statute.

commissions he received from Tri-Star for Wright's efforts in the fraudulent sale of Tri-Star securities and from his other conduct alleged in the complaint, plus pre-judgment interest thereon at the rate used by the Internal Revenue Service for unpaid collections. Pre-judgment interest owed by Wright from August 1, 1999 through June 30, 2004, totals \$22,688.85. Wright shall satisfy this obligation by paying \$84,018.51 within 60 days from the date of the entry of this Final Judgment by cashier's check, certified check, or postal money order made payable to the Clerk, Northern District of Georgia; hand-delivered or delivered by overnight delivery service to the Clerk, United States District Court, Northern District of Georgia, 75 Spring Street, S.W., Atlanta, GA 30303; and submitted under a cover letter which identifies Michael J. Wright as a defendant in these proceedings, a copy of which cover letter and money order or check shall be sent to Edward G. Sullivan, Senior Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232, within 70 days from the entry of this Final Judgment. By making this payment, Defendant Wright relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to defendant Wright. The Court shall deposit the

funds into an interest bearing account with the Court Online Banking System ("COLB"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the COLB until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

II. CIVIL PENALTIES

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Wright pay a civil penalty of \$5,000.00 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act. Wright shall satisfy this obligation by paying that full amount within 60 days from the date of the entry of this Final Judgment by cashier's check, certified check, or postal money order made payable to the Clerk, Northern District of Georgia; hand-delivered or delivered by overnight delivery service to the Clerk, United States District Court, Northern District of Georgia, 75 Spring Street, S.W., Atlanta, GA 30303; and submitted under a cover letter which identifies Michael J. Wright as

a defendant in these proceedings, a copy of which cover letter and money order or check shall be sent to Edward G. Sullivan, Senior Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232, within 70 days from the entry of this Final Judgment. By making this payment, defendant Wright relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to defendant Wright. The Court shall deposit the funds into an interest bearing account with the Court Online Banking System ("COLB"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the COLB until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act

of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Final Judgment shall be treated as penalties paid to the government.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter for all purposes, including implementing and enforcing the terms of this Final Judgment, and may order other and further relief that this Court deems appropriate under the circumstances.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there is no just reason for delay, and the Clerk is directed to enter a Final Judgment against defendant Wright pursuant to the terms of this Order, and pursuant to the terms of the Order of Permanent Injunction previously entered in this Court against him on February 20, 2003.¹

SO ORDERED, this 31st day of March, 2005.²



HORACE T. WARD, SENIOR JUDGE
UNITED STATES DISTRICT COURT

¹In reaching a final decision as to defendant Michael J. Wright, the court has reviewed the record in the case, including the motion regarding disgorgement, Mr. Wright's opposition to the motion and plaintiff's reply.

²This order terminates docket entry no. 29.