

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Case No. 1:07-cv-117744-RWZ
)	
TRANSNATIONAL FUND, INC., a/k/a NATIONAL SAVINGS, and MICHAEL LUCKETT,)	
)	
Defendants.)	
)	

**FINAL JUDGMENT AS TO DEFENDANTS
TRANSNATIONAL FUND, INC. AND MICHAEL LUCKETT**

The Securities and Exchange Commission having filed a Complaint and Defendants Transnational Fund, Inc. and Michael Lockett (collectively, "Defendants") having entered general appearances; consented to the Court's jurisdiction over Defendants 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 Defendants and Defendants' 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 Defendants and Defendants' 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 Defendants and Defendants' 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 HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are liable, jointly and severally, for disgorgement of \$312,400, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$17,250, for a total of \$329,650. Based on Defendant Lockett's sworn representations in his Statement of Financial Condition dated March 28, 2008, and other documents and information submitted to the Commission, however, the Court is not ordering Defendants to pay a civil penalty and payment of all but \$222,901.02 of the disgorgement and pre-judgment interest thereon is waived.

The disgorgement obligation ordered herein shall be satisfied as follows: The banks listed below (collectively, the "Banks") shall transmit to the Clerk of the Court, within ten (10) business days of entry of this Final Judgment, all of the currently frozen funds in their respective possession and/or control (including the amounts set forth below plus any accrued interest thereon) that Defendants previously had either a direct or indirect interest in and which are currently in the following accounts:

Century Bank, Account Number 5669553 (Transnational Fund): \$100,001.00
Citizens Bank, Account Number 1310352752 (Transnational Fund): \$18,001.00
Eastern Bank, Account Number 600530299 (Transnational Fund): \$59,010.00
First Federal Savings, Account Number 4500079408 (Transnational Fund): \$15,480.00
Sovereign Bank, Account Number 62302507058 (Michael P. Lockett, DBA Transnational Fund): \$30,320.01
Salem Five Bank, Account Number 899049688 (Transnational Fund): \$90.00

The Banks may make the aforementioned payment(s) by certified check(s), bank cashier's check(s), or United States postal money order(s) made payable to the Clerk of the Court. Such payment(s) shall be accompanied by a letter identifying Transnational Fund and Michael Lockett

as defendants 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. The Banks shall simultaneously transmit photocopies of such payment(s) and letter(s) to the Luke Cadigan, Senior Trial Counsel, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, 23rd Floor, Boston, Massachusetts, 02110. Defendant shall take whatever steps are required of him in order to ensure the transfer of these funds. Defendants relinquish all legal and equitable right, title, and interest in all of the funds transmitted by the Banks to the Clerk of the Court, and no part of the funds shall be returned to Defendants.

The Clerk shall deposit the funds received from the Banks into a non-interest bearing account with the Court Registry Investment System ("CRIS"). These funds (the "Fund"), shall be held by the CRIS until further order of the Court. Defendants shall also pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The determination not to impose a civil penalty and to waive payment of all but \$222,901.02 of the disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of Defendant Lockett's Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant Lockett's 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 Defendant Lockett, petition the Court for an order requiring Defendant Lockett 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 Defendant Luckett 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 Court to consider all available remedies, including, but not limited to, ordering Defendant Luckett to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant Luckett may not, by way of defense to such petition: (1) challenge the validity of the Consent or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (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.

V.

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.


VI.

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.

VII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: January 23, 2009



UNITED STATES DISTRICT JUDGE