

UNITED STATES DISTRICT COURT,
NORTHERN DISTRICT OF ILLINOIS

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

RICHARD T. HAMMACK,

Defendant.

DOCKETED
SEP 30 2002

CIVIL ACTION
FILE NO.

00c7623

FINAL JUDGMENT AGAINST RICHARD T. HAMMACK

Plaintiff Securities and Exchange Commission ("Commission") has filed a Complaint for Preliminary and Permanent Injunction and Other Ancillary Relief ("Complaint") in this matter, the Court having entered an Order of Preliminary Injunction on December 14, 2000 and an Order of Permanent Injunction on March 1, 2001, and Defendant Richard T. Hammack ("Defendant") has acknowledged receipt of the Complaint, admitted the jurisdiction of this Court over him and over the subject matter thereof, and without admitting or denying the allegations of the Complaint, except as to jurisdiction, and without trial, argument or adjudication of any facts or law herein, consented to the entry of this Final Judgment Against Richard T. Hammack ("Final Judgment"). The Commission and Defendant have waived the entry of findings of fact and conclusions of law, as provided by Rule 52 of the Federal Rules of Civil Procedure. The Court having jurisdiction over the parties and the subject matter hereof, and being fully advised in the premises:

21

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Commission dismisses its claims for disgorgement in the amount of \$1,923,157.77 plus pre-judgment interest in this matter based upon the criminal restitution order entered on September 27, 2001, Defendant's 3-year term of imprisonment beginning November 27, 2001, and Defendant's sworn representations in his Statement of Financial Condition signed November 20, 2001 and other documents submitted to the Commission. The Commission's dismissal of its claims for the payment of the disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of Defendant's Statement of Financial Condition and other documents submitted to the Commission.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon the criminal restitution order entered on September 27, 2001, Defendant's 3-year term of imprisonment beginning November 27, 2001, and Defendant's sworn representations in his Statement of Financial Condition signed November 20, 2001 and other documents submitted to the Commission, the Commission is dismissing its claim for the imposition of a civil penalty. The determination to dismiss its claims for the imposition of a civil penalty is also contingent upon the accuracy and completeness of Defendant's Statement of Financial Condition and other documents submitted to the Commission. If at any time following the entry of this Final Judgment, the Commission obtains information indicating that Defendant'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, petition the Court for an order requiring Defendant 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 was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In any such petition, the Commission may move the Court to consider all available remedies, including, but not limited to, ordering Defendant 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 may not, by way of a 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.


III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to entertaining any applications for additional relief, and implementing and enforcing this Final Judgment.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Final Judgment against Richard T. Hammack.

IT IS SO ORDERED.



United States District Judge

Dated: 9-27-02