

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PINNACLE DEVELOPMENT
PARTNERS LLC and GENE A. O'NEAL,

Defendants.

CIVIL ACTION NO.

06 CV 2431-JTC

CONSENT ORDER ADMINISTRATIVELY CLOSING CASE

This matter comes before the Court on the consent of the parties, due notice having been given, and the Court having jurisdiction,

IT IS HEREBY FOUND THAT:

1. S. Gregory Hays was appointed as receiver (the "Receiver") for Defendant Pinnacle Development Partners, LLC ("Pinnacle") by order dated October 11, 2006 (the "Receivership Order").
2. The activities of the Receiver to date are summarized in the following documents:
 - a. Receiver's First Interim Report, filed on October 30, 2006 [ECF No. 5];

- b. Receiver's Second Interim Report, filed on January 26, 2007 [ECF No. 20];
- c. Receiver's Plan for Claims Administration and Distribution of Proceeds, and Brief in Support, filed on February 28, 2007 [ECF Nos. 21-22];
- d. Receiver's Real Property Disposition Procedures and Brief in Support, filed on March 12, 2007 [ECF No. 24];
- e. Receiver's Motion for Approval of Interim Distributions Pending Final Resolution of all Disputed Claims, filed on July 27, 2007 [ECF No. 41];
- f. Receiver's Motion for Approval of Revised Approved Claims Schedule, filed on January 30, 2008 [ECF No. 59];
- g. Receiver's Third Interim Report, filed on February 20, 2008 [ECF No. 64];
- h. Receiver's Status Report, filed on May 9, 2008 [ECF No. 93];
- i. Receiver's Unopposed Motion for Status Conference, filed on October 10, 2008 [ECF No. 117];
- j. The 28 fee applications filed by the Receiver to date [ECF Nos. 12, 16, 26, 27, 32, 38, 39, 40, 47, 51, 53, 66, 73, 85, 97, 102, 112, 116, 120, 121, 132, 145, 157, 168, 172, 175, 177, 179].

3. This Court has also held status conferences on May 14, 2008 and January 9, 2009 to discuss the status of the various real properties (the "Properties") that were included as part of Pinnacle's assets, including all assets of the various partnerships controlled by Pinnacle (the "Receiver Estate").

4. The Court approved the Receiver's Plan for Claims Administration and Distribution of Proceeds (the "Plan") and the Receiver's Real Property

Disposition Procedures (the (“Property Procedures”) by Order dated April 18, 2007 [ECF No. 28]. The Court also approved the Receiver’s Motion for Approval of Interim Distributions Pending Final Resolution of all Disputed Claims and the Receiver’s Motion for Approval of Revised Claims Schedule, filed on January 30, 2008, by Orders dated August 24, 2007 and March 25, 2008 (the “Distribution Orders”) [ECF Nos. 48 and 71].

5. As of the date of this Order, the Receiver has paid 38% of all allowed claims investor and creditor claims.

6. The Receiver’s work in this case has steadily declined over the past year, with the remaining work shifting from standard receivership issues to various issues associated with the Properties that are part of the Receiver Estate, final distributions on approved claims, and final administration of the Receiver Estate.

7. To date the Receiver has sold 16 of the 21 Properties that originally were part of the Receiver Estate. One additional Property was added to the Receiver Estate as part of a settlement of the Receiver’s claims against a third party. The Properties remaining in the Estate (the “Remaining Properties”) are:

- a. Adeline Avenue, Atlanta, Fulton County, GA, Tax Parcel No. 14-0174-LL-008-5 (undeveloped land with no address)
- b. 1941 Compton Drive, Atlanta, GA 30315

- c. Old Alabama Rd., Austell, Cobb County, GA, Tax Parcel Nos. 1802580-002-0 and 180201-003-0 (undeveloped land with no address)
- d. Old National Highway, College Park, Fulton County, GA, Tax Parcel No. 13-0157-LL-011-02 (undeveloped land with no address)
- e. 2062 Poplar Falls, Lithonia, GA 30058
- f. Sandpiper Lane, Austell, Cobb County, GA, Tax Parcel No. 1801330-027-0 (undeveloped land with no address)

8. On March 25, 2008, the Court entered an Order determining that all of the Remaining Properties, as well as other properties that have since been sold, are part of the Receiver Estate (the "Property Inclusion Order") [ECF No. 70].

9. Though the Receiver has marketed the Remaining Properties throughout the course of the receivership, the Receiver has not been able to sell the Properties via private sale due to various undesirable attributes and the downturn in the economy.

10. To the extent any of the Remaining Properties are not sold by November 2010, the Receiver plans to sell the Remaining Properties to the highest bidder, with no minimum reserve price, at a public sale to be held in accordance with the Property Procedures.

Based on the foregoing, and for good cause shown, IT IS HEREBY ORDERED that:

1. This action is hereby administratively closed pending the sale of the

Remaining Properties.

2. The Receiver shall continue to have all rights, power, and protections as set forth in previous orders, including, without limitation, the Receivership Order, the Distribution Orders, the Order approving the Plan and the Property Procedures, and the Property Inclusion Order.

3. In the event that the Receiver sells any of the remaining properties by private sale, the Receiver shall seek the approval of this Court for the sale in accordance with the Property Procedures. The Receiver shall alert the Court's courtroom deputy clerk prior to seeking such approval to make arrangements for the approval notwithstanding the administrative closure of this case.

4. The Receiver is hereby authorized and shall have the discretion to sell and transfer title of any or all of the Remaining Properties by public sale, with no minimum reserve price, in accordance with the Property Procedures.

5. The Receiver is hereby authorized to pay all professional fees and expenses in the ordinary course out of the assets of the Receiver Estate. The Receiver does not need to apply to the Court prior to paying such professional fees and expenses. The Receiver shall continue to pay other expenses of the Receiver Estate in the ordinary course, as set forth in the Receivership Order.

6. Neither the Receiver nor any professional engaged by the Receiver in

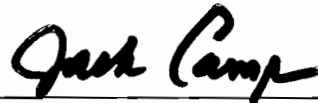
connection with this receivership (collectively, the “Receiver Team”) shall have any liability to any person or entity for any action taken in good faith in connection with carrying out the procedures set forth in this Order or the Receivership Orders. In the event that such a claim or cause of action is asserted against the Receiver or any member of the Receiver Team, the Receiver or Receiver Team member shall be entitled to a defense by counsel of his or her choice, payable as any other fee or expense incurred in connection with this receivership, even if willful misconduct is alleged.

7. This Court shall retain jurisdiction over any and all matters relating to the receivership and the Receiver Estate, including any matters relating to the sale of the Remaining Properties and the disbursement and/or distribution of funds by the Receiver after the receivership is closed. To the extent any dispute arises concerning the Receiver’s administration of the Receiver Estate or to the extent any person or entity seeks to pursue or assert any claim or action against the Receiver or any member of the Receiver Team arising out of or related to this receivership, the Court shall retain jurisdiction to hear and resolve any such dispute or claim.

8. The Receiver shall file a Notice with this Court upon the sale of the Remaining Properties, and the case shall be reopened for the final administration of

the Receiver Estate, which shall include, among other things, a final accounting by the Receiver of the Receiver Estate and other related matters.

IT IS SO ORDERED this 29th day of September 2010.



Jack T. Camp, Judge
United States District Court
Northern District of Georgia

CONSENTED AND AGREED TO:

/s/ J. David Dantzler, Jr.

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