

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

	:	
SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	
Plaintiff,	:	Civil Action File No.
	:	:
v.	:	
	:	1:12-CV-1996-TWT
BENJAMIN DANIEL DEHAAN and	:	
LIGHTHOUSE FINANCIAL	:	
PARTNERS, LLC,	:	
	:	
Defendants.	:	
	:	
	:	

**ORDER APPOINTING S. GREGORY HAYS AS RECEIVER FOR
LIGHTHOUSE FINANCIAL PARTNERS, LLC AND CONTINUATION
OF ASSET FREEZE**

This matter is before the Court on Plaintiff’s instant motion to appoint S. Gregory Hays as Receiver for defendant Lighthouse Financial Partners, LLC (“Lighthouse”). Plaintiff Securities and Exchange Commission (“Commission”), filed its Complaint herein against Lighthouse and Benjamin Daniel DeHaan (“DeHaan”)(collectively, the "Defendants") on June 11, 2012 alleging violations of the antifraud provisions of Sections 206(1) and 206(2) of

the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1), (2)]. On the same day, the Defendants entered general appearances, admitted the in personam jurisdiction of this Court over them and the jurisdiction of this Court over the subject matter of the action, waived entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, and without admitting or denying the allegations of the Commission’s Complaint, except as to jurisdiction and venue which they admitted, consented to the entry of preliminary injunctions for the charged violations. Other relief in that Order included the complete freeze of assets of Defendants DeHaan and Lighthouse. The Order also directed the Defendants to complete an accounting within 40 days of the entry of the Order, or by July 27, 2012. This Court’s order imposing the preliminary injunctions, freezing assets and ordering an accounting was entered on June 11, 2012.

The Court has reviewed the Commission’s instant motion and exhibits thereto and concludes that the motion and exhibits establish a prima facie case that the Defendants committed violations of the investment adviser antifraud provisions of the federal securities laws. Moreover, the Court concludes that since injunction and freeze order, the SEC has continued to learn additional information about the Defendants which indicates that the full scope of the

losses of the investment advisory clients of Lighthouse is not fully known.

This Court is concerned about the preservation of assets for the benefit of the defrauded advisory clients. For the preservation of assets and for the protection of the defrauded investors/advisory clients going forward:

I.

IT IS HEREBY ORDERED that, until further order of this Court, the assets of Defendants DeHaan and Lighthouse be, and hereby are, frozen. The freeze shall include but not be limited to those funds located in any bank accounts of defendants DeHaan and Lighthouse, including funds held by escrow agents on their behalf. In addition, proceeds derived from the conduct alleged in the Commission's complaint are hereby frozen regardless of where said proceeds are located. Pending determination of the remaining issues in this case, Defendants and their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, except any trustee, receiver or special fiscal agent appointed by this Court, be, and hereby are, restrained from, directly and indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets and property owned by, controlled by, or in the possession of said Defendants, including, but not limited to, cash, customers' securities, free credit

balances, fully-paid-for securities, and/or property pledged or hypothecated as collateral for loans.

II.

IT IS FURTHER ORDERED that, pending further order of the Court, S. Gregory Hays be and hereby is appointed as Receiver, without bond, for the estate of Defendant Lighthouse unless and until the Court orders otherwise. The estate for which Hays is hereby appointed Receiver is hereinafter referred to as the "Receiver Estate." The Receiver Estate includes, but is not limited to, all assets acquired for the benefit of Lighthouse and any entities or assets owned by it or clients committed to Lighthouse for the benefit of its advisory clients. The Receiver Estate further includes any assets, wherever situated, which are determined by the Receiver to have been purchased, in whole or part, with the funds of Lighthouse advisory clients.

III.

IT IS FURTHER ORDERED that the Receiver shall have and possess all powers and rights to efficiently administer and manage the Receiver Estate, including but not limited to the exclusive right and power:

A. to take custody, control and possession of all the funds, property, premises, leases, and other assets of or in the possession or under the direct or

indirect control of the Receiver Estate, to manage, control, operate and maintain the Receiver Estate, to use income, earnings, rents and profits of the Receiver Estate, with full power to sue for and collect, recover, receive and take into possession all goods, chattels, rights, credits, monies, effects, lands, books and records of accounts and other papers;

B. to sell, rent, lease or otherwise hypothecate or dispose of the assets of the Receiver Estate;

C. to pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receiver Estate;

D. to make such payments and disbursements from the funds so taken into his custody, control and possession or thereafter received, and to incur such expenses as may be necessary or advisable in the ordinary course of business in discharging the Receiver's duties;

E. to open bank accounts in the name of the Receiver on behalf of the Receiver Estate;

F. to engage and employ others (without Court approval), including but not limited to consultants, attorneys, accountants, experts and employees of a firm owned by the Receiver, to assist in the Receiver's duties, except that any

payment to other professionals for their services shall be subject to Court approval;

G. to take any action which could be taken by the officers, directors, partners and trustees of the Receiver Estate;

H. to suspend, terminate or grant a leave of absence to any employees of the Receiver Estate;

I. to renew, cancel, terminate or otherwise adjust any pending lease agreements to which Defendant Lighthouse may be a party;

J. to prepare any and all tax returns and related documents regarding the assets and operation of the Receiver Estate;

K. to abandon any asset that, in the exercise of his reasonable business judgment, will not provide benefit or value to the Receiver Estate; and

L. to take such other action as may be approved by this Court.

IV.

IT IS FURTHER ORDERED that no person holding or claiming any position of any sort with the Receiver Estate shall possess any authority to act by or on behalf of any of the Receiver Estate, except as authorized by the Receiver. With respect to the asset freeze set forth herein, the Receiver shall be authorized, but not required, to administer, manage, and direct the marshaling, disbursement

and/or transfer of monies or other assets held by third parties that are subject to the freeze. The Receiver may, in the reasonable exercise of his discretion, authorize the release, use or segregation of proceeds held by third parties if the Receiver believes such action is necessary to preserve the Receiver Estate.

V.

IT IS FURTHER ORDERED that no shareholders, officers, directors, partners or trustees of the corporation or other entities that make up the Receiver Estate shall exercise any of their rights or powers with respect to the Receiver Estate until further order of the Court.

VI.

IT IS FURTHER ORDERED that all persons receiving notice of this order by personal service or otherwise, are hereby restrained and enjoined from disposing, transferring, exchanging, assigning or in any way conveying any property or assets of the Receiver Estate and from the transaction of any business of the Receiver Estate except with the approval of the Receiver.

VII.

IT IS FURTHER ORDERED that, all persons acting for or on behalf of the Receiver Estate, and all persons receiving notice of this order by personal service or otherwise, having possession of the property, business, books, records,

accounts or assets of the Receiver Estate are hereby directed to deliver the same to the Receiver.

VIII.

IT IS FURTHER ORDERED that the Defendants, their agents, servants, employees, nominees, attorneys and entities under their direct or indirect control shall cooperate with and assist the Receiver and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere with the Receiver, in the performance of the Receiver's duties. This section shall not be construed to waive any privileges of any person, Constitutional or otherwise.

IX.

IT IS FURTHER ORDERED that the Receiver shall perform an accounting of all investment advisory client funds received by the Defendants pursuant to the scheme described in the Commission's complaint, and of the disposition and use of said proceeds by the Defendants. This accounting shall include, but not be limited to, the name and address of each investor/advisory client, the amount invested and/or deposited into each investment advisory clients' accounts, the total amount received from investors/advisory clients, the date each such investment was made, a detail of all investment advisory fees paid to the Defendants by each investor/investment advisory client and a listing of all

expenditures showing the amount and to whom paid and the date of each payment. This accounting should be made as soon as possible, but not later than 60 days from the entry of this Order.

X.

IT IS FURTHER ORDERED that any brokerage institution, financial institution, bank, savings and loan, mutual fund, or any other person, partnership, or corporation maintaining or having custody or control of any brokerage or deposit account or other assets of any of the Receiver Estate or under their control, and that receives actual notice of this order by personal service, facsimile transmission or otherwise shall, within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the Commission a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice.

XI.

IT IS FURTHER ORDERED that the Receiver shall have the power to compel, including by subpoena, the appearance and testimony of all persons and the production of the originals of any records, of any sort whatsoever, within the possession, custody or control of any person. The Receiver's authority under this

paragraph shall not be construed to require the waiver by any person of any validly asserted privilege.

XII.

IT IS FURTHER ORDERED that, on three (3) days written notice from the Receiver, the Defendants shall make themselves available for deposition and shall produce to the Receiver the originals of any records in their custody, possession or control relating to the financial affairs, from January 1, 2011 through the present, of Lighthouse.

XIII.

IT IS FURTHER ORDERED that the Receiver may take expedited discovery as follows:

A. The Receiver may take depositions upon oral examination subject to three days notice upon Defendants, pursuant to Rule 30(a) of the Federal Rules of Civil Procedure;

B. Pursuant to Rule 34 of the Federal Rules of Civil Procedure, upon request of the Receiver, the Defendants shall produce all documents within three days of service of such request;

C. The Receiver may serve discovery by facsimile or by any other means provided for within the Federal Rules of Civil Procedure;

D. All written responses to the Receiver's requests for discovery under the Federal Rules of Civil Procedure shall be delivered to the such place as counsel for the Receiver may direct, by the most expeditious means available, including facsimile or e-mail.

XIV.

IT IS FURTHER ORDERED that the Receiver may investigate in connection with discovering additional information as it relates to activities of Lighthouse, its officers, directors, shareholders, agents, and employees. The Receiver shall have the authority to investigate regarding such related parties and employees prior to filing any litigation, and shall have the express authority to order consumer reports in the course of any such investigation.

XV.

IT IS FURTHER ORDERED that the Receiver and any person engaged or employed by the Receiver, are entitled to reasonable compensation from the assets of the Receiver Estate, subject to the prior approval of the Court.

XVI.

IT IS FURTHER ORDERED that the Receiver shall be empowered, but is not required, to file voluntary petitions for relief under Title 11 of the United States Code (the Bankruptcy Code) for the Receiver Estate. If a bankruptcy

petition is filed, the Receiver shall become the Debtor in Possession of the Bankruptcy Estate, and shall be empowered to operate the Receiver Estate or any subsequent Bankruptcy Estate, and to prosecute such adversary proceedings and other matters as may be permitted under the Bankruptcy Code and/or applicable law.

XVII.

IT IS FURTHER ORDERED that the Receiver, should he elect to file petitions under Title 11 of the United States Code for any of the Receiver Estate, shall have 15 days from the date of such filing to file with the Bankruptcy Court any lists or schedules required to be filed with such petitions, this Court recognizing that the Receiver will require time to assemble such data for filing.

XVIII.

IT IS FURTHER ORDERED that, except by leave of this Court, all creditors and other persons seeking money damages or other relief from the Receiver Estate and all others acting on behalf of any such creditors and other persons, including sheriffs, marshals, and all officers and deputies, and their respective attorneys, servants, agents and employees, are, until further order of this Court, hereby stayed and restrained from doing anything to interfere with the possession, recovery or management by the Receiver of the property and assets

owned, controlled, belonging to, or in the possession of the Receiver Estate, or to interfere with the Receiver in any manner during the pendency of this proceeding.

XIX.

IT IS FURTHER ORDERED that the Receiver is authorized to communicate with all such persons as the Receiver deems appropriate to inform them of the status of this matter, the provisions of this Order, and the financial condition of the Receiver Estate.

XX.

IT IS FURTHER ORDERED that the Receiver is authorized to record this Order with government offices and authorities and to serve this Order on any person as the Receiver deems appropriate.

XXI.

IT IS FURTHER ORDERED that the Receiver shall promptly notify the Court and counsel for the Commission of any failure or apparent failure of the Defendants to comply in any way with the terms of this Order.

XXII.

IT IS FURTHER ORDERED that, except for an act of gross negligence or intentional misconduct, the Receiver and all persons or entities engaged or

employed by the Receiver shall not be liable for any loss or damage incurred by the Defendants, or any other person, by reason of any act performed or omitted to be performed by them in connection with the discharge of their duties and responsibilities in this matter.


XXIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT All funds of the Defendants in the possession and control of Page Perry, LLC, estimated to be approximately \$600,000 are to be delivered and paid immediately to the possession and control of the Receiver.

XXIV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED this 2 day of July, 2012. 4:15 P.M.



THOMAS W. THRASH, JR., JUDGE
UNITED STATES DISTRICT COURT