

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE §
COMMISSION, §
§
Plaintiff, §
§ Civil Action No. 3:07-CV-1188-D
VS. §
§
AMERIFIRST FUNDING, INC., §
et al., §
§
Defendants. §

JUDGMENT

Plaintiff's September 18, 2008 application for entry of final judgment is granted as set forth in this judgment.

I

Defendants AmeriFirst Funding, Inc. "(AFI)" and AmeriFirst Acceptance Corp. ("AAC"), their officers, agents, servants, employees, and attorneys, and all those in active concert or participation with them who receive actual notice of this judgment by personal service or otherwise, are hereby permanently restrained and enjoined as follows from:

- A. Violating § 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a), by directly or indirectly, 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 the use of the mails: (1) employing any device, scheme, or artifice to defraud; or (2) obtaining money or property by means of any untrue statement of material fact or any omission to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which they were made, not misleading; or (3) engaging in any transaction, practice, or course of business that operates or would operate as a fraud or deceit upon the purchaser.

- B. Violating § 10(b) of the Exchange Act of 1934, 15 U.S.C. § 78j(b), by directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails, or of any facility of any national securities exchange, using or employing in connection with the purchase or sale of any security registered on a national securities exchange, or any security not so registered, any manipulative or deceptive device or contrivance in contravention of a rule or regulation prescribed by the Securities and Exchange Commission ("SEC").

- C. Violating Rule 10b-5 of the SEC, 17 C.F.R. § 240.10b-5, by directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails, or of any facility of any national securities exchange: (1) employing any device, scheme, or artifice to defraud; (2) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which they were made, not misleading; or (3) engaging in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

- D. Violating §§ 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c), by directly or indirectly (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security through the use or medium of any prospectus or otherwise; or (b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments or transportation, a 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 SEC as to such security or while the registration statement is the subject of a refusal order or a stop order or (prior to the effective date of the registration statement) any public proceeding or examination under § 8 of the Securities Act, 15 U.S.C. § 77h.

II

It is further ordered and adjudged that AFI disgorge \$38,192,835.00, plus prejudgment interest in the amount of \$1,283,279.00, less any amount that the court-ordered temporary receiver ("Receiver") returns to investors from entities that are subject to the Receiver's control.

It is further ordered and adjudged that, of the \$56,383,039.43 disgorgement ordered from Jeffrey C. Bruteyn ("Bruteyn") in the May 5, 2008 judgment, AFI is jointly and severally liable for the amount of \$38,192,835.00, plus prejudgment interest in the amount of \$1,283,279.00.

III

It is further ordered and adjudged that AAC disgorge \$16,099,875.00, plus prejudgment interest in the amount of \$540,955.00, less any amount that the Receiver returns to investors from entities that are subject to the Receiver's control.

It is further ordered and adjudged that, of the \$56,383,039.43 disgorgement ordered from Bruteyn in the May 5, 2008 judgment, AAC is jointly and severally liable for the amount of \$16,099,875.00, plus prejudgment interest in the amount of \$540,955.00.

IV

It is further ordered and adjudged that relief defendant American Eagle Acceptance Corp. ("American Eagle") disgorge \$14,927,506.00, plus prejudgment interest in the amount of

\$501,564.00.

It is further ordered and adjudged that, of the \$38,192,835 disgorgement from AFI ordered in this judgment, American Eagle is jointly and severally liable for the amount of \$14,927,506.00, plus prejudgment interest in the amount of \$501,564.00.

V

It is further ordered and adjudged that relief defendant InterFinancial Holdings Corp. ("IFHC") disgorge \$2,536,993.00, plus prejudgment interest in the amount of \$33,826.00.

It is further ordered and adjudged that, of the \$8,472,681.60 disgorgement ordered from Hess Financial Corporation in the May 5, 2008 judgment, IFHC is jointly and severally liable for the amount of \$2,536,993.00, plus prejudgment interest in the amount of \$33,826.00.

VI

It is further ordered and adjudged that relief defendant Hess International Properties, LLC ("Hess LLC") disgorge \$2,190,422.00, plus prejudgment interest in the amount of \$29,205.00.

It is further ordered and adjudged that, of the \$2,536,993.00 disgorgement from IFHC ordered in this judgment, Hess LLC is jointly and severally liable for the amount of \$2,190,422.00, plus prejudgment interest in the amount of \$29,205.00.

VII

It is further ordered and adjudged that relief defendant Hess International Investments, SA ("Hess SA") disgorge \$2,190,422.00, plus prejudgment interest in the amount of \$29,205.00.

It is further ordered and adjudged that, of the \$2,536,993.00 disgorgement from IFHC ordered in this judgment, and the \$2,190,422.00 disgorgement from Hess LLC ordered in this judgment, Hess SA is jointly and severally liable for the amount of \$2,190,422.00, plus prejudgment interest in the amount of \$29,205.00.

VIII

It is further ordered and adjudged that the SEC recover judgment against AFI in the amount of \$2,000,000, and judgment against AAC in the amount of \$1,000,000, as civil penalties under 15 U.S.C. § 77t(d)(2)(C) and 15 U.S.C. § 78u(d)(3)(B)(iii).

IX

It is further ordered and adjudged that AFI, AAC, American Eagle, IFHC, Hess LLC, and Hess SA satisfy their disgorgement obligations and prejudgment interest as set forth in this judgment by delivering payment to Receiver William D. Brown at his usual office address, in the form of a U.S. Postal money order, certified check, bank cashier's check, or bank money order. Any payment must be accompanied by a cover letter that identifies the payor as a

party to this action, sets out the title and civil action number of this action and the name of this court, and specifies that payment is made pursuant to this judgment. The payor must simultaneously transmit a photocopy of the payment and letter to the SEC's counsel.

X

It is further ordered and adjudged that AFI and AAC shall satisfy their obligations to pay civil penalties as set forth in this judgment by delivering payment to the Clerk of Court in the form of a U.S. Postal money order, certified check, bank cashier's check, or bank money order. Any payment must be accompanied by a cover letter that identifies the payor as a defendant in this action, sets out the title and civil action number of this action and the name of this court, and specifies that payment is made pursuant to this judgment. The payor must simultaneously transmit a photocopy of the payment and letter to the SEC counsel.

The Clerk of Court is directed to deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (the "Fund"), are to be held by the CRIS until further court order. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk of Court is directed, without further court order, to deduct from the income earned on the money in the Fund a fee equal

to 10% of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The SEC may by motion propose a plan to distribute the Fund, subject to the court's approval. The plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of § 308(a) of the Sarbanes-Oxley Act of 2002. Regardless whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties under this judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes.

To preserve the deterrent effect of the civil penalty, defendants shall not, in any Related Investor Action, benefit from any offset or reduction of any investor's claim by the amount of any Fair Fund distribution to such investor in this action that is proportionately attributable to the civil penalty paid by Defendants ("Penalty Offset"). If the court in any Related Investor Action grants such an offset or reduction, defendants shall, within 30 days after entry of a final order granting the offset or reduction, notify the SEC's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the SEC directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this judgment. For purposes of this section of the judgment, a "Related Investor

Action" means a private damages action brought against defendants by or on behalf of one or more investors based on substantially the same facts as alleged in the complaint in this action.

XI

The court retains jurisdiction over the action against AFI, AAC, American Eagle, IFHC, Hess LLC, and Hess SA for all purposes, including for purposes of entertaining any suitable application or motion by the SEC for additional relief within the jurisdiction of this court, including, but not limited to, enforcement of the provisions of this judgment.

XII

The SEC's taxable costs of court, as calculated by the Clerk of Court, incurred in prosecuting its claims against AFI, AAC, American Eagle, IFHC, Hess LLC, and Hess SA are assessed against these defendants and relief defendants.


XIII

This judgment may be served upon defendants and relief defendants in person, by electronic mail or by certified mail, either by the United States Marshal, the Clerk of the Court, or any member of the staff of the SEC.

XIV

Pursuant to Fed. R. Civ. P. 54(b), the court expressly determines that there is no just reason for delay and directs the Clerk of Court to enter this as a final judgment.

Done at Dallas, Texas September 22, 2008.



SIDNEY A. FITZWATER
CHIEF JUDGE