



PRESS RELEASE

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**FEDERAL JURY CONVICTS WASHINGTON, D.C., FINANCIAL
CONSULTANT OF FEDERAL WIRE FRAUD CHARGES**

ALBUQUERQUE – This afternoon, a federal jury found Daryl J. Hudson, III, 59, of Washington, D.C., guilty of seven counts of wire fraud charges after a nine-day trial, announced U.S. Attorney Kenneth J. Gonzales and Carol K.O. Lee, Special Agent in Charge of the Albuquerque Division of the FBI.

At sentencing, Hudson faces a maximum penalty of 30 years of imprisonment and \$1,000,000 fine on each of the seven counts of conviction. Hudson remains on conditions of release and pretrial supervision pending his sentencing hearing, which has yet to be scheduled.

Hudson is a graduate of Georgetown University Law Center, who previously served as Senior Counsel in the Enforcement Division of the U.S. Securities and Exchange Commission. At the time Hudson committed the crimes of conviction, he was the Chairman and CEO of Hampden Kent Group, LLC (HKG), a Washington, D.C. based company that advertised its ability to obtain debt funding for start-up businesses in the green energy sector.

By its guilty verdict, the jury found that Hudson defrauded Bluenergy Solarwind, Inc. (BSI), a Santa Fe-based developer of green energy-related equipment, of \$85,000 in 2011 by falsely representing that he could secure debt funding to help the company grow. The evidence at trial established that, between July 12, 2011 and August 19, 2011, Hudson designed and executed a scheme to defraud BSI by falsely representing that he had ready access to reliable sources of debt funding for BSI.

The president of BSI testified that, in early 2011, he began seeking approximately \$80 million in debt funding so that BSI could manufacture new solar wind turbines. In an effort to obtain this financing, he attended networking events designed to connect entrepreneurs with funding sources, and eventually was referred to Hudson as a person who could locate funding for BSI. The BSI president testified that, by mid-July 2011, he contacted Hudson to discuss the prospect of engaging HKG to locate and place \$80 million dollars in debt funding for BSI. On July 12, 2011, Hudson provided the BSI president with a draft service agreement setting forth the terms on which HKG could be hired to locate debt funding for BSI. The service agreement required BSI to pay a \$300,000 retainer to HKG, with \$150,000 to be paid up front and the

balance to be paid when the funding had been secured. Thereafter, on July 14, 2011, Hudson represented that, upon the signing of the service agreement, HKG would issue a loan commitment supported by treasuries that BSI could use to help obtain customer orders and equity funding.

According to the testimony, in mid-July 2011, the BSI president and Hudson agreed to enter into the service agreement with the understanding that BSI would pay approximately \$80,000 of the first part of the retainer payment by July 20, 2011 and pay the remaining \$70,000 within 30 days. Thereafter, BSI wired a total of \$85,000 to HKG's bank account in partial payment of HKG's retainer fee, and Hudson and the president of BSI executed the service agreement on July 21, 2011. On July 22, 2011, Hudson transmitted two documents to BSI; a document entitled "Loan Commitment" and a document entitled "Safekeeping Receipt." The Safekeeping Receipt was a false and fraudulent document provided to BSI by Hudson as part of his scheme to defraud BSI.

Over the next two weeks, and as part of his scheme to defraud, Hudson caused the relationship with BSI to deteriorate and the BSI president notified Hudson that BSI could no longer work with HKG. When the president of BSI requested the return of a portion of the retainer fee, Hudson refused. On August 11, 2011, after confirming that the Safekeeping Receipt provided by Hudson was a false and fraudulent document, BSI demanded the return of full \$85,000 retainer. Hudson did not respond to BSI's allegations regarding the falsity of the Safekeeping Receipt and instead claimed that BSI violated the service agreement by misusing the Safekeeping Receipt and demanding damages in the amount of \$965,000.

The evidence established that, between July 12, 2011 and August 19, 2011, Hudson used wire communications, specifically three telephone calls, three E-mails and a facsimile, on seven separate occasions in order to execute the scheme to defraud BSI. Each of these wire communications served as the basis for the seven counts of wire fraud in the indictment.

Hudson testified during the defense case and denied any criminal conduct. The jury deliberated approximately 7.5 hours before returning a verdict of guilty on all seven counts of the indictment.

The case was investigated by the Albuquerque Division of the FBI, and is being prosecuted by Assistant U.S. Attorneys John C. Anderson and Fred J. Federici, III.

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