



PRESS RELEASE

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WASHINGTON, D.C., FINANCIAL CONSULTANT
ARRAIGNED ON FEDERAL WIRE FRAUD CHARGES

ALBUQUERQUE – Daryl J. Hudson, III, 59, of Washington, D.C., was arraigned in federal court this morning on an indictment charging him with seven counts of wire fraud, announced U.S. Attorney Kenneth J. Gonzales. Hudson is alleged to have engaged in a scheme to defraud a Santa-Fe-based company in 2011 by falsely representing that he could secure debt funding to help the company grow. Hudson entered a not guilty plea during this morning's proceedings, and was released pending trial under pretrial supervision and other conditions.

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 all times relevant to the indictment, Hudson 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. The company that Hudson allegedly defrauded is Bluenergy Solarwind, Inc. (BSI), a manufacturer of green energy-related equipment.

The indictment alleges 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. According to the indictment, in early 2011, the president of BSI began seeking approximately \$80 million in debt funding so that BSI could manufacture new solar wind turbines. In an effort to obtain this financing, the president of BSI 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.

By mid-July 2011, the president of BSI 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 allegedly provided the president of BSI 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 allegedly 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.

On July 15, 2011, the president of BSI 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 allegedly transmitted two documents to BSI; a document entitled "Loan Commitment" and a document entitled "Safekeeping Receipt." The Safekeeping Receipt was allegedly 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 allegedly caused the relationship with BSI to deteriorate and the president of BSI 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. The indictment alleges that Hudson did not respond to the allegations regarding the falsity of the Safekeeping Receipt but instead claimed that BSI violated the service agreement by misusing the Safekeeping Receipt and demanding damages in the amount of \$965,000.

The indictment alleges that, from July 12, 2011 to August 19, 2011, Hudson used wire communications, namely telephone calls and E-mails, on seven separate occasions in order to execute the scheme to defraud BSI. Each of these wire communications is alleged as a separate wire fraud charge. If convicted, Hudson faces up to 30 years of imprisonment and \$1,000,000 fine on each of the seven charges.

The case was investigated by the Federal Bureau of Investigation, and is being prosecuted by Assistant U.S. Attorney John C. Anderson.

An indictment is only an accusation. All criminal defendants are presumed innocent until proven guilty beyond a reasonable doubt.

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