

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 66161 / January 17, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14696

In the Matter of

Chalmer E. Detling, II, Esq.,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Chalmer E. Detling, II, Esq. (“Detling” or “Respondent”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.B below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appear or practicing before it any attorney . . . who has been by name . . . [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

A. Detling, age 35, is an attorney licensed in Georgia. He is currently General Counsel at an engineering firm and resides in Marietta, Georgia. In 2006, Detling served as legal counsel to Charles A. Aiken ("Aiken") and Aiken Continental, L.L.C. ("Aiken Continental") in connection with the offer and sale of industrial development revenue bonds by Raleigh County, West Virginia in October 2006 (the "Bond Transaction"). In 2006, Detling also represented Aiken in a prior, unrelated criminal proceeding.

B. On December 29, 2011, the Commission filed a Complaint against Detling in the United States District Court for the Northern District of Georgia, Atlanta Division. The case is United States Securities and Exchange Commission v. Chalmer E. Detling, II, Esq., (Civil Action No. 1:11-cv-4565-TWT). On January 5, 2012, the Court entered a final judgment in that case, upon Detling's consent, ordering that Detling be permanently enjoined from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5 thereunder; and from aiding and abetting violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Detling was ordered to pay \$10,000 in disgorgement of ill-gotten gain, \$3,052 in prejudgment interest, and a \$25,000 civil penalty.

C. The Commission's Complaint alleged, among other things, that Detling made material misrepresentations and omissions in connection with the Bond Transaction. In October 2006, Aiken's firm, Aiken Continental, acquired Continental Casket, Inc. ("Continental Casket"), a casket manufacturer based in Beckley, West Virginia. Aiken, at the time an employee of Continental Casket, was able to complete this acquisition through financing that Raleigh County, West Virginia made possible through the Bond Transaction. Aiken Continental was the conduit borrower and received proceeds from the Bond Transaction in order to acquire Continental Casket. Detling failed to disclose to key participants to the transaction, including the issuer, bond counsel, the underwriter, and the bondholders' trustee, that Aiken had been indicted for financial fraud in late 2005. Detling also failed to disclose that he was in the process of negotiating a plea agreement for Aiken just before the bonds were issued in October 2006. In addition, Detling failed to disclose material information about a \$200,000 loan to Aiken and Aiken Continental from a company that was partially owned by Detling, in order to facilitate the closing of the transaction. This loan required a \$100,000 interest payment, and gave the lender a twenty percent equity interest in Aiken Continental if the loan plus interest was not fully repaid within six months. Detling's failure to disclose details about Aiken's criminal proceeding and the loan rendered certain statements in the bonds' Official Statement (the "OS") materially misleading. By reviewing the OS, which was distributed to investors in connection with the transaction, and failing to correct the misstatements and omissions therein, Detling aided and abetted the violations of Aiken and Aiken Continental. In addition, Detling signed an opinion letter as counsel to Aiken Continental in which he made false and misleading representations. Specifically, Detling represented that no proceeding at law was pending which would adversely affect Aiken Continental, and that the OS did not contain any untrue statement of material fact or omit any material facts. These representations were materially false and misleading due to Detling's failures to disclose material information about Aiken's criminal proceeding and the loan.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Detling's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Detling is suspended from appearing or practicing before the Commission as an attorney.

B. After five (5) years from the date of the Order, Detling may request that the Commission consider his reinstatement by submitting an affidavit to the Commission's Office of the General Counsel truthfully stating, under penalty of perjury, that he has complied with the Order, that he is not subject to any suspension or disbarment as an attorney by a court of the United States or of any state, territory, district, commonwealth, or possession, and that he has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e) of the Commission's Rules of Practice.

By the Commission.

Elizabeth M. Murphy
Secretary