

ORDER

FILED
U.S. DISTRICT COURT

John B. Smith
Julie K. Lutz
Securities and Exchange Commission
1801 California Street, Suite 1500
Denver, CO 80202
(303) 844-1000

BY: _____
DEPUTY CLERK

Lindsay S. McCarthy (#5216)
Securities and Exchange Commission
50 South Main, Suite 500
Salt Lake City, UT 84144
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FILED
CLERK
JAN 19 A 9:30
SO ORDERED

BY: _____
DEPUTY CLERK
Dee Benson
DEE BENSON
United States District Judge

Date 18th January 2007

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

ORDER

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CAPITAL ACQUISITIONS, INC., et al.

Defendants.

Civil Action No. 2:97-0977B
Judge Benson

STIPULATED MOTION FOR ORDER OF DISGORGEMENT AND FOR VOLUNTARY DISMISSAL OF PENALTY CLAIM AGAINST CLEALON B. MANN

Plaintiff Securities and Exchange Commission ("Commission") and defendant Clealon B. Mann ("Mann"), through his counsel James N. Barber, Esq., file this stipulated motion for entry of an order which will resolve the Plaintiff's claims for disgorgement and civil penalties against Mann in the instant action, which are the only remaining issues in the case. Settlement of the Commission's claim for injunctive relief against Mann was reached previously. Mann consented

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to a permanent injunction, which was entered by the Court on July 21, 2003. The injunction prohibits future violations of the registration and antifraud provisions of the federal securities laws, Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder.

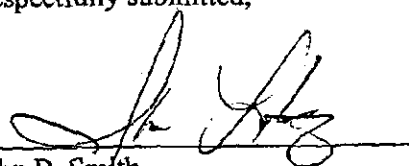
As a part of that partial settlement, litigation as to the Commission's claims for disgorgement and penalties was stayed pending disposition of a parallel criminal case which was then pending in the District of Utah, U.S. v. Mann 2:02 Cr.-0741 TC (D. Utah). Mann pleaded guilty in the criminal case on January 15, 2004, was sentenced on April 15, 2004, and was immediately taken into custody. Mann was sentenced to a five-year term in federal prison. As part of his criminal plea agreement, Mann agreed to an order of joint and several restitution arising from the offerings at issue in the present action in the amount of \$8,162,743.

Plaintiff and Mann move the Court to enter the attached Order, which orders Mann to pay disgorgement in the amount of \$4,017,000, but which deems payment of such disgorgement satisfied as a result of the criminal restitution order. The amount of disgorgement ordered is based upon the calculation of the receiver appointed by the Court in this action as to Mann's ill-gotten gains from the scheme. This calculation, which was previously filed with the Court, is attached as Exhibit A to this motion.

Plaintiff further moves the Court for voluntary dismissal of its claim for civil penalties against Mann in light of the sanctions imposed against him in the criminal case. The attached order therefore dismisses the penalty claim. If accepted by the Court, the attached proposed order will resolve this case in its entirety.

DATED: August 20, 2004

Respectfully submitted,



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