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AUG 10 2000

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

LUTHER...
By *[Signature]*

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

CIVIL ACTION NO:
1:00-CV-1970-JTC

v.

PHOENIX TELECOM, L.L.C.,
JEROLD BENJAMIN CLAWSON,
JERRY DELAND BEACHAM, and
H. ELLIS RAGLAND, JR.,

Defendants.

**ORDER OF PERMANENT INJUNCTION
AND OTHER RELIEF AS TO H. ELLIS RAGLAND, JR.**

Defendant H. Ellis Ragland, Jr. ("Ragland") by signed stipulation and consent, without admitting or denying any of the allegations in the Commission's Complaint, except that he is admitting the allegation as to the jurisdiction over him of this Court and over the subject matter of this action, has agreed to the entry of this Order Of Permanent Injunction And Other Relief. This Court having accepted such Consent and having jurisdiction over Defendant Ragland and the subject matter hereof, and the Court being fully advised in the premises,

I.

**FRAUD IN VIOLATION OF SECTION 17(a)(1)
OF THE SECURITIES ACT**

IT IS HEREBY ORDERED that Ragland, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly employing any devices, schemes or artifices to defraud purchasers of such securities in violation of Section 17(a)(1) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a)(1).

II.

**FRAUD IN VIOLATION OF SECTIONS 17(a)(2) AND 17(a)(3)
OF THE SECURITIES ACT**

IT IS FURTHER ORDERED that Ragland, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in connection with the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly

- (1) obtaining money or property by means of untrue statements of material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(2) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchasers in violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

III.

**FRAUD IN VIOLATION OF SECTION 10(b) OF
THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER**

IT IS FURTHER ORDERED that Ragland, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in connection with the purchase or sale of any security by use of any means or instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange, be and they hereby are, restrained and enjoined from, directly or indirectly, or as a control person under Section 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"):

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 statements made, in light of the circumstances under which they were made, not misleading; or
3. engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

IV.

REGISTRATION VIOLATIONS

IT IS FURTHER ORDERED that, defendant Ragland and his agents, servants, employees, attorneys and those persons in active concert or participation with him, who receive actual notice of the order of injunction, by personal service, facsimile or otherwise, and each of them, by use of the mails or any means or instrumentality of interstate commerce, are restrained from directly or indirectly:

(a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, *in the form* or common stock or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such securities;

(b) carrying securities, or causing them to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale, unless and until a registration statement is in effect with the *Commission* as to such securities;

(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 interest in securities, in the form of common stock or any other security;

unless a registration statement is filed with the Commission as to such securities, or while a statement is filed with the Commission as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under section 8 of the Securities Act. [15 U.S.C. 77h];

in violation of section 5 of the Securities Act. [15 U.S.C. 77e].

V.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED that Defendant Ragland shall comply with the provisions of his Stipulation and Consent to this Order, and that such Consent is incorporated herein by reference as if fully set forth herein.

VI.

DISGORGEMENT AND PENALTIES

IT IS FURTHER ORDERED that disgorgement and civil penalties as to defendant Ragland shall be resolved at a later date upon motion by the Commission.

VII.

MODIFICATION OF ASSET FREEZE

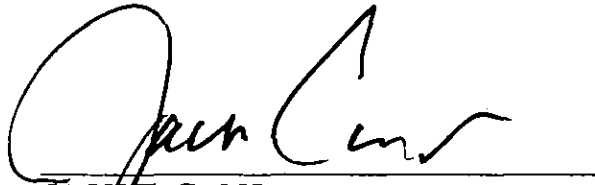
IT IS FURTHER ORDERED that the freeze imposed on the assets of defendant Ragland by this Court's order of August 2, 2000 is revised as follows, based upon the statement of his expenses which Ragland provided the Commission on August 7, 2000. The sum of \$4,000 (which Ragland listed as cash) is exempt from the freeze and may be used by Ragland for ordinary and necessary living expenses. Any funds earned by Ragland from this point forward, provided they are earned from sources other than the scheme in Phoenix Telecom, L.L.C. securities outlined in the Commission's complaint, shall not be subject to the Court's freeze order. Those funds hereafter earned by Ragland shall be deposited into a newly opened bank account which will not be subject to the freeze order.

VIII.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court will retain jurisdiction over this matter and Defendant Ragland in order to implement and carry out the terms of all Orders and Decrees that may be entered. The entry of this permanent injunction against Ragland shall not, however, be construed to give rise to a motion for contempt of court against him arising from the prior injunction against him in SEC v. H. Ellis Ragland, Jr., Civil Action File No. 1:93-CV-2123-JOF (N.D.Ga.)

DONE AND ORDERED this 10 day of August, 2000.

A handwritten signature in black ink, appearing to read "Jack T. Camp", written over a horizontal line.

JACK T. CAMP
UNITED STATES DISTRICT JUDGE

ORIGINAL

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DISTRICT OFFICE

_____)	
SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	CIVIL ACTION NO:
)	1:00-CV-1970-JTC
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v.)	
)	
PHOENIX TELECOM, L.L.C.,)	
JEROLD BENJAMIN CLAWSON,)	
JERRY DELAND BEACHAM and)	
H. ELLIS RAGLAND, JR.,)	
)	
Defendants.)	
_____)	

**STIPULATION AND CONSENT OF H. ELLIS RAGLAND, JR.
TO ENTRY OF PERMANENT INJUNCTION AND OTHER RELIEF**

1. Defendant H. Ellis Ragland, Jr. ("Ragland") admits the jurisdiction of this Court over him and over the subject matter of this action.

2. Ragland states that he has entered into this Consent voluntarily, after consulting with his undersigned counsel, and that no promise, threat, or inducement of any kind, except as stated herein or as stated in the attached proposed Order of Permanent Injunction and Other Relief has been made by the plaintiff, Securities and Exchange Commission ("Commission"), or any member, officer, agent, or representative thereof, to Defendant Ragland or to anyone acting for him or on his behalf, to induce him to enter into this Consent.

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3. Defendant Ragland, without admitting or denying the allegations of the Complaint, except that he is admitting the allegation as to jurisdiction, hereby voluntarily consents to the entry of this Order of Permanent Injunction, in the form annexed hereto and incorporated by reference herein.

4. Defendant Ragland agrees that the attached Order of Permanent Injunction, in the form annexed hereto, may be presented by the Commission to the Court for signature and entry, without further notice.

5. Defendant Ragland agrees that this Consent shall be made a part of the attached Order of Permanent Injunction to be entered by this Court in this action, and further agrees that this Court shall retain jurisdiction over him.

6. Defendant Ragland states that he understands that the Commission cannot and does not confer on him or on any person or entity, immunity from any criminal proceedings against him or other persons or entities for any actions related to or arising from this or any other matter.

7. Defendant Ragland acknowledges that he has read, understands, and agrees to comply with the policy of the Commission, set forth in 17 C.F.R. § 202.5(e), against permitting a defendant to consent to an order that imposes a sanction while denying any allegation or finding in the Complaint. Defendant Ragland agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant Ragland hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Defendant Ragland breaches this agreement, the

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Commission may petition the Court to vacate the Order of Permanent Injunction and restore this action to its active docket. Nothing in this provision affects Ragland's: (i) testimonial obligations; or (ii) right to take legal positions in litigation in which the Commission is not a party.

8. Defendant Ragland waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

9. Defendant Ragland waives any right he might have to appeal from the entry of the ~~Final Judgment~~ *ORDER of PERMANENT INJUNCTION ER*.

10. Defendant Ragland waives service of the Order of Permanent Injunction entered herein upon him and agrees that entry of the Order by the Court and filing with the Clerk in the Northern District of Georgia will constitute notice to him of the terms and conditions of such Order of Permanent Injunction.

11. Defendant Ragland agrees that he will not oppose the enforcement of the Order of Permanent Injunction on the ground that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

12. Consistent with the provisions of 17 C.F.R. § 202.5(f), Defendant Ragland waives any claim of double jeopardy based upon the settlement of this action, including the imposition of any remedy or civil penalty herein.

Dated: 8/9/00

H. Ellis Ragland, Jr.
H. Ellis Ragland, Jr.

Approved as to Form: G. Michael Smith, Esq.
G. Michael Smith, Esq.