



2. Notice of this action was duly served upon Defendant pursuant to the Court's Order dated May 24, 2002.

3. A Clerk's Default was entered against the Defendant on August 26, 2002.

4. As of the date of the Commission's Motion for Entry of Default Judgment of Permanent Injunction and Other Relief, Defendant has failed to answer or otherwise plead to the Commission's complaint as required by the Federal Rules of Civil Procedure.

5. By virtue of his failure to answer or otherwise plead, Defendant is deemed to have admitted the well pleaded allegations of the complaint; accordingly, the Court finds that Defendant committed the violations alleged therein.

6. Defendant is not an infant or an incompetent person and has no general guardian, committee, conservator or other such persons appearing on his behalf.

7. The Court did not find it necessary to conduct a hearing or order a conference prior to entering a final judgment in this action or carrying its judgment to effect.

8. Pursuant to Federal Rule of Civil Procedure 54(b), the Court expressly determines that there is no just reason for delay and expressly directs that judgment be entered in this action as between the Commission and Defendant. Accordingly,

**I.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Plaintiff's Motion for Default Judgment of Permanent Injunction and Other Relief Against Defendant Paul Richard Bell is **GRANTED**.

**II.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant has engaged and, unless enjoined, will continue to engage in acts that constitute violations of Sections 17(a)(1)-(3) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77q(a)(1)-(3)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**III.**

**VIOLATION OF SECTIONS 17(a)(1), 17(a)(2)  
AND 17(a)(3) OF THE SECURITIES ACT OF 1933**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant Bell, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, be and hereby are, permanently restrained and enjoined from, directly or indirectly, singly or in concert, as aider and abettor or otherwise, 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:

- (a) knowingly or recklessly employing any device, scheme or artifice to defraud;
  - (b) obtaining money or property by means of any untrue statement 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

- (c) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon purchasers or prospective purchasers of any such securities;

in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3).

**IV.**

**VIOLATION OF SECTION 10(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934 AND RULE 10b-5 THEREUNDER**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Bell, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, be and hereby are, permanently restrained and enjoined from, knowingly or recklessly, directly or indirectly, singly or in concert, as aider and abettor or otherwise, 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:

- (a) employing any device, scheme, or artifice to defraud;
- (b) 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
- (c) 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.

**V.**

**DISGORGEMENT**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant shall pay disgorgement representing his gains from the conduct alleged in the complaint, plus pre-judgment interest thereon. The amount of disgorgement shall be determined without hearing based upon the submission of documentary evidence by the Commission.

**VI.**

**PENALTIES AS TO DEFENDANT**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant shall pay a civil money penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3) based upon his conduct as alleged in the complaint. The amount of the civil penalty shall be determined after the Commission submits its recommendation to the Court.

**VII.**

**RETENTION OF JURISDICTION**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that, this Court will retain jurisdiction over this matter and the Defendant in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable

application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

**DONE AND ORDERED** at 5:00 o'clock, p.m. this 21<sup>st</sup> day of March 2003, at S.L.C., Utah.

  
**UNITED STATES DISTRICT JUDGE**

Copies to:

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50 South Main Street, Suite 500  
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jmo

United States District Court  
for the  
District of Utah  
March 24, 2003

\* \* CERTIFICATE OF SERVICE OF CLERK \* \*

Re: 2:02-cv-00231

True and correct copies of the attached were either mailed, faxed or e-mailed by the clerk to the following:

Mr. Thomas M Melton, Esq.  
SECURITIES AND EXCHANGE COMMISSION  
50 S MAIN STE 500  
SALT LAKE CITY, UT 84144-0402  
JFAX 9,5243558

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