

("Rambach") and Mark E. Kennison ("Kennison") to be personally served with copies of the Summons and Complaint. Pursuant to Fed. R. Civ. P. 12(a)(1)(A), Defendants Rambach and Kennison were required to serve their Answers or otherwise respond to the Complaint no later than September 18, 2001. Neither Rambach nor Kennison filed any Answer or other response to the Complaint.

On September 19, 2001, the Commission filed the Request By Plaintiff Securities And Exchange Commission For Clerk To Enter Defaults Against Defendants Ross S. Rambach And Mark E. Kennison. The Court has issued an Order That Default Be Entered Pursuant To Fed. R. Civ. P. 55(a).

The Commission has now submitted an Application Of Plaintiff Securities And Exchange Commission For Entry Of Judgment By Default Against Defendants Ross S. Rambach And Mark E. Kennison. The Court, having fully considered the Application, evidence, and arguments presented regarding that Application:

I.

IT IS HEREBY ORDERED that the Application by Plaintiff Commission for entry of default judgment pursuant to Fed. R. Civ. P. 55(b)(2) is GRANTED against Defendants Rambach and Kennison.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Rambach and Kennison and their agents, servants, employees and attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Final

Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell, to offer to sell or to offer to buy any security; or carrying or causing to be carried through the mails or in interstate commerce, by any means of transportation, any security for the purpose of sale or for delivery after sale, unless a registration statement is in effect as to such security, in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77(e)(a) & 77(e)(c).

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Rambach and Kennison and their agents, servants, employees and attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, 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. employing any device, scheme or artifice to defraud;
- B. obtaining money or property by means of any untrue statement of a 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 the purchaser;

in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Rambach and Kennison and their agents, servants, employees and attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or 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 the 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 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.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Rambach and Kennison and their agents, servants, employees and attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined from making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security without being registered as a broker or dealer pursuant to Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, within ten days of the entry of this Final Judgment, Defendants Rambach and Kennison shall pay disgorgement in the following amounts, representing their respective ill-gotten gains from the conduct alleged in the Complaint, plus prejudgment interest thereon: (1) Defendant Rambach shall pay disgorgement in the amount of

\$2,273,023.01, together with prejudgment interest in the amount of \$159,423.80, for a total of \$2,432,446.81; (2) Defendant Kennison shall pay disgorgement in the amount of \$2,594,518.98, together with prejudgment interest in the amount of \$178,606.07, for a total of \$2,773,125.05. With regard to the amounts owed by Rambach and Kennison, all rights to, title to, and possession of their assets frozen pursuant to the Court's September 6, 2001, Order Of Preliminary Injunction And Orders: (1) Continuing Freeze Of Assets; (2) Appointing A Permanent Receiver; (3) Prohibiting The Destruction Of Documents; And (4) For Accountings shall immediately be transferred to the Receiver, Thomas F. Lennon, except to the extent that the value of those assets exceeds the amount of disgorgement, prejudgment interest and civil penalties owed by Defendants Rambach and Kennison. Such frozen assets ordered to be disgorged include, but are not limited to, the following assets of Defendant Rambach:

Real Property

Residence, located at 131 Gaerky Creek Drive, Ashland, Oregon 97520 (legal description: Lot: 235; SEC 2 TWN 39S RNG 1E); Property located at 440 Chestnut Street in Jackson County, Oregon (legal description: Lot 4601; SEC 5 TWN 395S RNG 1E).

Bank Accounts

<u>Bank Name</u>	<u>Account Name</u>	<u>Account No.</u>
U.S. Bank	Ross S. Rambach and Patricia L. Rambach	1-536-0387-1812
U.S. Bank	Ross S. Rambach and Patricia L. Rambach	1-536-0742-7827

U.S. Bank	Ross S. Rambach and Patricia Rambach	1-536-0073-9194
U.S. Bank	Ryan M. Rambach UTMA	2-536-0094-9965
U.S. Bank	Ariana Rambach UTMA Ross S. Rambach	2-536-0094-9973

Brokerage Account

<u>Brokerage House</u>	<u>Account Name</u>	<u>Account No.</u>
Charles Schwab	Ross S. Rambach	3138-1525

Rambach, Kennison and/or any bank, financial institution, brokerage firm, or other entity holding frozen funds or assets in which Rambach or Kennison has an interest shall immediately turn over such funds or assets to the Receiver. Defendants Rambach and Kennison shall execute all documents necessary to completely transfer their interests in such frozen funds or assets to the Receiver, regardless of whether such assets are partial, beneficial or full legal ownership interests. Any remaining disgorgement shall be paid to the Receiver in this action, Thomas F. Lennon, by cashier's check, certified check or postal money order.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, 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), Defendants Rambach and Kennison are assessed, and shall pay to the Commission for delivery to the United States Treasury, third

tier civil penalties in the following amounts: (1) Rambach shall pay a third tier penalty in the amount of \$2,273,023.01; and (2) Kennison shall pay a third tier penalty in the amount of \$2,594,518.98. Rambach and Kennison shall pay the above penalties within ten days of entry of this Final Judgment. These payments shall be made by cashier's check, certified check or postal money order made payable to the Securities and Exchange Commission, and shall be transmitted to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop O-3, Alexandria, Virginia, 22312, under cover of a letter that identifies the defendant, the name and case number of this litigation and the name of the court. A copy of the cover letter and the check or money order shall be simultaneously transmitted to counsel for the Commission at its Los Angeles office, located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except as otherwise ordered by this Court, Defendants Rambach and Kennison and their agents, servants, employees, attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment by personal service of otherwise, and each of them, are restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner,

any documents, which includes all books, records, computer programs, computer files, computer printouts, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants Alpha Telecom, Inc. ("Alpha"), American Telecommunications Company, Inc. ("ATC"), Strategic Partnership Alliance, LLC ("SPA") or SPA Marketing, LLC ("SPA Marketing") or any of their subsidiaries or affiliates.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Rambach and Kennison shall forthwith give access to and control to the Receiver of any assets, books, records, securities, or other property of Alpha, ATC, SPA and SPA Marketing and their subsidiaries and affiliates, which are in their possession, custody or control.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Rambach and Kennison and their agents, servants, employees and attorneys, shall cooperate with and assist the Receiver appointed in this case and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere with the Receiver or his attorneys, accountants, employees or agents, in the conduct of his duties or to interfere in any manner, directly or indirectly, with the custody, possession, management, or control by the

Receiver of the funds, assets, collateral, premises, and choses in action belonging to, being managed by or in the possession of or control of Alpha, ATC, SPA and SPA Marketing, and any of their subsidiaries and affiliates.

XI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except as otherwise ordered by this Court, Defendants Rambach and Kennison and their agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, are restrained and enjoined from, directly or indirectly:

- A. transferring, assigning, selling, hypothecating, changing, wasting, dissipating, converting, concealing, encumbering, or otherwise disposing of, in any manner, any funds, assets, securities, claims, or other real or personal property (including payphones or any interests therein), wherever located, of Defendants Alpha, ATC, SPA, SPA Marketing, their subsidiaries or affiliates, owned by, controlled by, managed by or in the possession or custody of any of them.
- B. transferring, assigning, selling, hypothecating, encumbering, or otherwise disposing of any securities, including, but not limited to, any investment contracts or other securities of Alpha, ATC, SPA or SPA Marketing

or any of their subsidiaries or affiliates.

XII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that paragraphs VIII through XII and XIV through XVI of the Court's September 6, 2001, Order of Preliminary Injunction And Orders: (1) Continuing Freeze Of Assets; (2) Appointing A Permanent Receiver; (3) Prohibiting The Destruction Of Documents; And (4) For Accountings, remain in full force and effect until further order of this Court.

XIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including to determine the liability of any remaining defendants in this action, to implement and enforce the terms of this Final Judgment and other orders and decrees which may be entered, and to grant such other relief as this Court may deem necessary and just.

* * * * *

There being no just reason for delay, the Clerk of the Court is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment. *There is no time 11/10/01*

DATED:

Owen M. Panner
 THE HONORABLE OWEN M. PANNER
 UNITED STATES DISTRICT JUDGE
12/19/01