



having admitted service upon him of the Summons and Complaint in this action and the jurisdiction of this Court over him and over the subject matter of this action; having been fully advised and informed of his right to a judicial determination of this matter; having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to the entry of this Final Judgment Of Permanent Injunction And Other Relief Against Defendant Robert S. McDonald ("Final Judgment"), without admitting or denying the allegations in the Complaint except as specifically set forth in the Consent Of Defendant Robert A. McDonald To Entry Of Final Judgment Of Permanent Injunction And Other Relief ("Consent"); and no notice or hearing upon the entry of this Final Judgment being necessary:

**I.**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant McDonald and his 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 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 interstate commerce, by any means of transportation,

any security for the purpose of sale or 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).

**II.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant McDonald and his 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 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 the 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).

**III.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant McDonald and his 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 or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any securities, 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.

**IV.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant McDonald shall pay disgorgement of \$160,804.40, together with

prejudgment interest thereon in the amount of \$10,116.08, for a total of \$170,920.48, within sixty days of the entry of this Final Judgment. Such disgorgement shall be paid to the Receiver in this action, Thomas F. Lennon, by cashier's check, certified check or postal money order, except that a portion of the disgorgement may be satisfied by McDonald executing all documents necessary to transfer title to his 1999 Jeep Wrangler to the Receiver. The portion of disgorgement satisfied by transfer of the vehicle to the Receiver will be the net amount the Receiver obtains from selling the vehicle.

**V.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that no civil penalty shall be assessed against Defendant McDonald, as the Commission has withdrawn its request for such a penalty based upon McDonald's cooperation in the Commission's investigation which preceded the filing of this action.

**VI.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except as otherwise ordered by this Court, Defendant McDonald and his 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 or 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 Telcom, Inc. ("Alpha"), ATC, Strategic Partnership Alliance, LLC ("SPA") or SPA Marketing, LLC ("SPA Marketing") or any of their subsidiaries or affiliates.

**VII.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant McDonald 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 his possession, custody or control.

**VIII.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant McDonald and his 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 or her attorneys, accountants, employees or agents, in the conduct of the receiver's 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.

**IX.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except as otherwise ordered by this Court, Defendant McDonald and his agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of this Order, 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.

**X.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except as otherwise ordered by this Court, the freeze placed on all of Defendant McDonald's monies and assets is lifted, except that McDonald may not transfer the proceeds from any sale of the real property located at 1721 S.E. N Street in Josephine County, Oregon, legally described as 36-5-2124 TL 700, to anyone other than the Receiver.

**XI.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of the Consent filed concurrently with this Final Judgment are incorporated herein with the same force and effect as if fully set forth herein, and that McDonald shall comply with his Consent.

**XII.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including implementing and carrying out the terms of this Final Judgment and all other orders which may be entered herein.


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There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Judgment forthwith.

DATED: 10/24/01  
7:15 a.m.

  
\_\_\_\_\_  
THE HONORABLE OWEN M. PANNER  
UNITED STATES DISTRICT JUDGE

**CERTIFICATE OF SERVICE**

I, Magnolia M. Marcelo, am over the age of eighteen years, am not a party to this action, and am a citizen of the United States. My business address is 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California, 90036. On October 18, 2001, I caused to be served the **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT ROBERT A. McDONALD** by causing to be mailed true and correct copies thereof in a sealed envelope, postage prepaid, addressed to:

Ross S. Rambach  
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Ashland, OR 97520

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I declare under penalty of perjury that the foregoing is  
true and correct.

Dated: October 18, 2001

  
\_\_\_\_\_  
Magnolia M. Marcelo