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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

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 JERRY DELAND BEACHAM**

Defendant Jerry Deland Beacham ("Beacham") 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 Beacham 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 Beacham, 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 Beacham, 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 Beacham, 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 Beacham 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 of 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 Beacham 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 HEREBY FURTHER ORDERED that Defendant Beacham pay disgorgement in the amount of \$2,000,000, representing his gains from the conduct alleged in the Complaint, plus pre-judgment interest. Based upon Defendant's sworn representations in his Statement of Financial Condition dated December 29, 2000 and submitted to the Commission, payment of disgorgement in excess of \$150,000 and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition, for which let execution issue. Defendant Beacham shall pay \$25,000 to the Phoenix Receiver Estate within 30 days from the entry of this order. At each 90-day interval thereafter, Beacham shall pay to the Receiver Estate the sum of at least \$10,000 for the following six calendar quarters. Beacham shall within 90 days thereafter make one balloon payment in the amount of the outstanding balance such that within two years from the entry of this order, the debt of \$150,000 in disgorgement has been retired. Based upon Defendant Beacham's sworn representations in his Statement of Financial Condition dated December 29, 2000 and submitted to the Commission, the Court is not ordering him to pay a civil 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. §78 (d) (3). The determination not to impose a civil penalty and to waive payment of disgorgement in excess of \$150,000 and pre-judgment interest thereon is contingent upon the accuracy and completeness of his Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition this Court for an order requiring Defendant to pay the remainder of the \$2,000,000 in disgorgement, pre-judgment and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Order of Permanent Injunction, and the Commission may also request additional discovery. Defendant may not, by way of defense to such petition, challenge the validity of his Consent or the Order of Permanent Injunction, contest the allegations in the Complaint filed by the Commission, contest the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

VII.

MODIFICATION OF THE FREEZE

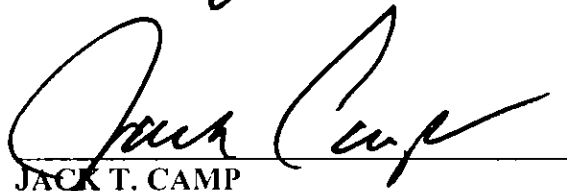
IT IS FURTHER ORDERED that the freeze on Beacham's assets, which was earlier imposed by order of this Court, and previously modified to permit the expenditure of certain amounts for monthly expenses, shall be further modified to permit Beacham to liquidate non-cash assets otherwise subject to the freeze, provided ten days' notice prior to the liquidation of the asset is given to the Commission staff, and that the Commission is given an opportunity to object to such liquidation within the ten day period, and that the proceeds from the liquidation of any such assets remain subject to the freeze as previously modified. Neither this Order nor the Court's August 2, 2000 Order freezes assets that were or are acquired by Defendant Beacham after August 2, 2000.

VIII.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court will retain jurisdiction over this matter and Defendant Beacham in order to implement and carry out the terms of all Orders and Decrees that may be entered.

DONE AND ORDERED this 9 day of May, 2001.



JACK T. CAMP
UNITED STATES DISTRICT JUDGE

FILED IN CLERK'S OFFICE
U.S.D.C. Atlanta
D.P.T.
MAY 11 2001

LUTHER D. [unclear] Clerk
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