

Robert K. Hunt (5722)  
Brent R. Baker (5247)  
Securities and Exchange Commission  
Salt Lake District Office  
50 South Main, Suite 500  
Salt Lake City, Utah 84144  
(801) 524-5796

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CLERK, U.S. DISTRICT COURT  
DISTRICT OF NEVADA

AUG -9 1999

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DISTRICT OF NEVADA

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IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA

ENTERED AND SERVED  
AUG -9 1999  
CLERK, U.S. DISTRICT COURT  
DISTRICT OF NEVADA  
BY *hly* DEPUTY

SECURITIES AND EXCHANGE COMMISSION

CV-S-99-0967-JBR-LRL

Plaintiff,

v.

KANAKARIS COMMUNICATIONS, INC.,  
ALEXANDER FRANK KANAKARIS  
DAVID R. VALENTI and SHAWN F.  
HACKMAN

Defendants,

:  
:  
: FINAL JUDGMENT OF  
: PERMANENT INJUNCTION  
:  
: AND OTHER RELIEF  
: AS TO DAVID R.  
: VALENTI

Plaintiff, the Securities and Exchange Commission ("Commission"), has duly commenced this action by filing a Complaint for Permanent Injunction and Other Equitable Relief ("Complaint") in this matter. Defendant David R. Valenti ("Valenti") has admitted the jurisdiction of this Court over him and the subject matter of this action, has waived a trial on the merits of the Complaint, has waived the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying the allegations of the Complaint except as to the jurisdiction of the Court, has

consented in the Consent annexed hereto and incorporated herein to the entry of this Judgment of Permanent Injunction ("Judgment") against him, as requested in the Complaint, permanently restraining and enjoining him from engaging in acts and practices which constitute and will constitute violations of Section 17(a) (1), (2), or (3) of the Securities Act of 1933, as amended [15 U.S.C. § 77(q) (a) (1), (2), and (3)], or violations of Section 10(b) of the Securities Exchange Act of 1934, as amended [15 U.S.C. § 78j(b)], Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 5(a) or 5(c) of the Securities Act of 1933 [15 U.S.C. § 77e(a) or 77e(c)]. It appearing that the Court has jurisdiction over the Defendant and the subject matter and being fully advised

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in the premises and there being no just reason for delay:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the defendant and/or his agents, servants, employees, attorneys, and those persons in active concert or participation with him, and each of them who receive actual notice of the Judgment by personal service or otherwise, 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, offer to sell, or offer to buy any security, through the use or medium of any prospectus or otherwise, or carrying or causing to be carried through the mails or in interstate commerce by any means or instruments of transportation any security for the purpose of sale or for delivery after sale,

unless and until a registration statement has been filed or is in effect as to such security, in violation of Sections 5(a) or 5(c) of the Securities Act of 1933 [15 U.S.C. § 77e(a) or 77e(c)] provided, however, that nothing in the foregoing Part I of this Judgment shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act.

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Valenti and his respective officers, agents, servants, employees, and those persons in active concert or participation with him, who receive actual notice of the judgment by personal service or otherwise, are permanently restrained and enjoined from, directly or indirectly, by use of the mails or any means or instrumentality of interstate commerce, in connection with the purchase, offer or sale of securities of any issuer whatsoever, employing any device, scheme or artifice to defraud, making any untrue statement of material fact or omitting to state any material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, obtaining money or property by means of any untrue statement of material fact or any omission to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person or other conduct of similar purport and

object, in violation of Section 17(a)(1), (2), or (3) of the Securities Act of 1933 [15 U.S.C. § 77q(a)(1), (2), and (3)], or Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Valentishall, within 15 days of the entry of this Order, pay a civil penalty of \$25,000 pursuant to Section 21(d)(3) of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)] and 21A of the Exchange Act [15 U.S.C. § 78u-1] to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312; and (D) submitted under cover of letter that identifies Defendant Valenti as a Defendant in these proceedings; the caption and the Civil Number of these proceedings, the name of the United States District Court in which it was filed; a copy of which shall be sent to Kenneth D. Israel, District Administrator, Securities and Exchange Commission, 50 South Main Street, Suite 500, Salt Lake City, UT 84144.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that this Court shall retain jurisdiction over this action for all other purposes.

DATED this 4<sup>th</sup> day of August, 1999.

Johnie B. Paulson  
United States District Court

Judge

AGREED AS TO FORM:

William B. Barnett

William B. Barnett  
Attorney for David R. Valenti  
15233 Ventura Blvd., Suite 1110  
Sherman Oaks, CA 91403  
(818) 789-2688