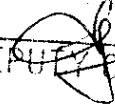


UNITED STATES DISTRICT COURT
DISTRICT OF ~~NEVADA~~ UTAH

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U.S. DISTRICT COURT
DISTRICT OF UTAH
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SECURITIES AND EXCHANGE :
COMMISSION, :
Plaintiff, :
vs. :
CAPITAL ACQUISITIONS, INC., et al. :
Defendants, :

Civil Action No. 2:97-0977B
Judge Benson

PERMANENT INJUNCTION AS TO DEFENDANT CLEALON B. MANN

Plaintiff Securities and Exchange Commission commenced this action by filing its Complaint. Defendant Clealon B. Mann ("Mann") has submitted his Consent, in which he admitted the jurisdiction of this Court over him and the subject matter of this action, waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and waived any right he might have to appeal from the entry of this Permanent Injunction. Without admitting or denying any of the allegations of the Complaint, except as to jurisdiction, Mann consents to the entry of this Permanent Injunction.

It appearing that this Court has jurisdiction over Mann and the subject matter of this case, and the Court being fully advised in the premises:

I.

IT IS ORDERED, ADJUDGED AND DECREED that Mann and his officers, agents, servants and employees, and all persons in active concert or participation with them who receive

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actual notice of this Permanent Injunction by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act of 1933 [15 U.S.C. §§ 77e(a) and 77e(c)], directly or indirectly, by:

A. making use of any means or instruments of interstate commerce, or of the mails, to sell through the use or medium of any prospectus or otherwise, any security whatsoever, unless and until a registration statement has been filed with the Commission;

B. carrying or causing to be carried through the mails or in interstate commerce by any means or instruments of transportation, any security of any issuer whatsoever, for purposes of sale or delivery after sale, unless and until a registration statement has been filed with the Commission; or

C. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell or offer to buy through the use or medium of any prospectus or otherwise any security of any issuer whatsoever, unless a registration statement has been filed with the Commission as to such security; provided, however, that nothing in the foregoing portion of this injunction shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act of 1933 [15 U.S.C. §§ 77e].

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Mann, his officers, agents, servants and employees, and those persons in active concert or participation with them who receive actual notice of this Permanent Injunction by personal service or otherwise, are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of

transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of 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) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Mann, his officers, agents, servants and employees, and those persons in active concert or participation with them who receive actual notice of this Permanent Injunction by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. to employ any device, scheme, or artifice to defraud,
- B. to make any untrue statement of a material fact or to omit 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. to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that further proceedings to determine the Commission's claims against Mann for disgorgement and civil penalties shall be stayed pending the conclusion of a related criminal proceeding, U.S. v. Mann, 2:02 Cr 0741 TC (D. Utah). Such proceedings shall be commenced upon motion of the Plaintiff following the imposition of sentence upon Mann. This Court shall retain jurisdiction over this action for purposes of determining whether disgorgement, if any, and prejudgment interest thereon, in an amount subsequently determined by this Court, is appropriate. In connection with any hearing to determine whether disgorgement is appropriate and if so, the amount of disgorgement to be ordered, Mann shall not raise as a defense that he is not liable for the payment of such disgorgement because he did not violate one or more of the provisions of the Securities Act Exchange Act and rules thereunder set forth in the Judgment.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for purposes of determining whether civil penalties will be assessed against Mann pursuant to Section 20(d)(2)(c) of the Securities Act [15 U.S.C. § 77t(d)(2)(c)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] as appropriate. In connection with any hearing to determine the appropriate amount of civil penalties, Mann shall not raise as a defense that he is not liable for the payment of such civil penalties because he did not violate one

or more of the provisions of the Securities Act and Exchange Act and rules thereunder set forth in the Judgment.

VI.

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

VII.

The Commission shall serve upon Mann a copy of the injunction bearing the Court's signature and date of entry. Mann shall sign an acknowledgement of receipt of the Permanent Injunction and return it to the attorneys for the Commission within ten days after receiving the acknowledgement.

There being no 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 Permanent Injunction forthwith.

SO ORDERED, this 21st day of July, 2003.



United States District Court

ce

United States District Court
for the
District of Utah
July 23, 2003

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:97-cv-00977

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

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