

FILED IN CHAMBERS
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JAN 25 2008

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

JAMES N. HATTEN, Clerk

Deputy Clerk

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

COADUM ADVISORS, INC.,
MANSELL CAPITAL PARTNERS III, LLC,
JAMES A. JEFFERY,
THOMAS E. REPKE,
COADUM CAPITAL FUND 1, LLC,
COADUM CAPITAL FUND II, LP,
COADUM CAPITAL FUND III, LP, and
MANSELL ACQUISITION COMPANY LP.

Defendants.

CIVIL ACTION FILE NO.
1:08-CV-0011-ODE

ORDER OF PERMANENT INJUNCTION AGAINST DEFENDANTS COADUM,
MANSELL, JEFFERY, REPKE, COADUM 1, COADUM II, COADUM III, AND
MAC, AND OTHER RELIEF

Plaintiff Securities and Exchange Commission
("Commission"), having filed its Complaint herein, and
defendants Coadum Advisors, Inc. ("Coadum"), Mansell Capital
Partners III, LLC ("Mansell"), James A. Jeffery ("Jeffery"),
Thomas E. Repke ("Repke"), Coadum Capital Fund 1, LLC ("Coadum
1"), Coadum Capital Fund II, LP ("Coadum II"), Coadum Capital
Fund III, LP ("Coadum III") and Mansell Acquisition Company LP
("MAC") (collectively, the "Defendants") having entered

general appearances, having admitted the in personam jurisdiction of this Court over them and the jurisdiction of this Court over the subject matter of the action, having waived entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, without admitting or denying the allegations of the Commission's Complaint, except as to jurisdiction and venue which they admit, and having consented to the entry of this Order of Permanent Injunction and Other Relief 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 defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with 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 permanently 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 defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with 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 permanently 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 OF 1933, 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 defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with each of them, be and they hereby are permanently restrained and enjoined from, directly or indirectly, 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, 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 Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

IV.

COUNT IV-FRAUD BY INVESTMENT ADVISER
Violations of Sections 206(1) and 206(2) of Advisers Act
[15 U.S.C. § 80b-6(1), (2)]

IT IS FURTHER ORDERED that defendants Coadum, Mansell, Jeffery and Repke and their agents, servants, employees, attorneys and those persons in active concert or participation with them hereby are permanently enjoined and restrained from, directly or indirectly:

- (1) employing devices, schemes, or artifices to defraud clients or prospective clients; or
- (2) engaging in transactions, practices, or courses of business which operated as a fraud or deceit upon clients or prospective clients;

in violation of Sections 206(1) and (2) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-6(1) and (2)].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Jeffery shall pay disgorgement and pre-judgment interest in an amount to be resolved upon motion of the Commission at a later date. For purposes of disgorgement and

pre-judgment interest, the allegations of the Commission's complaint shall be deemed to be true, and Jeffery may not, by way of defense, contend that disgorgement and pre-judgment interest should not be imposed. In the event that Jeffery, pursuant to sworn financial statement, is incapable of payment, disgorgement and pre-judgment interest may be waived or partially waived by the Commission, in its discretion.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Repke shall pay disgorgement and pre-judgment interest in an amount to be resolved upon motion of the Commission at a later date. For purposes of disgorgement and pre-judgment interest, the allegations of the Commission's complaint shall be deemed to be true, and Repke may not, by way of defense, contend that disgorgement and pre-judgment interest should not be imposed. In the event that Repke, pursuant to sworn financial statement, is incapable of payment, disgorgement and pre-judgment interest may be waived or partially waived by the Commission, in its discretion.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendants Coadum, Mansell, Coadum 1, Coadum II, Coadum III and MAC shall pay disgorgement and pre-judgment interest in an amount to be resolved upon motion of the Commission at a later

date. For purposes of disgorgement and pre-judgment interest, the allegations of the Commission's complaint shall be deemed to be true, and the entity defendants may not, by way of defense, contend that disgorgement and pre-judgment interest should not be imposed. In the event that any of the entity defendants, pursuant to sworn financial statement, is incapable of payment, disgorgement and pre-judgment interest may be waived or partially waived by the Commission, in its discretion.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Jeffery shall pay a civil penalty in an amount to be resolved upon motion of the Commission at a later date. For purposes of the civil penalty, the allegations of the Commission's complaint shall be deemed to be true, and Jeffery may not by way of defense contend that a civil penalty should not be imposed. In the event that Jeffery, pursuant to sworn financial statement, is incapable of payment, the Commission, in its discretion, may seek not to impose a civil penalty.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Repke shall pay a civil penalty in an amount to be resolved upon motion of the Commission at a later date. For purposes of the civil penalty, the allegations of the

Commission's complaint shall be deemed to be true, and Repke may not by way of defense contend that a civil penalty should not be imposed. In the event that Repke, pursuant to sworn financial statement, is incapable of payment, the Commission, in its discretion, may seek not to impose a civil penalty.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendants Coadum, Mansell, Coadum I, Coadum II, Coadum III and MAC shall each pay a civil penalty in an amount to be resolved upon motion of the Commission at a later date. For purposes of the civil penalty, the allegations of the Commission's complaint shall be deemed to be true, and the entity defendants may not by way of defense contend that a civil penalty should not be imposed. In the event that any of the entity defendants, pursuant to sworn financial statement, is incapable of payment, the Commission, in its discretion, may seek not to impose a civil penalty.

XI.

IT IS FURTHER ORDERED that, pending final determination as to all of the parties to this action, defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC as well as their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with it who receive actual notice of this order by personal

service, facsimile transmission or otherwise, and each of them, are hereby enjoined from destroying, mutilating, concealing, altering, or disposing of any document referring or relating in any manner to any defendants herein including but not limited to (a) any investor investments in the defendant entities and (b) records evidencing the receipt and disbursement of investor funds by the defendants. As used in this order, "document" means the original and all non-identical copies (whether non-identical because of handwritten notation or otherwise) and all written or graphic matter, however produced, and any other tangible record, or electronic data compilation of any sort, including, without limitation, computer disks, computer hard-drives, computer diskettes, computer tapes, correspondence, memoranda, notes, minutes, telephone records, reports, studies, telexes, diaries, calendar entries, contracts, and letters of agreement, and including any and all existing drafts of all documents.

XII.

IT IS FURTHER ORDERED that, pending determination of the the remaining issues of disgorgement, prejudgment interest and civil penalties, the assets of defendants Coadum, Mansell, Jeffery, Repke, Coadum 1, Coadum II, Coadum III and MAC be, and hereby are, frozen. The freeze shall include but not be limited to those funds located in any bank accounts of

defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC, including funds held by escrow agents on their behalf. In addition, proceeds derived from the securities offerings alleged in the Commission's complaint are hereby frozen regardless of where said proceeds are located. Pending determination of permanent injunctive relief, defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, except any trustee, receiver or special fiscal agent appointed by this Court, be, and hereby are, restrained from, directly and indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets and property owned by, controlled by, or in the possession of said defendants, including, but not limited to, cash, customers' securities, free credit balances, fully-paid-for securities, and/or property pledged or hypothecated as collateral for loans. Defendants Jeffery and Repke may have access to \$4,000 each per month, which shall be exempt from the freeze for the purpose of meeting ordinary and necessary living expenses.

XIII.

IT IS FURTHER ORDERED that Pat Huddleston, Esquire, until further order of this Court, shall continue as Receiver of Coadum, Mansell, Coadum 1, Coadum II, Coadum III and MAC with the same scope and authority as set forth in the Court's earlier order in this matter. The Commission may also continue to take discovery in this matter, as it relates to the tracking of investor funds.

XIV.


IT IS FURTHER ORDERED that this Order does not preclude the Commission from seeking disgorgement and prejudgment interest and the imposition of civil penalties, or other relief, in this action.

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XV.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this matter for all purposes, including implementing and enforcing the terms of this Order, and may order further relief that this Court deems appropriate under the circumstances.

SO ORDERED this 25 day of January, 2008.



ORINDA D. EVANS, JUDGE
UNITED STATES DISTRICT COURT