The following is a post from Dan Baldwin...

"Make sure that you read the directions on how to hook up the wire. The CAT5 is not a problem but with phone cable you need to keep track of the concept of INTO a box and OUT OF a box. INTO a box means that the wire is coming from the PC or a controller connected to the PC.... OUT of the box means that the wire is going from this box to the next box in the chain but it is going away from the PC. If you use phone cable INTO a box plug it into the small jack. If you are running phone cable OUT OF a box then plug the wire into a LARGE jack. So the small jack is used ONLY FOR PHONE CABLE GOING INTO A BOX. This is described in the documentation for the units. Phone cable is sensitive to in and out that is why you would see markings like (WALL) and (PHONE) on the two jacks on a modem. CAT5 does not care about IN and OUT so you can really just plug them in anywhere they will go."