

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

AMERICAN HEALTHCARE PROVIDERS, INC.,
ARTHUR W. WHEELER, LARS M. KRAM,
ANGEL L. LORIE JR., LUIS F. LORIE, AND
MICHAEL ANTHONY LESTER,

Defendants.

01 Civil Action No. 7649
(BSJ)(TSK)

JUDGMENT SETTING DISGORGEMENT, PRE-JUDGMENT INTEREST, AND
CIVIL MONEY PENALTIES AGAINST DEFENDANT LUIS F. LORIE

On the application of Plaintiff Securities and Exchange Commission (the "Commission") for an Order setting defendant Luis F. Lorie's ("Luis Lorie" or "Defendant") disgorgement at \$1,451,802.76, plus pre-judgment interest of \$371,829.29, for a total of \$1,823,632.05, and civil penalties at \$110,000, and having considered: (1) the Securities and Exchange Commission's ("Commission") Notice of Motion dated July 20, 2004; (2) the Commission's Memorandum of Law in Support of Its Application To Set Disgorgement, Pre-Judgment Interest, and Civil Penalties dated July 20, 2004; (3) the Declaration of David A. Markowitz executed on July 20, 2004, and (4) the Declaration of Elizabeth C. Baier, executed on July 20, 2004;

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Luis F. Lorie is liable for disgorgement of \$1,451,802.76, representing profits gained as a result of the

conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$371,829.29, for a total of \$1,823,632.05. The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after ten days following entry of this Final Judgment. In response to any such civil contempt motion by the Commission, the defendant may assert any legally permissible defense. Payments under this paragraph shall be made to the Clerk of this Court, together with a cover letter identifying Luis F. Lorie as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action. Defendant relinquishes all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Luis F. Lorie shall pay a civil penalty in the amount of \$110,000 pursuant to Section 20(d) of the Securities Act of 1933 and Section 21(d)(3) of the Securities Exchange Act of 1934. The Commission may enforce the Court's civil penalty judgment by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after ten days following entry of this Final Judgment. In response to any such civil contempt motion by the Commission, the defendant may assert any legally permissible defense. Payments under this paragraph shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Luis F. Lorie as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Fed. R. Civ. P. 65(d), this Final Judgment is binding upon Luis Lorie and each of his officers, agents, servants, employees, and attorneys-in-fact, and upon those persons in active concert or participation with them who receive actual notice of this judgment by personal service or otherwise.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, implementing and enforcing the terms and conditions of this judgment.

V.

IT IS FURTHER ORDERED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Dated: New York, New York

June 31, 20045 *BJ*

Barbara S. Jones
The Honorable Barbara S. Jones,
United States District Judge *pu*

THIS DOCUMENT WAS ENTERED
ON THE DOCKET ON _____