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8	UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT SEATTLE
10	SECURITIES AND EXCHANGE COMMISSION, ) Case No. C02-0153P
11	Plaintiff,
12	y. JUDGMENT OF
13	) PERMANENT INJUNCTION HEALTH MAINTENANCE CENTERS, INC., ) AND OTHER RELIEF
14	BAINBRIDGE HUMAN PERFORMANCE ) AGAINST CLIFFORD G. CENTERS, PLLC, ZNETIX, INC., CASCADE ) BAIRD
15	POINTE OF ARIZONA, LLC, CASCADE POINTE ) OF NEVIS, LLC, KEVIN L. LAWRENCE,
16	DONOVAN C. CLAFLIN, CLIFFORD G. BAIRD, ) KIMBERLY ALEXANDER, BONNIE M. )
17	COUCH, STACY GRAY and VICKI L. ) LAWRENCE, )
18	Defendants.
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25 <sub>∃</sub>	02-CV-00153-ORD
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FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST CLIFFORD G. BAIRD

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Clifford G. Baird ("Baird") a Summons and Complaint in this action; Baird having admitted service upon him of the Summons and Complaint in this action and the jurisdiction of this Court over him and over the subject matter of this action; having been fully advised and informed of his right to a judicial determination of this matter; having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to the entry of this Final Judgment Of Permanent Injunction And Other Relief Against Clifford G. Baird ("Judgment") without admitting or denying the allegations in the Complaint, except as specifically set forth herein and in the Consent Of Clifford G. Baird To Entry Of Final Judgment Of Permanent Injunction And Other Relief ("Consent"); no notice of hearing upon the entry of this Judgment being necessary; and this Court being fully advised:

I.

IT IS ORDERED, ADJUDGED & DECREED that Baird and his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly:

- A. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any issuer, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect as to such securities;
- B. carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, the securities of any issuer, unless and until a registration statement is in effect as to such securities; and
- C. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of any prospectus or otherwise, the securities of any issuer, unless and

until a registration statement has been filed with the Commission as to such securities, or while a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. § 77h;

in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) & 77e(c); provided, however, that nothing in this Judgment shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act, 15 U.S.C. § 77e.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Baird shall pay disgorgement in the amount of \$374,077.36, representing ill-gotten gains as a result of the conduct alleged in the Complaint, plus prejudgment interest in the amount of \$8,875.48. Baird shall pay, by cashier's check, certified check, or postal money order, the total sum of \$382,952.84 in disgorgement within thirty (30) days of entry of this Judgment. This disgorgement payment shall be made payable to Michael Grassmueck, Court-appointed receiver for Health Maintenance Centers, Inc., Bainbridge Human Performance Centers, PLLC, Znetix, Inc., Cascade Pointe of Arizona, LLC, and Cascade Pointe of Nevis, LLC, under cover of a letter that identifies the defendant, the name and case number of this litigation, and the court. Copies of this cover letter and the certified check shall be simultaneously transmitted to counsel for the Commission in this action at its Pacific Regional Office.

III.

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 Baird shall comply with his Consent.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including implementing and carrying out the terms

of this Judgment and all other orders which may be entered herein, to resolve the Commission's 1 2 pending claims against Baird for civil penalties, and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court. In connection with the Court's 3 4 determination of whether to impose civil penalties against Baird, Baird shall not raise as a 5 defense that he is not liable for the payment of such civil penalties, if any, because he did not 6 violate one or more of the provisions of the Securities Act set forth in this Judgment. 7 Accordingly, for the purposes of determining whether to impose a penalty and, if so, in what 8 amount, the facts alleged in the Commission's Complaint are accepted as and deemed true by the 9 Court. 10 V. 11 IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that during the 12 pendency of this action against any defendant, Baird shall remain subject to the discovery 13 provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition, that Baird shall, without service of a subpoena, to appear for his deposition or to testify as a witness 14 15 at any trial of this action or at any related proceeding. Failure to comply with the foregoing will subject Baird to the remedies and sanctions set forth in Rule 37 of the Federal Rules of Civil 16 17 Procedure and all other available remedies. 18 VI. 19 There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to 20 Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Judgment. 21 22 23 UNITED STATES DISTRICT JUDGE 24 Submitted By: 25 26 Nicolas Morgan Attorney for Plaintiff 27

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Securities and Exchange Commission

#### 1 PROOF OF SERVICE 2 I am over the age of 18 years and not a party to this action. My business address is: 3 U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th [X]Floor, Los Angeles, California 90036-3648. 4 Telephone: (323) 965-3998; Fax: (323) 965-3908 5 On September 30, 2003, I caused to be served the document entitled [PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST 6 CLIFFORD G. BAIRD upon the parties to this action addressed as stated on the attached service 7 list: 8 [X]**OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for 9 collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business. 10 [] **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited 11 with the U.S. Postal Service at Los Angeles, California, with first class postage thereon 12 fully prepaid. 13 [] **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, 14 California, with Express Mail postage paid. 15 [] **PERSONAL SERVICE:** I caused to be personally delivered each such envelope by hand to the office of the addressee in the attached service list. 16 [] FEDERAL EXPRESS: By placing in sealed envelope(s) designated by Federal Express with 17 delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California. 18 FAX (BY AGREEMENT ONLY): By transmitting the document by facsimile transmission. [] 19 The transmission was reported as complete and without error. 20 [X](Federal) I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made. I declare under penalty of periury under the laws of the 21 United States of America that the foregoing is true and correct 22 Magnolia M. Marcelo Date: September 30, 2003 23 24 25

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SEC v. HEALTH MAINTENANCE CENTERS, INC., et al. 1 United States District Court - Western District of Washington 2 Case No. C 02-0153 P (LA-2477)3 **SERVICE LIST** 4 Kevin Lawrence 5 SETAC FDC Registration No. 32203-086 P.O. Box 13901 6 Seattle, WA 98198 7 Pro se 8 David B. Bukey, Esq. Law Offices of David B. Bukey 9 1011 Western, Suite 803 Seattle, WA 98108-1083 Attorney for Defendant Donovan C. Claflin 10 11 John M. Colvin, Esq. Nicole C. Shepard, Esq. Chicoine & Hallett, P.S. 12 1011 Western Avenue, Suite 803 Seattle, WA 98104 13 Attorneys for Defendants Bonnie M. Couch, Stacy Gray and Kimberly Alexander 14 Todd Maybrown, Esq. Allen, Hansen & Maybrown, P.S. 15 One Union Square 600 University Street, Suite 3020 16 Seattle, Washington 98101 17 Attorneys for Defendant Clifford G. Baird 18 David Zaro, Esq. Allen, Matkins, Leck, Gamble & Mallory LLP 19 515 S. Figueroa Street, 7th Floor Los Angeles, CA 90071 20 Attorney for Receiver 21 Ragan L. Powers, Esq. Davis Wright Tremaine LLP 2600 Century Square 22 1501 Fourth Avenue 23 Seattle, WA 98101-1688 Attorney for Receiver 24 25 26 27 28

# Other Orders/Judgments

2:02-cv-00153-MJP SEC v. Health Maintenance, et al

### **U.S. District Court**

### Western District of Washington

Notice of Electronic Filing

The following transaction was received from MD, entered on 10/6/2003 at 11:41 AM PDT and filed on 10/3/2003

Case Name:

SEC v. Health Maintenance, et al

**Case Number:** 

2:02-cv-153

Filer:

**Document Number: 388** 

#### **Docket Text:**

FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST CLIFFORD G BAIRD in favor of PLTF against DEFT CLIFFORD G BAIRD IN THE TOTAL SUM OF \$382,952.8. Clifford G Baird terminated. by Judge Marsha J. Pechman. (MD, )

The following document(s) are associated with this transaction:

Document description: Main Document

Original filename:n/a

**Electronic document Stamp:** 

[STAMP dcccfStamp\_ID=1035929271 [Date=10/6/2003] [FileNumber=465779-0] [a62adbdccf17671048daa94f6a903158c1a2857686025d9a47c4c56af8e1954d775f f210c195a325f4c6f543e4c5c30842dc00923d059114d99f3bcce9543ced]]

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