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AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

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JUN 30 2004

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SECURITIES AND EXCHANGE COMMISSION,

Case No. C02-0153P

Plaintiff,

v.

[PROPOSED] FINAL
JUDGMENT OF
PERMANENT INJUNCTION
AND OTHER RELIEF
AGAINST KEVIN L.
LAWRENCE

HEALTH MAINTENANCE CENTERS, INC.,
BAINBRIDGE HUMAN PERFORMANCE
CENTERS, PLLC, ZNETIX, INC., CASCADE
POINTE OF ARIZONA, LLC, CASCADE POINTE
OF NEVIS, LLC, KEVIN L. LAWRENCE,
DONOVAN C. CLAFLIN, CLIFFORD G. BAIRD,
KIMBERLY ALEXANDER, BONNIE M.
COUCH, STACY GRAY and VICKI L.
LAWRENCE,

Defendants.



02-CV-00153-ORD

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Kevin L. Lawrence ("Lawrence") a Summons and Complaint in this action; Lawrence 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 Judgment Of

1 Permanent Injunction And Other Relief Against Kevin L. Lawrence (“Judgment”)
2 without admitting or denying the allegations in the Complaint, except as
3 specifically set forth herein and in the Consent Of Kevin L. Lawrence To Entry Of
4 Judgment Of Permanent Injunction And Other Relief (“Consent”); no notice of
5 hearing upon the entry of this Judgment being necessary; and this Court being
6 fully advised:

7 I.

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

- 13 A. making use of any means or instruments of transportation or
14 communication in interstate commerce or of the mails to sell the
15 securities of any issuer, through the use or medium of any prospectus
16 or otherwise, unless and until a registration statement is in effect as to
17 such securities;
- 18 B. carrying or causing to be carried through the mails or in interstate
19 commerce, by any means or instruments of transportation, for the
20 purpose of sale or for delivery after sale, the securities of any issuer,
21 unless and until a registration statement is in effect as to such
22 securities; and
- 23 C. making use of any means or instruments of transportation or
24 communication in interstate commerce or of the mails to offer to sell
25 or offer to buy, through the use or medium of any prospectus or
26 otherwise, the securities of any issuer, unless and until a registration
27 statement has been filed with the Commission as to such securities, or
28 while a registration statement has been filed with the Commission as

1 to such securities, or while a registration statement as to such
2 securities is the subject of a refusal order or stop order or (prior to the
3 effective date of the registration statement) any public proceeding or
4 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h;
5 in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) &
6 77e(c); provided, however, that nothing in this Judgment shall apply to any
7 security or transaction which is exempt from the provisions of Section 5 of the
8 Securities Act, 15 U.S.C. § 77e.

9 II.

10 IT HEREBY ORDERED, ADJUDGED AND DECREED that Lawrence and
11 his agents, servants, employees, and all persons in active concert or participation with
12 any of them, who receive actual notice of this Judgment by personal service or
13 otherwise, and each of them, are permanently restrained and enjoined from, directly
14 or indirectly, in the offer or sale of the securities of any issuer, by the use of any
15 means or instruments of transportation or communication in interstate commerce or
16 by the use of the mails:

- 17 A. employing any device, scheme or artifice to defraud;
- 18 B. obtaining money or property by means of any untrue statement of a
19 material fact or any omission to state a material fact necessary in order
20 to make the statements made, in the light of the circumstances under
21 which they were made, not misleading; or
- 22 C. engaging in any transaction, practice, or course of business which
23 operates or would operate as a fraud or deceit upon the purchaser;
24 in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

25 III.

26 IT IS ORDERED, ADJUDGED AND DECREED that Lawrence and his
27 agents, servants, employees and attorneys, and all persons in active concert or
28 participation with any of them, who receive actual notice of this Judgment by

1 personal service or otherwise, and each of them, are permanently restrained and
2 enjoined from, directly or indirectly, in connection with the purchase or sale of any
3 security, by the use of any means or instrumentality of interstate commerce, or of the
4 mails, or of any facility of any national securities exchange:

- 5 A. employing any device, scheme, or artifice to defraud;
- 6 B. making any untrue statement of a material fact or omitting to state a
7 material fact necessary in order to make the statements made, in the light
8 of the circumstances under which they were made, not misleading; or
- 9 C. engaging in any act, practice, or course of business which operates or
10 would operate as a fraud or deceit upon any person;

11 in violation of Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C.
12 § 78j(b) (the "Exchange Act"), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

13 IV.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that the
15 Court retains jurisdiction to determine appropriate amounts of disgorgement,
16 prejudgment interest, and civil penalties that shall be paid by Lawrence for the
17 conduct alleged in the Commission's Complaint. Prejudgment interest shall be
18 calculated pursuant to 28 U.S.C. § 1961 based on the date of entry of the order
19 fixing the amount of disgorgement. In connection with any hearing to determine
20 the appropriate amounts of disgorgement and civil penalties, Lawrence shall not
21 raise as a defense that he is not liable for payment of disgorgement or civil
22 penalties because he did not violate the provisions of the Securities Act, the
23 Exchange Act, or rules thereunder as set forth in the Complaint. Solely for the
24 purposes of determining the amounts of disgorgement and civil penalties, the
25 Court shall accept and deem as true the facts alleged in the Commission's
26 Complaint. Lawrence shall not be entitled to a trial by jury for purposes of
27 determining the appropriate amounts of disgorgement or civil penalties.

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V.

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 Lawrence shall comply with his Consent.

VI.

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 pending claims against Lawrence for disgorgement, prejudgment interest, and civil penalties, and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that during the pendency of this action against any defendant, Lawrence shall remain subject to the discovery provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition, that Lawrence agrees and undertakes, without service of a subpoena, to appear for his deposition or to testify as a witness at any trial of this action or at any related proceeding. Failure to comply with the foregoing will subject Lawrence to the remedies and sanctions set forth in Rule 37 of the Federal Rules of Civil Procedure and all other available remedies.

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VIII.

There being no just 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 Judgment.

DATED: July 7, 2004

Marsha J. Pechman
HON. MARSHA J. PECHMAN
UNITED STATES DISTRICT JUDGE

Submitted By:

Todd Brilliant

Todd Brilliant
Attorney for Plaintiff
Securities and Exchange Commission

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I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648.

Telephone: (323) 965-3998; Fax: (323) 965-3908

On June 29, 2004, I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST KEVIN L. LAWRENCE** upon the parties to this action addressed as stated on the attached service list:

- 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 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.
- 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 with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.
- 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, California, with Express Mail postage paid.
- PERSONAL SERVICE:** I caused to be personally delivered each such envelope by hand to the office of the addressee in the attached service list.
- FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by Federal Express with 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.
- FAX (BY AGREEMENT ONLY):** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.
- (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 perjury under the laws of the United States of America that the foregoing is true and correct

Date: June 29, 2004

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 **SEC v. HEALTH MAINTENANCE CENTERS, INC., et al.**
2 **United States District Court - Western District of Washington**
3 **Case No. C 02-0153 P**
4 **(LA-2477)**

5 **SERVICE LIST**

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