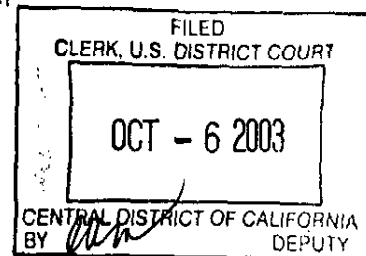


1 Kenneth J. Guido, California Bar No. 40020
 2 Plaintiff's Trial Counsel
 3 Securities and Exchange Commission
 4 450 Fifth Street, NW
 5 Washington, DC 20549-0911
 6 Telephone: (202) 942-7933
 7 Facsimile: (202) 942-9581



RECEIVED
 BUT NOT FILED

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Priority
 X Send
 X Clsd
 X Enter
 X JS-5/JS-6
 JS-2/JS-3

AUG 28 2003
 CLERK, U.S. DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 SOUTHERN DIVISION
 DEPUTY

SECURITIES AND EXCHANGE
 COMMISSION,

Plaintiff,

vs.

12 NORTH AMERICAN MEDICAL
 13 PRODUCTS, INC., ARTHUR
 14 CHANAKOS, PAUL WAYNE
 15 MASON (a/k/a LOUIS RONNIE
 16 SARPY), LAURENCE MARK
 17 ANDERSON (a/k/a RON
 18 LAURENCE), KRISTIN LUCK
 19 EMERY, and NIKO G.
 20 EFSTATHIOU,

Defendants.

NO. SACV03-250 AHS (ANx)

~~PROPOSED~~ FINDINGS,
 ORDER AND FINAL
 JUDGMENT OF DEFAULT
 AGAINST DEFENDANT
 LAURENCE MARK ANDERSON
 (a/k/a RON LAURENCE)

Courtroom of the Honorable
 Alicemarie H. Storer

ENTERED

OCT 10 2003

CLERK, U.S. DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 SANTA ANA OFFICE

21 It appearing to this Court that Plaintiff Securities and Exchange Commission
 22 ("Commission"), having duly commenced this action by filing its Complaint for
 23 Injunctive and Other Relief for Violations of the Federal Securities Laws
 24 ("Complaint"), against Defendant Laurence Mark Anderson (a/k/a Ron Anderson)
 25 ("Defendant Anderson"), and for such other and further relief as this Court may deem
 26 just and proper.

27 It further appearing to the Court that Defendant Anderson has been properly
 28 served with the Summons, that Defendant Anderson has not filed his answer to the
 Complaint or otherwise pled; the Commission having moved this Court for an Order
 granting an application for Default Judgment; the Court having jurisdiction over the

ENTER ON ICMS
 OCT 10 2003

22

1 parties and the subject matter of this action, the Court being fully advised in the
2 premises, and there being no just reason for delay:

3 THE COURT HEREBY FINDS AS FOLLOWS:

4 A. **FACTS ESTABLISHING JURISDICTION**

5 1. The Commission commenced this action on March 11, 2003 by
6 filing the Complaint against Defendant Anderson, as well as others. Declaration of
7 Kenneth J. Guido ¶ 2.

8 2. On July 9, 2003, a copy of the Summons and Complaint was
9 served on Defendant Anderson. Id. at ¶ 3.

10 3. Defendant Anderson has not filed an answer to the Complaint or
11 otherwise pled, and the time has expired for him to have done so to avoid entry of a
12 default order. Id. at ¶ 4.

13 4. Venue is proper in this District pursuant to Section 22(a) of the
14 Securities Act of 1933 ("Securities Act"), [15 U.S.C. § 77v(a)], and Section 27 of the
15 Securities Exchange Act of 1934 ("Exchange Act"), [15 U.S.C. § 78aa], because
16 certain of the transactions, acts, practices and courses of conduct constituting
17 violations of the laws alleged occurred within this District and because certain of the
18 Defendants reside in and transact business in this District. Complaint ¶ 5.

19 5. In connection with the transactions, acts, practices, and course of
20 business described in this Judgment, each of the Defendants, directly and indirectly,
21 has made use of the means or instrumentalities of interstate commerce, of the mails,
22 and/or of the means and instruments of transportation or communication in interstate
23 commerce. Complaint ¶ 6.

24 B. **FACTS ESTABLISHING LIABILITY**

25 1. North American Medical Products, Inc. ("NAMP" or the
26 "Company") is a Delaware corporation with its offices in Albany, New York. Formed
27 in 1984, the Company is engaged in the development, production, and marketing of
28 medical products, primarily needle-stick protection devices for use in the healthcare

1 industry. The Company employs a small number of people, including its president,
2 Arthur Gianakos, and members of his family. There is no established secondary
3 market for NAMP's stock and no NAMP securities have ever been registered with the
4 Commission. Complaint ¶ 7. NAMP consented to a judgment entered by the Court
5 on March 18, 2003.

6 2. Arthur Gianakos ("Gianakos"), 54, is NAMP's chairman and
7 president. Together with his wife, he owns approximately 56% of NAMP's common
8 stock. Complaint ¶ 8. Gianakos consented to a judgment entered by the Court on
9 March 18, 2003.

10 3. Niko G. Efstathiou ("Efstathiou"), 55, of Monarch Beach,
11 California, was NAMP's Director of Marketing and a member of NAMP's board of
12 directors. He arranged for unregistered brokers led by Mason to market NAMP's
13 stock issuance beginning in 1997 in exchange for a 50% commission he received
14 from NAMP. He also received 1,050,000 shares of NAMP stock in exchange for his
15 sales activities. Efstathiou was not registered as a broker with the Commission.
16 Complaint ¶ 9. Efstathiou consented to a judgment entered by the Court on March
17 18, 2003.

18 4. Paul Wayne Mason (a/k/a Louis Ronnie Sarpy) ("Mason"), 48,
19 currently incarcerated in the North Kern State Prison, is a convicted felon, who
20 offered and sold NAMP stock to the public, first under a relationship with Efstathiou,
21 and, in or about 2001, directly with NAMP as the proprietor of his own boiler room
22 in Newport Beach, California. Mason was not registered as a broker with the
23 Commission. Complaint ¶ 10. The Court entered a final judgment of default against
24 Mason on August 5, 2003.

25 5. Laurence Mark Anderson (a/k/a Ron Laurence) ("Anderson"), 45,
26 a Los Angeles area resident, was Mason's primary associate in selling NAMP stock
27 from a boiler room in Newport Beach. Anderson was not registered as a broker with
28 the Commission. Complaint ¶ 11.

1 6. Kristen Luck Emery ("Emery"), 40, worked together with Mason
2 and Anderson in selling NAMP stock. Emery was not registered as a broker with the
3 Commission. Complaint ¶ 12. She is currently residing in a residential facility for
4 substance abusers, having been released from the California Institution for Women
5 in August 2003. The Court entered a final judgment of default against Emery on
6 August 5, 2003.

7 7. NAMP is a company located in Albany, New York. It develops
8 and produces proprietary medical products, including needle stick protection devices
9 (i.e., syringes with needles that retract after injection). NAMP's modest revenues
10 have been insufficient to provide adequate working capital for its operations.
11 Consequently, from 1997 through 2001, the Company, at the direction of Gianakos,
12 obtained operating capital through sales to the public of its common and preferred
13 stock. These stock sales, conducted through what the Company purported to be
14 private offerings, raised total proceeds of approximately \$3.75 million. Complaint
15 ¶ 13.

16 8. In mid-1997, NAMP president Gianakos was introduced to
17 Efstathiou, an individual with experience in the sale of securities. Efstathiou agreed
18 to raise capital for NAMP by selling NAMP stock through his business, Atrie, which
19 is not a registered broker/dealer. The parties entered into a written agreement under
20 which Atrie would receive 50% of all funds raised from the offering, primarily as
21 consideration for soliciting subscriptions from investors. Gianakos and Efstathiou
22 participated in the drafting of the purported private placement memorandum ("PPM")
23 for the Company's stock offering, intended to raise \$5 million from the sale of 1
24 million shares of its preferred stock. Complaint ¶ 14.

25 9. The "Use of Proceeds" section of the purported PPM stated: "[t]he
26 net proceeds from the placement of the Preferred Stock are estimated to be
27 approximately \$4,000,000 after the payment of offering costs, assuming the
28 placement of \$5,000,000 of Preferred Stock." Thus, the offering costs should not

1 have exceeded 20% of the gross offering proceeds. The purported PPM further stated
2 that, if stock was sold through a broker-dealer, it would be a registered broker-dealer,
3 and that no commissions would be paid to any persons or firms not registered as
4 broker-dealers. The purported PPM also stated that no commissions would be paid
5 to any officer, director, or employee of the company. All of these representations
6 were false. Complaint ¶ 15.

7 10. In fact, Efstathiou -- who had become a member of NAMP's board
8 of directors and had been given the title Director of Marketing -- was paid, through
9 Atrie and other nominees, 50% of the proceeds of all subscriptions to the offering. As
10 an additional (undisclosed) inducement to create a market for NAMP securities,
11 Gianakos gave Efstathiou 5% of NAMP's outstanding common stock (1,050,000
12 shares). Efstathiou, in turn, passed on 30% of his commissions (15% of gross
13 proceeds) to Mason, who was primarily responsible for telemarketing the NAMP
14 preferred stock through a network of unlicensed agents working for him in Orange
15 County. Mason used the alias "John Shapiro" when he solicited investors to purchase
16 the preferred shares. Moreover, all of the individuals who received commission
17 payments for selling NAMP preferred stock were unregistered brokers. Complaint
18 ¶ 16.

19 11. NAMP included no historical financial statements in its PPM,
20 although required to do so under applicable regulations. Thus investors were not
21 informed that the Company had only modest sales and had lost money during each
22 year of its operation. Complaint ¶ 17.

23 12. Efstathiou ended his involvement with the preferred stock offering
24 in July 2000, after selling approximately \$2.75 million in NAMP stock, and receiving
25 approximately \$1,377,811 in commissions. By this time NAMP and Gianakos had
26 been the subject of two state administrative proceedings for selling unregistered
27 NAMP stock through unregistered brokers, with Efstathiou named in one of those
28 actions. Complaint ¶ 18.

1 13. With Efstathiou gone, Mason convinced Gianakos to allow him
2 to take over the sales efforts directly. They decided to launch a second offering: this
3 time of 2 million shares of NAMP common stock at \$2.50 per share, for a total of \$5
4 million in gross proceeds. NAMP initially agreed to pay Mason a 35% commission
5 on his stock sales, but later increased his commission to 50%. Although Mason had
6 no office at NAMP and performed no services (other than selling its stock), Gianakos,
7 at Mason's request, had business cards printed for Mason as NAMP's "Director of
8 Financial Services" and paid him a salary of \$100 per week. This facilitated Mason's
9 sales efforts by allowing him to present himself as an officer of the company, rather
10 than a broker. Complaint ¶ 19.

11 14. Gianakos created the purported PPM for this offering by cutting
12 and pasting sections of the memo from the previous offering. The new PPM, like the
13 original PPM for the preferred stock offering, failed to disclose that 50% of the
14 offering proceeds would go to pay sales commissions, and affirmatively
15 misrepresented that the offering costs would not exceed 20% of gross proceeds and
16 that no commission would be paid to unregistered broker/dealers, officers, directors,
17 or employees. Further, NAMP included unsupportable projections in the offering
18 materials sent to prospective investors. Specifically, sales materials distributed to
19 potential investors contained a document projecting future sales of \$540,000,000 over
20 the next five years, with net income of \$201,944,400, without disclosing that the
21 Company's highest annual gross revenue at that point was approximately \$178,000.
22 Complaint ¶ 20.

23 15. Mason sold NAMP stock out of his home and then a classic penny
24 stock boiler-room in Newport Beach, California. He ran the office with two
25 associates: his girlfriend Emery and associate Anderson. Mason hired other persons,
26 who were not registered as brokers with the Commission, as "fronters" to cold-call
27 potential investors from "lead" cards provided by Mason. Emery also acted as a
28 fronter. The fronters made as many as 200 such cold calls a day to potential

1 investors, following scripts provided by Mason and Anderson. After developing a
2 prospect, they would transfer the call to Mason or Anderson, who, as "closers," would
3 attempt to consummate the sale. The frontiers were promised (and sometimes paid)
4 10% of the amount of money invested by people they had pitched. Complaint ¶ 21.

5 16. The frontiers, working under Mason's and Anderson's direction
6 and control, aggressively touted NAMP stock, falsely claiming that the Company was
7 an acquisition target and had obtained lucrative new contracts. For example, one
8 investor was told the Company had received orders for its safety needles from four
9 new customers, including Planned Parenthood and Columbia HCA, in amounts
10 totaling \$26-36 million. No such contracts existed. Moreover, scripts and offering
11 materials drafted by Mason state that NAMP had a \$15 million contract with Kaiser
12 Permanente. Again, no such contract existed. Complaint ¶ 22.

13 17. In addition to the foregoing misrepresentations and omissions,
14 Mason presented himself as an officer of NAMP, who could be reached at the
15 Company's headquarters. He stated that he was not a fundraiser, and would not
16 receive any portion of the funds raised. Other false statements made by Mason
17 included:

- 18 • NAMP's profit margin was 30%;
- 19 • at the current rate, the Company "should write \$50-100 million in sales" in
20 2001;
- 21 • an "angel investor" had put \$15 million into the Company; and
- 22 • NAMP had applied with NASDAQ for pre-approval of its listing on the
23 NASDAQ stock exchange.

24 Complaint ¶ 23.

25 18. In mid-September 2001, Emery and Anderson solicited an
26 individual to purchase NAMP stock. Anderson misrepresented that New York
27 officials had placed a \$1 million order for NAMP medical products "right after"
28 September 11, 2001, and that the terrorist attacks would benefit NAMP's business.

1 Anderson further said that the attacks benefited NAMP's business. As with the other
2 touted contracts, this order did not exist. Complaint ¶ 24.

3 19. In addition to making the false statements himself, Anderson
4 instructed other telemarketers to use the false September 11th claim in their sales
5 pitches to potential investors. Complaint ¶ 25.

6 20. The NAMP stock sold by Anderson in the second offering was
7 sold at \$2.50 per share, did not trade on an exchange, was not quoted on NASDAQ,
8 and was issued by a company with net tangible assets of less than \$2 million. Guido
9 Declaration at ¶ 7.

10 21. Mason collected \$379,659.91 in commissions from the second
11 offering of NAMP stock in which Anderson was a co-promoter. Guido Declaration
12 at ¶ 5.

13 22. On August 5, 2003, the Court entered a final judgment of default
14 against Defendants Mason and Emery. The Court held, in pertinent part, Mason and
15 Emery jointly and severally liable for \$379,659.91 in disgorgement and \$34,814.00
16 in prejudgment interest representing profits gained as a result of the second offering
17 of NAMP stock. Guido Declaration at ¶ 6.

18 23. The stock offered and sold by NAMP, Gianakos, Efstathiou,
19 Mason, Anderson, and Emery was not registered or exempt from the registration
20 requirements of the Securities Act. NAMP, Gianakos, Efstathiou, Mason, Anderson,
21 and Emery violated, and unless restrained and enjoined will continue to violate
22 Sections 5(a) and (c) of the Securities Act, [15 U.S.C. §§ 77e(a) and (c)]. Complaint
23 ¶ 29.

24 24. NAMP, Gianakos, Efstathiou, Mason, Anderson, and Emery
25 violated, and unless restrained and enjoined will continue to violate the anti-fraud
26 provisions of the securities laws: Section 17(a) of the Securities Act [15 U.S.C. §
27 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5
28 [17 C.F.R. § 240.10b-5] thereunder. Complaint ¶ 32.

25. Efstathiou, Mason, Anderson and Emery were not registered as brokers or exempt from the registration requirements of the Exchange Act. Efstathiou, Mason, Anderson and Emery violated, and unless restrained and enjoined will continue to violate Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]. Complaint ¶ 35.

26. Gianakos aided and abetted Efstathiou, Mason, Anderson, and Emery's violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)], and unless restrained and enjoined will continue to aid and abet violations of that provision. Complaint ¶ 36.

CONCLUSIONS OF LAW

BY REASON OF THE FOREGOING, this Court has subject matter jurisdiction of this action and personal jurisdiction of Defendant Anderson;

BY REASON OF THE FOREGOING, Defendant Anderson, in the offer or sale of a security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly and indirectly: a) employed a device, scheme, or artifice to defraud; (b) obtained money or property by means of any untrue statement of a material fact and omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices, and courses of business which operated as a fraud or deceit upon the purchaser, in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

BY REASON OF THE FOREGOING, Defendant Anderson, directly or indirectly, by the use of any means or instrumentality of interstate commerce, and of the mails: a) employed a device, scheme, or artifice to defraud; (b) made an untrue statement of a material fact and omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in an act, practice, or

1 course of business which operated as a fraud or deceit upon other persons, in
2 violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5
3 promulgated thereunder [17 C.F.R. § 240.10b-5].

4 **BY REASON OF THE FOREGOING**, Defendant Anderson,
5 directly or indirectly, made use of the means or instruments of transportation or
6 communication in interstate commerce or of the mails to offer and sell securities through
7 the use or medium of a prospectus or otherwise when no registration statement has been
8 filed or was in effect as to such securities and when no exemption from registration was
9 available in violation of Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§
10 77e(a) and (c)].

11 **BY REASON OF THE FOREGOING**, Defendant Anderson,
12 directly or indirectly made use of the mails or means or instrumentalities of interstate
13 commerce to effect transactions in, or to induce or attempt to induce the purchase or
14 sale of, securities when he neither was registered with the Commission as a broker-
15 dealer nor when associated with a Commission registered broker-dealer in violation
16 of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

17 **BY REASON OF THE FOREGOING**, Defendant Anderson
18 participated in the offering of a penny stock. Sections 3(a)(51) and 21(d)(6)(B) of the
19 Exchange Act and Rule 3a51-1 thereunder. [15 U.S.C. §§ 78c(a)(51), 78u(d)(6)(B),
20 17 C.F.R. 240.3a51-1.]

21 **THEREFORE,**

22 **I.**

23 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT**
24 the Commission's Motion for Entry of Default Judgment with respect to Defendant
25 Anderson is hereby granted.

26 **II.**

27 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT**
28 Defendant Anderson, his agents, servants, employees, attorneys, assigns, and all

1 persons in active concert or participation with him who receive actual notice of this
 2 Final Judgment by personal service or otherwise are permanently restrained and
 3 enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the
 4 offer or sale of any security by the use of any means or instruments of transportation
 5 or communication in interstate commerce or by use of the mails, directly or indirectly:

- 6 (a) to employ any device, scheme, or artifice to defraud;
- 7 (b) to obtain money or property by means of any untrue
 8 statement of a material fact or any omission of a material fact
 9 necessary in order to make the statements made, in light of the
 10 circumstances under which they were made, not misleading; or
- 11 (c) to engage in any transaction, practice, or course of business
 12 which operates or would operate as a fraud or deceit upon the
 13 purchaser.

14 III.

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT

16 Defendant Anderson, his agents, servants, employees, attorneys, assigns, and all
 17 persons in active concert or participation with him who receive actual notice of this
 18 Final Judgment by personal service or otherwise are permanently restrained and
 19 enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15
 20 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by
 21 using any means or instrumentality of interstate commerce, or of the mails, or of any
 22 facility of any national securities exchange, in connection with the purchase or sale
 23 of any security:

- 24 (a) to employ any device, scheme, or artifice to defraud;
- 25 (b) to make any untrue statement of a material fact or to omit
 26 to state a material fact necessary in order to make the statements made, in the
 27 light of the circumstances under which they were made, not misleading; or
- 28 (c) to engage in any act, practice, or course of business which

operates or would operate as a fraud or deceit upon any person.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED THAT

Defendant Anderson, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (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 any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED

THAT Defendant Anderson, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of

1 this Final Judgment by personal service or otherwise are permanently restrained and
2 enjoined from making use of the mails or any means or instrumentality of interstate
3 commerce to effect any transactions in, or to induce or attempt to induce the
4 purchase or sale of, any security, without being registered as a broker and/or dealer
5 pursuant to Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)], in violation of
6 Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

7 **VI.**

8 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED**
9 **THAT** Defendant Anderson is permanently barred from participating in an offering
10 of penny stock, including engaging in activities with a broker, dealer, or issuer for
11 purposes of issuing, trading, or inducing or attempting to induce the purchase or sale
12 of any penny stock. A penny stock is any equity security that has a price of less than
13 five dollars except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R.
14 240.3a51-1].

15 **VII.**

16 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED**
17 **THAT** Defendant Anderson is jointly and severally liable with Defendants Mason
18 and Emery for \$379,659.91 in disgorgement and \$34,814.00 in prejudgment interest
19 representing profits gained as a result of the conduct alleged in the Complaint.
20 Defendant Anderson is also individually liable for a civil penalty in the amount of
21 \$120,000.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
22 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

23 **VIII.**

24 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED**
25 **THAT** Defendant Anderson shall satisfy this obligation by paying \$534,473.91
26 within ten business days to the Clerk of this Court, together with a cover letter
27 identifying Laurence Mark Anderson (a/k/a Ron Laurence) as a defendant in this
28 action; setting forth the title and civil action number of this action and the name of

1 this Court; and specifying that payment is made pursuant to this Final Judgment.

2 **IX.**

3 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED**
4 **THAT** Defendant Anderson shall simultaneously transmit a photocopy of such
5 payment and letter to the SEC's counsel in this action.

6 **X.**

7 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED**
8 **THAT** by making this payment, Defendant Anderson relinquishes all legal and
9 equitable right, title, and interest in such funds, and no part of the funds shall be
10 returned to Defendant Anderson.

11 **XI.**

12 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED**
13 **THAT** the Clerk shall deposit the funds into an interest bearing account with the
14 Court Registry Investment System ("CRIS"). These funds, together with any interest
15 and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until
16 further order of the Court. In accordance with the guidelines set by the Director of
17 the Administrative Office of the United States Courts, the Clerk is directed, without
18 further order of this Court, to deduct from the income earned on the money in the
19 Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not
20 exceed that authorized by the Judicial Conference of the United States. The
21 Commission may by motion propose a plan to distribute the Fund subject to the
22 Court's approval. Such a plan may provide that the Fund shall be distributed
23 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
24 2002 [15 U.S.C. § 7246]. Regardless of whether any such Fair Fund distribution is
25 made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall
26 be treated as penalties paid to the government for all purposes, including all tax
27 purposes.
28

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED
THAT the Court retains jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

XIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED
THAT there being no just cause for delay, the Clerk of the Court is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment against Defendant Anderson forthwith and without further notice.

SO ORDERED.

Dated: October 6, 2003



United States District Judge

Certificate of Service

SEC v. North American Medical Products, Inc. et al. SACV-03-250 AHS (ANx)

I hereby certify that I caused true and correct copies of the following documents to be served on Defendants Anderson, Emery and Mason by U.S. Mail at the addresses shown on the attached service list:

MOTION OF PLAINTIFF SECURITIES AND EXCHANGE COMMISSION
FOR ENTRY OF DEFAULT JUDGMENT UNDER FED. R. CIV. P. 55(b)(2)

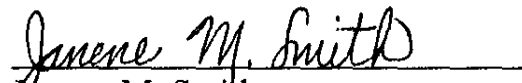
NOTICE - WARNING OF MOTION BY PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION FOR ENTRY OF JUDGMENT BY DEFAULT
AGAINST DEFENDANT LAURENCE MARK ANDERSON (a/k/a RON
LAURENCE)

DECLARATION OF KENNETH J. GUIDO IN SUPPORT OF PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION'S MOTION FOR ENTRY OF
DEFAULT JUDGMENT UNDER FED. R. CIV. P. 55(b)(2)

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S MOTION FOR ENTRY OF DEFAULT
JUDGMENT UNDER FED. R. CIV. P. 55(b)(2)

[PROPOSED] FINDINGS, ORDER AND FINAL JUDGMENT OF DEFAULT
AGAINST DEFENDANT LAURENCE MARK ANDERSON (a/k/a RON
LAURENCE)

Dated: August 27, 2003


Janene M. Smith
Staff Attorney
Division of Enforcement
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0803
(202) 824-5086

Service List

SEC v. North American Medical Products, Inc. et al. SACV-03-250 AHS (ANx)

Laurence Mark Anderson (a/k/a Ron Laurence)
4929 Southridge Avenue
Los Angeles, CA 90043

Kristin Luck Emery
501 S. Jefferson Avenue
Fullerton, CA 92832

North Kern State Prison
CDC # T98111 Louis Ronnie Sarpy (a/k/a Paul Wayne Mason)
CE-84L P.O. Box 5004
Delano, CA 93216