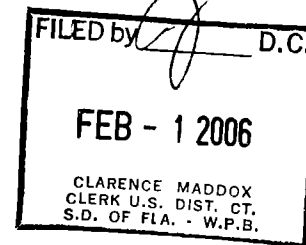


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 03-80858-CIV-HURLEY/LYNCH



UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

CLOSED CASE

VECTOR MEDICAL TECHNOLOGIES, INC.,
MICHAEL H. SALIT, JAMES P. FARNELL,
MICHAEL J. FARNELL, DAVID A. ZIMMERMAN, and
STANLEY B. WASSER,

Defendants.

**ORDER ADOPTING MAGISTRATE'S REPORT AND RECOMMENDATION &
ENTERING FINAL JUDGMENT OF DISGORGEMENT AND CIVIL PENALTIES
AGAINST DEFENDANTS VECTOR MEDICAL TECHNOLOGIES, INC.,
MICHAEL SALIT, JAMES P. FARNELL AND MICHAEL J. FARNELL**

THIS CAUSE is before the court upon Plaintiffs' motion to set disgorgement and civil penalties against defendants Vector Medical Technologies, Michael Salit, James P. Farnell and Michael J. Farnell [DE # 92]. This matter was previously referred to United States Magistrate Judge Frank J. Lynch, Jr., pursuant to 28 U.S.C. §§ 636-39 and Rule 72 of the Federal Rules of Civil Procedure, for a recommended disposition. On December 21, 2005, Magistrate Judge Lynch filed his Report and Recommendation upon the motion. [DE# 117].

The Court has carefully reviewed the Magistrate's Report, together with the objections to the Report filed by Defendants Michael Salit and Vector Medical Technologies, Inc., as well as the SEC's response to Salit's objections.

123/RB

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Pursuant to 28 U.S.C. § 636(b)(1)(C), the court has made a *de novo* determination with respect to those portions of the report with respect to which an objection has been lodged. Having done so, the court deems the resolution of the issues as to the remaining defendants in the case as recommended by Magistrate Judge Lynch to be sound and well-reasoned, and shall accordingly adopt those recommendations here.


It is accordingly **ORDERED** and **ADJUDGED**:

1. Magistrate Judge Lynch's Report and Recommendation on plaintiff's motion to set disgorgement and civil penalties [DE #117] is hereby **ADOPTED** and **INCORPORATED** in full.
2. Plaintiff's motion to set disgorgement and civil penalties as to defendants Vector Medical Technologies, Inc., Michael Salit, James P. Farnell and Michael J. Farnell [DE # 113] is **GRANTED**.
3. The defendant **VECTOR MEDICAL TECHNOLOGIES, INC.** is liable for **DISGORGEMENT** of **\$13,090,000.00**, representing all ill gotten gains received by it as a result of the conduct alleged in the Commission's Complaint, plus prejudgment interest in the amount of **\$1,118,718.36**, for a total of **\$14,208,718.36**, payable by U.S. postal money order, certified check, bank cashier check or bank money order made payable to the Securities and Exchange Commission, which shall be directed to the Office of Financial Management, Securities and Exchange commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria Virginia 22312, under cover of letter identifying **VECTOR MEDICAL TECHNOLOGIES** as a defendant in this action, which shall be referenced by full case style and number.
4. The defendant **MICHAEL SALIT** is liable for **CIVIL PENALTIES** in the amount of **\$486,000.00**, payable by U.S. postal money order, certified check, bank cashier check or bank money order made payable to the Securities and Exchange Commission, which shall be directed to the Office of Financial Management, Securities and Exchange commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria Virginia 22312, under cover of letter identifying **MICHAEL SALIT** as a defendant in this action, which shall be referenced by full case style and number.

5. The defendant **JAMES P. FARNELL** is liable for **DISGORGEMENT** of **\$1,039,000.00**, representing all ill gotten gains received by him as a result of the conduct alleged in the Commission's Complaint, plus prejudgment interest in the amount of **\$88,796.67**, for a total of **\$1,127,796.67**, together with a **CIVIL PENALTY** in the amount of **\$100,000.00**, for a **GRAND TOTAL** of **\$1,227,796.67**, payable by U.S. postal money order, certified check, bank cashier check or bank money order made payable to the Securities and Exchange Commission, which shall be directed to the Office of Financial Management, Securities and Exchange commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria Virginia 22312, under cover of letter identifying **JAMES P. FARNELL** as a defendant in this action, which shall be referenced by full case style and number.
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7. The court shall retain jurisdiction for purposes of enforcing this final order disgorgement and civil penalties as well as all prior orders of permanent injunction, disgorgement and civil penalties entered against the other defendants in this cause.
8. There being nothing further for the court to do in this matter, the Clerk of Court is directed to **CLOSE** this case and terminate any pending motions as **MOOT**.

DONE and **SIGNED** in Chambers at West Palm Beach, Florida this 31ST day of January,

2006.

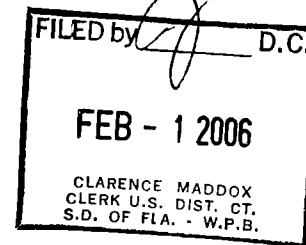

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United States District Judge

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United States Magistrate Judge Frank J. Lynch, Jr.
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UNITED STATES SECURITIES
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8. There being nothing further for the court to do in this matter, the Clerk of Court is directed to **CLOSE** this case and terminate any pending motions as **MOOT**.

DONE and **SIGNED** in Chambers at West Palm Beach, Florida this 31ST day of January,

2006.

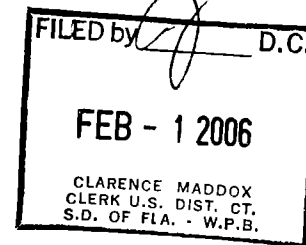

Daniel T. K. Hurley
United States District Judge

cc.
United States Magistrate Judge Frank J. Lynch, Jr.
all counsel

CLOSED CASE

UNITED STATES DISTRICT COURT
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UNITED STATES SECURITIES
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**ORDER ADOPTING MAGISTRATE'S REPORT AND RECOMMENDATION &
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123/RB

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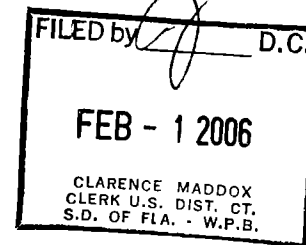

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United States District Judge

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United States Magistrate Judge Frank J. Lynch, Jr.
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CLOSED CASE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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UNITED STATES SECURITIES
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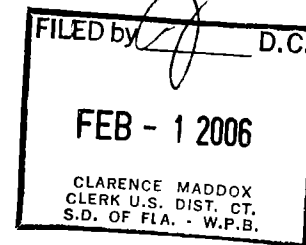

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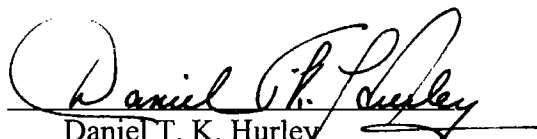
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6. The defendant **MICHAEL J. FARNELL** is liable for **DISGORGEMENT** of **\$659,000.00**, representing all ill gotten gains received by him as a result of the conduct alleged in the Commission's Complaint, plus prejudgment interest in the amount of **\$56,320.50**, for a total of **\$715,320.50**, together with a **CIVIL PENALTY** in the amount of **\$100,000.00**, for a **GRAND TOTAL** of **\$815,320.50**, payable by U.S. postal money order, certified check, bank cashier check or bank money order made payable to the Securities and Exchange Commission, which shall be directed to the Office of Financial Management, Securities and Exchange commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria Virginia 22312, under cover of letter identifying **MICHAEL J. FARNELL** as a defendant in this action, which shall be referenced by full case style and number.
7. The court shall retain jurisdiction for purposes of enforcing this final order disgorgement and civil penalties as well as all prior orders of permanent injunction, disgorgement and civil penalties entered against the other defendants in this cause.
8. There being nothing further for the court to do in this matter, the Clerk of Court is directed to **CLOSE** this case and terminate any pending motions as **MOOT**.

DONE and **SIGNED** in Chambers at West Palm Beach, Florida this 31ST day of January,

2006.


Daniel T. K. Hurley
United States District Judge

cc.
United States Magistrate Judge Frank J. Lynch, Jr.
all counsel

CLOSED CASE