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12 UNITED STATES DISTRICT COURT  
13 DISTRICT OF NEVADA

14 SECURITIES AND EXCHANGE  
15 COMMISSION,

16 Plaintiff,

17 v.

Case No. CV-S-05-0531-PMP-GWF

18 EXOTICS.COM, INC., L. REX ANDERSEN,  
19 MARLIN R. BRINSKY, DANIEL G.  
20 CHAPMAN, STEPHEN P. CORSO, JR.,  
21 BARRY F. DUGGAN, JAMES L.  
22 ERICKSTEEN, SEAN P. FLANAGAN, FIROZ  
23 JINNAH, INGO W. MUELLER, BRIAN K.  
24 RABINOVITZ, EDWARD JAMES WEXLER,  
25 GARY THOMAS a/k/a GARY THOMAS  
26 VOJTESAK,

27 Defendants,

28 and

FLANAGAN & ASSOCIATES, LTD.,

Relief Defendant.

**PROPOSED FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER  
RELIEF AS TO DEFENDANT L. REX ANDERSEN**

Pursuant to Rule 56 of the Federal Rules of Civil Procedure, the Motion of Plaintiff  
Securities and Exchange Commission (“Commission”) for Summary Judgment Against

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2 Defendant L. Rex Andersen (“Defendant” or “Defendant Andersen”) came before this Court.  
3  
4 The Court, having considered all evidence and argument in connection with the Motion, enters  
5 the following Final Judgment:

6 **I.**

7 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Andersen  
8 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
9 participation with them who receive actual notice of this Final Judgment by personal service or  
10 otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section  
11 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule  
12 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of  
13 interstate commerce, or of the mails, or of any facility of any national securities exchange, in  
14 connection with the purchase or sale of any security:  
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- 16 (a) to employ any device, scheme, or artifice to defraud;  
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18 (b) to make any untrue statement of a material fact or to omit to state a material fact  
19 necessary in order to make the statements made, in the light of the circumstances under  
20 which they were made, not misleading; or  
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22 (c) to engage in any act, practice, or course of business which operates or would  
operate as a fraud or deceit upon any person.

23 **II.**

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Andersen  
25 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
26 participation with them who receive actual notice of this Final Judgment by personal service or  
27 otherwise are permanently restrained and enjoined from violating Rule 2-02 of Regulation S-X  
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2 [17 C.F.R. § 210.2-02] by, among other things, directly or indirectly, committing acts or  
3 omissions which cause him to become non-independent during any audit and/or issuing or causing  
4 to be issued any accountant's report that, among other things, falsely states that the audit was  
5 conducted by an independent auditor and in accordance with generally accepted auditing standards..  
6

7 **III.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Andersen  
9 and his agents, servants, employees, attorneys, and all persons in active concert or participation  
10 with them who receive actual notice of this Final Judgment by personal service or otherwise are  
11 permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of  
12 the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20 and 13a-1 thereunder [17 C.F.R. §§  
13 240.12b-20 and 240.13a-1] by knowingly providing substantial assistance to an issuer of  
14 securities registered under Section 12 of the Exchange Act [15 U.S.C. § 78l] that fails to file, in  
15 accordance with such rules and regulations as the Commission prescribes as necessary or  
16 appropriate, such information and documents as the Commission requires to keep reasonably  
17 current the information and documents required to be included in or filed with an application or  
18 registration statement filed pursuant to Section 12 of the Exchange Act, or such annual, quarterly,  
19 or other reports as the Commission prescribes, or by failing to include, in addition to the  
20 information expressly required to be included in any statement or report filed pursuant to Section  
21 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], such further material information, if any, as may  
22 be necessary to make the required statements, in light of the circumstances under which they are  
23 made, not misleading.  
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**IV.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Andersen is liable for disgorgement of \$3,500.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$2,719.04, and a civil penalty in the amount of \$120,000.00 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant Andersen shall satisfy this obligation by paying \$126,219.04 within fourteen (14) days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment 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 L. Rex Andersen 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 Andersen shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

**V.**

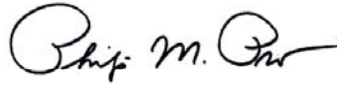
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

**VI.**

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

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Dated:      May 4, 2010



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THE HONORABLE PHILIP M. PRO  
UNITED STATES DISTRICT JUDGE

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**CERTIFICATE OF SERVICE**

I, David H. London, hereby certify that on May 3, 2010, I caused copies of Plaintiff Securities and Exchange Commission’s Proposed Final Judgment of Permanent Injunction and Other Relief As To Defendant L. Rex. Andersen to be served via ECF or first-class U.S. mail upon the following persons:

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/s/ David H. London  
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