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FILED
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JUL 26 2006
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

12 UNITED STATES DISTRICT COURT

13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 Plaintiff,

17 vs.

18 ENDOCARE, INC., KEVIN M. QUILTY,
19 and JERRY W. ANDERSON,

20 Defendants.

Case No. CVCV06-4502 RSWL (SSx)

~~PROPOSED~~ FINAL JUDGMENT
OF PERMANENT INJUNCTION
AND OTHER RELIEF AGAINST
DEFENDANT KEVIN M. QUILTY

DOCKETED ON CM
JUL 31 2006
BY *[Signature]* 021

21 Plaintiff Securities and Exchange Commission ("Commission") having filed
22 a Complaint ("Complaint") and Defendant Kevin M. Quilty ("Quilty") having
23 entered a general appearance; consented to the Court's jurisdiction over Quilty and
24 the subject matter of this action; consented to entry of this Final Judgment without
25 admitting or denying the allegations of the Complaint (except as to jurisdiction),
26 Consent of Defendant Kevin M. Quilty To Entry Of Final Judgment Of Permanent
27 Injunction And Other Relief ("Consent"); waived findings of fact and conclusions
28 of law; and waived any right to appeal from this Final Judgment:

9

SCANNED

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Quilty and his agents, servants, employees, attorneys, 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 knowingly circumventing or knowingly failing to implement a system of internal accounting controls, or by knowingly falsifying any book, record or account required to be kept by an issuer, in violation of Section 13(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78m(b)(5).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Quilty and his agents, servants, employees, attorneys, 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 aiding and abetting an issuer's filing of annual reports with the Commission on Forms 10-K and quarterly reports with the Commission on Forms 10-Q that fail to contain material information necessary to make the required statements in the Forms 10-K or 10-Q, in light of the circumstances under which they are made, not misleading, in violation of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Quilty and his agents, servants, employees, attorneys, 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 aiding and abetting any violation of Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), and violating Rule 13b2-1, 17 C.F.R. § 240.13b2-1, thereunder, by

1 knowingly providing substantial assistance to an issuer that failed to make and
2 keep books, records, and accounts, which, in reasonable detail, accurately and
3 fairly reflect the transactions and disposition of the assets of the issuer.

4 **IV.**

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Quilty is
6 liable for disgorgement of \$23,749.53, representing profits gained as a result of the
7 conduct alleged in the Complaint, together with prejudgment interest thereon in the
8 amount of \$527.60, for a total of \$24,277.13, and a civil penalty in the amount of
9 \$25,000.00 pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C.

10 § 78u(d)(3). Quilty shall satisfy this obligation by paying \$9,855.43 within 10
11 days of entry of this Final Judgment, and Quilty shall pay the remaining balance of
12 \$39,421.70 plus post-judgment interest, calculated in accordance with 28 U.S.C.
13 § 1961, as follows: (1) \$9,855.43 plus post-judgment interest within 90 days of
14 entry of this Final Judgment; (2) \$9,855.43 plus post-judgment interest within 180
15 days of entry of this Final Judgment; (3) \$9,855.43 plus post-judgment interest
16 within 270 days of entry of this Final Judgment; and (4) \$9,855.43 plus post-
17 judgment interest within 360 days of entry of this Final Judgment. If Quilty fails
18 to make any payment according to the Payment Plan set forth above in this
19 paragraph, the Payment Plan shall become null and void, and all amounts due
20 under the Final Judgment minus any payments made shall become due and payable
21 immediately. Each payment shall be made by certified check, bank cashier's
22 check, or United States postal money order payable to the Securities and Exchange
23 Commission. The payment shall be delivered or mailed to the Office of Financial
24 Management, Securities and Exchange Commission, Operations Center, 6432
25 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
26 accompanied by a letter identifying Quilty as a defendant in this action; setting
27 forth the title and civil action number of this action and the name of this Court; and
28

SCANNED

1 specifying that payment is made pursuant to this Final Judgment. Quilty shall pay
2 post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

3 **V.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
5 Consent is incorporated herein with the same force and effect as if fully set forth
6 herein, and that Quilty shall comply with all of the undertakings and agreements
7 set forth therein.

8 **VI.**

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

12 **VII.**

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

16 **RONALD S.W. LEW**

17 DATED: 7-26-06

18 **HONORABLE**
19 **UNITED STATES DISTRICT JUDGE**