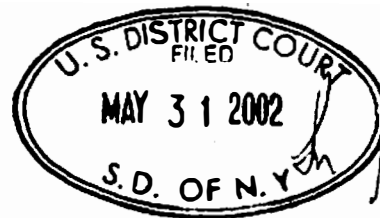


DOG 14

Wayne M. Carlin  
Regional Director (WC-2114)

Attorney for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
Northeast Regional Office  
233 Broadway  
New York, New York 10279  
(646) 428-1510

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

AMERICAN HEALTHCARE PROVIDERS, INC.,  
ARTHUR W. WHEELER, LARS M. KRAM,  
ANGEL L. LORIE JR., LUIS F. LORIE, AND  
MICHAEL ANTHONY LESTER,

Defendants.

01 Civil Action No. 7649  
(B.S.J.).

**DEFAULT JUDGMENT AGAINST LUIS F. LORIE AND  
AMERICAN HEALTHCARE PROVIDERS, INC.**

Plaintiff, Securities and Exchange Commission ("Commission"), having commenced this action on August 17, 2001, by filing its Complaint ("Complaint") for injunctive, other equitable relief, and civil monetary penalties, charging, among others, defendants Luis F. Lorie ("Luis Lorie") and American Healthcare Providers Inc. ("American Healthcare") with violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a), 77e(c) and 77q, and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange

MICROFILM  
JUN - 6 2002  
-12 00 AM

Act”) 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5; and following the issuance and timely service of a summons and complaint upon Luis Lorie and American Healthcare (collectively the “Default Defendants”) and the entry of defaults against the Default Defendants for failure to answer or otherwise respond to the Complaint within the time provided by the Federal Rules of Civil Procedure, and the Commission having filed a motion, pursuant to Fed. R. Civ. P. 55(b) for a default judgment against the Default Defendants supported by the Declaration of David A. Markowitz, executed on March 22, 2002, and the Commission’s Memorandum of Law (collectively, the “Moving Papers”), and the Court having found that it has jurisdiction over the Default Defendants and over the subject matter of this action and the jurisdiction to grant the relief requested by the Commission, and good cause appearing for the entry of this order,

**L.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Luis Lorie and American Healthcare, individually and collectively, be, and hereby are, permanently enjoined and restrained from, directly or indirectly, singly or in concert, in the offer or sale of any security, by the use of any means or instrument of transportation or communication in interstate commerce or by the use of the mails:

- A. employing any device, scheme or artifice to defraud;
  - B. obtaining money or property by means of any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- or

C. engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser, in violation of Section 17(a) of the Securities Act. 15 U.S.C. § 77q.

## II.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Luis Lorie and American Healthcare, individually and collectively, be, and hereby are, permanently enjoined and restrained from, directly or indirectly, singly or in concert, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme, or artifice to defraud;
  - B. making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
  - C. engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,
- in violation of Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

## III.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Luis Lorie and American Healthcare, individually and collectively be, and hereby are, permanently enjoined and restrained from, directly or indirectly, singly or in concert, carrying or causing to be carried through the mails or in interstate commerce any security for the purpose of sale or for delivery

after sale, unless accompanied or preceded by a prospectus that meets the requirements of Section 10(a) of the Securities Act, 15 U.S.C. § 77j(a), in violation of Section 5(a) and 5(c) of the Securities Act, 15 U.S.C. § 77e(a) and (c).

**IV.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Luis Lorie shall disgorge his ill-gotten gains from the conduct alleged in the Complaint, plus prejudgment interest, in an amount to be determined in a later order of the Court.

**V.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Luis Lorie shall pay civil penalties as a result of the conduct alleged in the Complaint in an amount to be determined in a later order of the Court.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that pursuant to Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), Luis Lorie is hereby barred from serving as an officer or director of any issuer that has a class of securities registered under Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

**VII.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, pursuant to Fed. R. Civ. P. 65(d), this Final Judgment is binding upon Luis Lorie and American Healthcare, and each of their officers, agents, servants, employees, and attorneys-in-fact, and upon those persons

in active concert or participation with them who receive actual notice of this judgment by personal service or otherwise.

VIII.

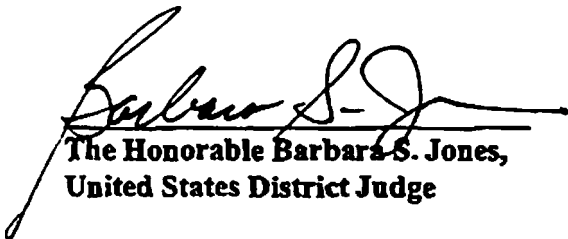
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, implementing and enforcing the terms and conditions of this judgment.

XIV.

IT IS FURTHER ORDERED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Dated: New York, New York

*May 29* 2002

  
The Honorable Barbara S. Jones,  
United States District Judge