

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Anderson Bio-Bed, Inc., and
Brenda K. Anderson,

ODS File No. 02-195

Respondents.

AGREEMENT

THIS AGREEMENT is entered into between Anderson Bio-Bed, Inc. ("ABBI"), Brenda K. Anderson ("Anderson") (collectively, "Respondents"), and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") as of the effective date set forth below.

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and Section 405 of the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), the Enforcement Division ("Division") of the Department conducted an investigation into the activities of ABBI and Anderson to determine whether certain violations of the Act, the Predecessor Act, and/or the Rules of the Oklahoma Securities Commission and the Administrator ("Rules") may have occurred.

The Division's investigation revealed that from November 2000 until June 2004, ABBI issued shares of common stock of ABBI ("Stock") to multiple Oklahoma and out-of-state investors through an offering ("Investors"). Anderson was founder, and at all times material hereto, president of ABBI. At all times material hereto, Respondents offered and sold Stock in and from Oklahoma. Proceeds from the sale of Stock were to be used for the development of the "Bio-Bed" and/or the "Continuous Motion Mattress."

Under the Predecessor Act, the shares of Stock are securities. The Stock was not registered pursuant to Section 301 of the Predecessor Act, and the Stock was not exempt from registration. Therefore, Respondents offered and sold unregistered securities in and from Oklahoma in violation of Section 301 of the Predecessor Act.

Anderson also transacted business in this state as an issuer agent without the benefit of registration under the Predecessor Act, in violation of subsection (a)(1) of Section 201 of the Predecessor Act. Consequently, ABBI employed an unregistered agent in violation of subsection (b) of Section 201 of the Predecessor Act.

Additionally, Respondents made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and/or sale of securities in Oklahoma, in violation of subsection (2) of Section 101 of the Predecessor Act.

Based upon the findings of its investigation, the Division recommended that the Administrator order Respondents to cease and desist from engaging in violations of the Act or doing any act in furtherance thereof and order the payment of civil penalties ("Recommendation"). On August 17, 2005, the Division filed the Recommendation with the Administrator. On August 22, 2005, the Administrator issued a Notice of Opportunity for Hearing ("Notice") allowing Respondents twenty (20) days after service of the Notice to request a hearing on the Recommendation. Within such time, the Division agreed to stay the time period during which Respondents could request a hearing to allow the Division and Respondents to pursue an alternative resolution to the matter.

NOW THEREFORE, the undersigned parties hereto agree as follows:

1. **Order to Cease and Desist.** Respondents consent to the issuance of an Order to Cease and Desist in the form of *Exhibit A* attached hereto and made a part hereof ("Order"). Respondents voluntarily waive their right to notice and hearing as required by the Predecessor Act, the Act, the Rules, and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et. seq.*

2. **Notification of Sale and Distribution of Sale Proceeds.** If any asset relating to the Bio-Bed and/or the Continuous Motion Mattress is sold, or if any other asset owned by ABBI (collectively, the "Relevant Assets") is sold, the Department shall be notified of such sale within five business days of the buyer's tender of consideration. The proceeds from the sale of the Relevant Assets ("Sale Proceeds") shall first be used as payment for the reasonable and necessary expenses incurred in effectuating the sale of such assets ("Expenses"). The Department must give written authorization for the payment of each Expense prior to its payment. The remaining Sale Proceeds ("Net Sale Proceeds") shall be used to pay each Investor the amount of his principal investment in Stock plus a one hundred percent (100%) return ("Principal and Return"). If the sum of the Principal and Return due all Investors exceeds the Net Sale Proceeds, the Net Sale Proceeds shall be distributed to the Investors pro-rata. After each Investor has been paid his Principal and Return in full, any remaining Net Sale Proceeds shall be distributed pro-rata to all shareholders of ABBI.

3. **Civil Penalty.** Anderson agrees to pay a civil penalty in the amount of \$1,000 within thirty (30) days of the Effective Date of this Agreement. Such payment shall be made by cashier's check or money order payable to the Oklahoma Department of Securities.

4. **Consideration.** In consideration for this Agreement, the Administrator agrees that no further action shall be taken by the Administrator or the Department against Respondents in connection with offers and/or sales of Stock made prior to the Effective Date of this Agreement ("Offers and Sales"). However, if Respondents fail to comply with the terms of this Agreement in any material respect, or if Respondents have made any false or misleading

statements to the Department in connection with this matter, the Administrator may declare this Agreement null and void and the Department may initiate action against Respondents for the Offers and Sales as authorized by the Act.

5. **Entire Agreement.** This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

6. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against Respondents, the Administrator may assist in such actions as authorized by law. The Administrator, however, shall not initiate a referral regarding Offers and Sales to any other agency or authority.

7. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

8. **Applicability.** This Agreement applies only to the activities of ABBI and Anderson and to no others.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

ANDERSON BIO-BED, INC.

By: Brenda K. Anderson

Title: President

Date: March 07, 2006

Address: 11710 County 3530
Ada, Ok. 74820

BRENDA K. ANDERSON

Brenda K. Anderson

Date: March 07, 2006

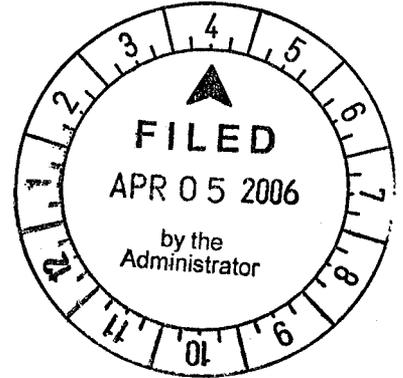
Address: 11710 County Road 3530
Ada, Ok. 74820

OKLAHOMA DEPARTMENT OF SECURITIES

By: Irving L. Faught
Irving L. Faught, Administrator

Date: April 5, 2006

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Anderson Bio-Bed, Inc., and
Brenda K. Anderson

ODS File No. 02-195

ORDER TO CEASE AND DESIST

The Oklahoma Department of Securities ("Department") conducted an investigation into the activities of Anderson Bio-Bed, Inc. ("ABBI") and Brenda K. Anderson ("Anderson"), pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and Section 405 of the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003).

In order to resolve the issues raised in connection with the Department's investigation, ABBI and Anderson voluntarily executed the Agreement which is attached hereto and incorporated herein by reference.

NOW THEREFORE, IT IS HEREBY ORDERED that ABBI and Anderson forever cease and desist from issuing, offering, and/or selling securities in or from the state of Oklahoma in any form or capacity.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 5th day of ~~March~~
April, 2006.

(SEAL)

A handwritten signature in black ink, appearing to read "Irving L. Faught".

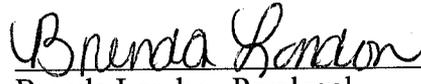
IRVING L. FAUGHT, ADMINISTRATOR OF
THE OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 6th day of April, 2006, a true and correct copy of the above and foregoing Order to Cease and Desist was mailed by first class mail with postage prepaid thereon addressed to:

Mark A. Robertson, Esq.
Robertson & Williams
3033 Northwest 63rd Street, Suite 200
Oklahoma City, OK 73116-3607

Brenda K. Anderson
Anderson Bio-Bed, Inc.
11710 County Road 3530
Ada, OK 74820



Brenda London, Paralegal