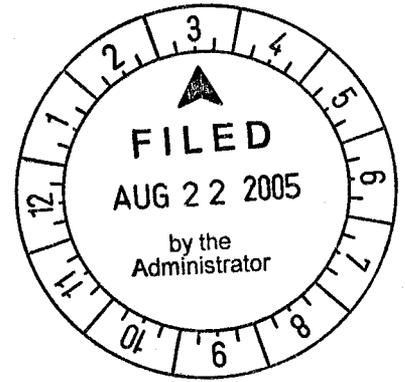


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

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

Respondents.

ODS File No. 02-195

NOTICE OF SERVICE ON THE ADMINISTRATOR
AND
AFFIDAVIT OF COMPLIANCE

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

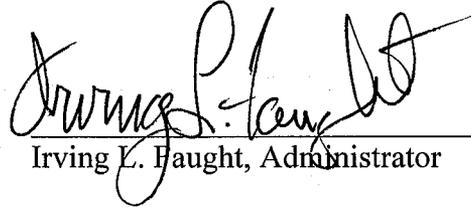
The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities (Department).
2. That a copy of the Notice of Opportunity for Hearing (Notice) with Enforcement Division Recommendation (Recommendation) attached was delivered to Affiant in the office of the Administrator of the Department (Administrator) pursuant to Section 1-611 of the Oklahoma Uniform Securities Act (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).
3. That the Administrator has received service of process on behalf of Anderson Bio-Bed, Inc. and Brenda K. Anderson pursuant to Section 1-611 of the Act.
4. That a copy of the Notice, with the Recommendation attached, and a copy of this Notice of Service on the Administrator and Affidavit of Compliance are being sent this 22 day of August, 2005, by certified mail, return receipt requested, delivery restricted to addressee, to the last known address of Respondents and Respondents' counsel, in compliance with Section 1-611 of the Act.
5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 1-611 of the Act.

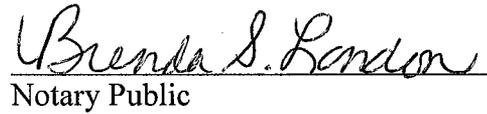
FURTHER AFFIANT SAYETH NOT.

Dated this 22nd day of August, 2005.

(SEAL)


Irving L. Faught, Administrator

Subscribed and sworn to before me this 22nd day of August, 2005.

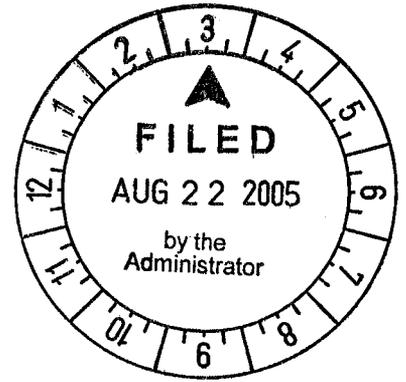

Notary Public

My Commission Expires: August 26, 2005

My Commission No.: 01013792

SEAL

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

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

Respondents.

ODS File No. 02-195

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 405 of the Oklahoma Securities Act, Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), and Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of Anderson Bio-Bed, Inc. and Brenda K. Anderson, in connection with the offer and/or sale of securities in the state of Oklahoma.

2. On the 17th day of August, 2005, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondents of their right to request a hearing to show why an order based on the Recommendation should not be issued.

4. The request for a hearing on the Recommendation must be received by the Administrator within twenty (20) days after service of this Notice. Pursuant to Section 1-604 of the Act, failure to request a hearing as provided for herein shall result in the issuance of an order directing Respondents to cease and desist the offer and sale of unregistered securities in and/or from the state of Oklahoma; transacting business in this state as an agent without the benefit of registration; employing an unregistered agent; making untrue statements of material fact in connection with the offer and/or sale of securities in and/or from the state of Oklahoma; and omitting 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 and/or from the state of Oklahoma, and to pay civil penalties in the sum of Ten Thousand Dollars (\$10,000).

5. The request for hearing shall be in writing and Respondents shall specifically admit or deny each allegation in said request as required by 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within ninety (90) days or a written order denying hearing shall be issued.

7. Notice of the date, time and location of the hearing shall be given to Respondents not less than forty-five (45) days in advance thereof pursuant to 660:2-9-2(c) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 22nd day of August, 2005.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 22nd day of August, 2005, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Enforcement Division Recommendation was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

Anderson Bio-Bed
11710 County Road 3530
Ada, OK 74820

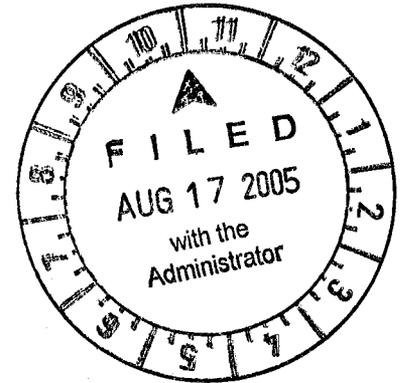
Brenda K. Anderson
428 E. 7th St.
Ada, OK 74820

Shannon Reasor, Esq.
P.O. Box 393
Atoka, OK 74525



Brenda London
Paralegal

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



In the Matter of:

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

Respondents.

ODS File No. 02-195

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to Section 405 of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), as made applicable to this matter by Section 1-701 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), an investigation was conducted by the Enforcement Division of the Oklahoma Department of Securities (Department) into the activities of Anderson Bio-Bed, Inc. (ABBI) and Brenda K. Anderson (Anderson) (collectively, the "Respondents"), in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of this order to cease and desist.

Findings of Fact

1. ABBI was incorporated under the laws of the State of Oklahoma in November 2000. ABBI's status as a corporation was suspended from February 8, 2002, until January 26, 2004. ABBI remains an active corporation.
2. At all times material hereto, Anderson was president and founder of ABBI.
3. At all times material hereto, neither Anderson nor ABBI were registered in any capacity under the Predecessor Act.
4. From December 2000 until December 2002, Respondents offered and sold shares of common stock of ABBI (Stock) to at least seventy-six (76) Oklahoma residents (Investors) and multiple out-of-state investors.
5. On November 11, 2001, Anderson met personally with Investor A, an Oklahoma resident. Anderson offered to sell Stock to Investor A for twenty-five cents (\$.25) per share.

Anderson told Investor A that Respondents had previously sold the stock for one dollar (\$1.00) per share and for fifty cents (\$.50) per share. Anderson made the following representations to Investor A: (a) that Investor A was getting a special offer made only to friends and family; (b) that Anderson was a registered nurse; (c) that Respondents had created a continuous motion mattress (Bed) that would prevent and relieve bedsores; (d) that ABBI was expecting to receive a grant for \$2.5 million in the near future; (e) that ABBI had a contract with Hill-Rom, Inc. to manufacture the Bed; (f) that the money invested in ABBI in November 2001 would be spent on finishing a final working model of the Bed which would be tested at the Valley View Regional Hospital in Ada, Oklahoma; and (g) that Marc Davis, D.O., would be performing clinical studies. In a "confidential" report given to Investor A, Respondents also represented that the Bed is "ACLS certified." The term "ACLS certified" customarily refers to a health care professional who has undergone a training program in Advanced Cardiac Life Support and has successfully completed the prescribed examination.

6. Based upon Respondents' representations, on November 14, 2001, Investor A obtained a secured loan in the amount of \$20,000 that she used to purchase 80,000 shares of ABBI at \$.25 per share.

7. On November 16, 2001, Investor A was asked to sign, and did sign, a document titled "Supplemental Agreement" (Agreement). Investor A was told the Agreement was merely a "formality." The Agreement stated, "[T]he undersigned's financial situation enables the undersigned to bear the risks of this investment." The Agreement also stated, "The undersigned has such knowledge and experience in financial and business affairs that he is capable of evaluating the merits and risks of an investment in the Common Stock of the Company." These representations are not true regarding Investor A.

8. The Stock was not registered pursuant to Section 301 of the Predecessor Act and no claim of an exemption from the registration provisions of the Predecessor Act was filed with the Administrator.

9. Respondents, directly and indirectly, made untrue statements of material fact in connection with the offer, sale and purchase of Stock including, but not limited to, the following:

- a. the Bed is ACLS certified;
- b. Respondents had a contract with Hill-Rom, Inc. to manufacture the Bed;
- c. Anderson is a Registered Nurse;
- d. Respondents previously sold Stock for \$1.00 per share;
- e. Respondents had been awarded a \$2.5 million grant;
- f. money invested in ABBI in November 2001 would be spent on finishing a final working model of the Bed; and

g. Marc Davis, D.O., would be performing clinical studies on the Bed;

10. Respondents 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 to investors in connection with the offer, sale and purchase of the Stock including, but not limited to, the following:

- a. the shares of Stock were not exempt from registration under the Predecessor Act;
- b. Anderson was not registered as an issuer agent under the Predecessor Act;
- c. ABBI's status as a corporation was suspended from February 8, 2002, until January 26, 2004;
- d. Anderson's license as a Practical Nurse lapsed on May 1, 2001;
- e. a portion of Investor A's investment would be used to pay for Anderson's personal expenses;
- f. a portion of Investor A's investment would be paid as a tithe to a local church;
- g. funds of other ABBI investors would be deposited into Anderson's personal bank account; and
- h. Respondent sold Stock to numerous other investors at only \$.25 per share.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authorities

1. Section 1-701(A) of the Act provides:

The predecessor act exclusively governs all actions or proceedings that are pending on the effective date of this act or may be instituted on the basis of conduct occurring before the effective date of this act, but a civil action may not be maintained to enforce any liability under the predecessor act unless instituted within any period of limitation that applied when the cause of action accrued or within five (5) years after the effective date of this act, whichever is earlier.

2. Section 2 of the Predecessor Act provides in pertinent part:

(v) "Security" means any:

* * *

(2) stock[.]

3. Section 101 of the Predecessor Act provides:

It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly[:]

(1) to employ any device, scheme, or artifice to defraud,

(2) to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading,

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

4. Section 201 of the Predecessor Act provides:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration[.]

* * *

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered or is exempt from registration.

* * *

5. Section 301 of the Predecessor Act provides:

It is unlawful for any person to offer or sell any security in this state unless:

(1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or

(2) it is a federal covered security.

6. Section 405 of the Predecessor Act provides in part:

(a) The Administrator in his discretion:

(1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder[.]

7. Section 406 of the Predecessor Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

(1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof;

* * *

(5) issue an order against a person who willfully violates the Oklahoma Securities Act or a rule or order of the Administrator under the Oklahoma Securities Act, imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or transaction or of Fifty Thousand Dollars (\$50,000.00) for multiples violations or transactions in a single proceeding or a series of related proceedings.

Conclusions of Law

1. Shares of stock in Anderson Bio-Bed are securities as defined by subsection (v) of Section 2 of the Predecessor Act.

2. Respondents offered and sold unregistered securities in the state of Oklahoma, in violation of Section 301 of the Predecessor Act.

3. Anderson transacted business in this state as an agent without the benefit of registration under the Predecessor Act, in violation of subsection (a)(1) of Section 201 of the Predecessor Act.

4. Anderson Bio-Bed employed an unregistered agent in violation of subsection (b) of Section 201 of the Predecessor Act.

5. Respondents made untrue statements of material fact, in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of subsection (2) of Section 101 of the Predecessor Act.

6. Respondents 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 the state of Oklahoma, in violation of subsection (2) of Section 101 of the Predecessor Act.

7. The Administrator has the authority to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Predecessor Act and/or the Act.

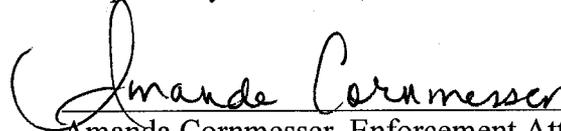
8. It is in the public interest to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Predecessor Act and/or the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

WHEREFORE, it is recommended that the Administrator issue an order directing Respondents to cease and desist: the offer and sale of unregistered securities in and/or from the state of Oklahoma; transacting business in this state as an agent without the benefit of registration; employing an unregistered agent; making untrue statements of material fact in connection with the offer and/or sale of securities in and/or from the state of Oklahoma; and omitting 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 and/or from the state of Oklahoma, and to pay civil penalties in the sum of Ten Thousand Dollars (\$10,000.00).

Dated this 17 day of August, 2005.

Respectfully submitted,


Amanda Cornmesser, Enforcement Attorney
Terra Shamas, Legal Intern
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700