

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:	*	
JAMES R. COBURN	*	
and		
JOHN P. MATIAS	*	Securities Division No. 2005-0676
and		
MEDWELL GROUP, INC.	*	
RESPONDENTS.	*	
*          *          *          *          *          *		

**FINAL ORDER TO CEASE AND DESIST**

WHEREAS, the Securities Division of the Office of the Maryland Attorney General, pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Md. Code Ann., Corps. and Ass'ns, Title 11 (1999 Repl. Vol. & Supp. 2006) (the "Act"), undertook an investigation into the securities-related activities of James R. Coburn, John P. Matias, and the MedWell Group, Inc. (collectively the "Respondents"); and

WHEREAS, on the basis of that investigation the Securities Commissioner found grounds to allege that the Respondents had engaged in an act or practice constituting a violation of the registration provisions and the antifraud provisions of the Act; and

WHEREAS, the Commissioner issued an Order To Show Cause, ordering each Respondent to show cause why a final order should not be entered ordering that Respondent to cease and desist from violating those registration and antifraud provisions of the Act, to show cause why a statutory monetary penalty should not be assessed against that Respondent for such violations, and to show cause why that Respondent should not be barred from engaging in the securities business in Maryland for or on behalf of others or from being or acting as a principal or consultant in any entity engaged in such activities; and

WHEREAS, that Order gave each Respondent notice of the opportunity for a hearing in this matter,

if requested in writing within fifteen days of service of that Order, and gave notice that as to any Respondent not requesting a hearing, a Final Order To Cease And Desist would be issued, imposing a bar from engaging in securities transactions on behalf of others and a monetary civil penalty; and

WHEREAS, none of the Respondents filed an Answer or requested a hearing;

NOW, THEREFORE, having determined that it is in the public interest to issue this Final Order To Cease And Desist, THE COMMISSIONER FINDS AND ORDERS:

### **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding and over the Respondents pursuant to section 11-701.1 of the Act.

### **II. RESPONDENTS**

2. MedWell Group, Inc. ("MedWell") is a California corporation, with its address at 3075 E. Thousand Oaks Blvd, #100, Westlake Village, California 91362.

3. James R. Coburn ("Coburn") is the president/CEO of MedWell, with an address at 3075 E. Thousand Oaks Blvd, #100, Westlake Village, California 91362.

4. John P. Matias ("Matias"), with an address at 3075 E. Thousand Oaks Blvd, #100, Westlake Village, California 91362, at all times acted as a sales agent for MedWell.

### **III. STATEMENT OF FACTS**

5. MedWell at all relevant times has been in the business of providing high-technology patient-record-keeping equipment and administrative software, for use in medical offices.

6. Through telephone calls and its internet site, MedWell offered an investment in shares in the company, in units of 1000 shares at \$5 per share.

7. MedWell solicited investors with the promise that by the third quarter of 2004, a date later extended until late 2005, it would occupy a NASDAQ shell and then would split four-for-one before going to \$15 a share, which would amount to a twelve-fold return on the investment.

8. In February 2004, a Maryland medical-office technician received a call from Matias, who described the MedWell investment potential, and solicited an investment in MedWell.

9. Based upon Matias' and MedWell's representation of the company's prospects, and told that other local doctors were making similar investments, the Maryland resident invested \$10,000. He received two certificates for MedWell stock, each for one thousand shares, signed by Coburn.

10. Despite Matias' claim of other Maryland investors, MedWell has failed to identify them.

11. The Securities Division has no record of securities registration for an offering by MedWell Group, Inc., nor has a claim of exemption or status as a federal-covered security been filed with the Division.

12. MedWell is not registered with the Securities Division as a securities broker-dealer or agent, or as an investment adviser or investment adviser representative.

13. Coburn is not registered with the Securities Division as a securities broker-dealer or agent, or as an investment adviser or investment adviser representative.

14. Matias is not registered with the Securities Division as a securities broker-dealer or agent, or as an investment adviser or investment adviser representative.

15. Investors were given no disclosure materials prior to or at the time of their investment, and received no disclosure of risk.

16. Investors were not told that neither Coburn nor Matias is registered to offer or sell securities.

17. Investors were not told that in 1995 Coburn had been charged by California with selling unregistered securities and had been enjoined from violating the state's securities laws.

18. Investors were not told that in 1996 Coburn had been charged by the SEC with selling unregistered securities and had been enjoined from violating the federal securities laws.

19. MedWell has not acquired or merged with another corporation; it has not split 4-1; investors have not realized a twelvefold return; and the Maryland investor has not received any return.

20. The Order To Show Cause with notice of the right to a hearing was served in compliance with Maryland law. None of the Respondents answered or requested a hearing.

#### **IV. CONCLUSIONS OF LAW**

21. The certificates for shares of stock offered and sold by the Respondents are "securities" within the meaning of section 11-101 of the Act.

22. Respondents violated section 11-501 of the Act by offering and selling unregistered securities in Maryland, for which no claim of preemption or exemption has been filed.

23. Respondents violated section 11-401(a) of the Act by transacting business in the offer or sale of securities in this state as a broker-dealer or securities agent, without being registered pursuant to the Act.

24. Respondent MedWell violated section 11-402(a) of the Act by employing unregistered agents for the offer and sale of securities.

25. Respondents violated section 11-301 of the Act by making material omissions and misrepresentations in connection with the offer and sale of securities.

#### **V. SANCTIONS**

IT IS HEREBY ORDERED THAT:

26. (a) Respondents permanently cease and desist from offering or selling securities in or from Maryland in violation of the Act, from offering and selling any securities in or from Maryland whether registered or exempt from registration, and from engaging in any transaction exempted under the Act; and that

(b) Respondents are permanently barred from engaging in the securities business in

Maryland for or on behalf of others, or from acting as a principal or consultant in any entity so engaged; and that

(c) Respondents, jointly and severally, are assessed a civil monetary penalty of \$25,000 pursuant to section 11-701.1(b) of the Act, payable by certified check to the Office of the Attorney General.

#### **VI. JURISDICTION RETAINED**

27. Jurisdiction is retained by the Securities Commissioner for the purpose of enabling any party to this Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Order.

**IT IS SO ORDERED**

November , 2006

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MELANIE SENTER LUBIN  
SECURITIES COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing Final Order To Cease And Desist by causing a copy to be sent by U.S. Mail, certified delivery, return receipt requested, addressed to:

MedWell Group, Inc.  
3075 E. Thousand Oaks Blvd, #100  
Westlake Village, CA 91362

James R. Coburn  
3075 E. Thousand Oaks Blvd, #100  
Westlake Village, CA 91362

John P. Matias  
3075 E. Thousand Oaks Blvd, #100  
Westlake Village, CA 91362

and by delivering a copy to Melanie Senter Lubin, Securities Commissioner, Maryland Division of Securities, 200 St. Paul Place, Twenty-fifth Floor, Baltimore, Maryland 21202.

November , 2006

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T. Webster Brenner  
Assistant Attorney General

Maryland Division of Securities  
200 St. Paul Place - 25th Floor  
Baltimore, Maryland 21202  
410/ 576-6950

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IN THE MATTER OF:	*	
JAMES R. COBURN	*	
and		
JOHN P. MATIAS	*	Securities Division No. 2005-0676
and		
MEDWELL GROUP, INC.	*	
RESPONDENTS.	*	

\*   \*   \*   \*   \*   \*   \*   \*   \*   \*   \*   \*   \*

AFFIDAVIT OF COMPLIANCE WITH SECTION 11-802(b)

I hereby certify that, in accordance with section 11-802(b) of the Maryland Securities Act, Title 11, Md. Code Ann., Corps. & Ass'ns (1999 Repl. Vol. & Supp. 2006), I have effected service upon the Respondents by serving the foregoing Final Order To Cease And Desist upon the Securities Commissioner, and then sending a copy of the Order and notice of service by U.S. Mail, certified, return-receipt-requested, to each Respondent's last known address.

I solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of the foregoing paper are true.

November   , 2006

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T. Webster Brenner