

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

IN THE MATTER OF:

*

WILLIAM L. ROBINSON, JR., in his
individual capacity and in his
capacities with the companies,

*

*

and

*

HARTECH CORPORATION,

*

SECURITIES DIVISION NO. 2003-0255

and

*

U.S. HARVEST MEDICAL TECHNOLOGIES *
CORPORATION (f/k/a U.S. Harvest
Medical Technologies, Inc. *

*

RESPONDENTS.

*

* * * * *

CONSENT ORDER

WHEREAS, the Division of Securities of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (1999 Repl. Vol. and 2005 Cum. Supp.) (the “Act”), undertook an investigation into the securities related activities of Hartech Corporation and U.S. Harvest Medical Technologies Corporation, f/k/a U.S. Harvest Medical Technologies, Inc., and d/b/a U.S. Harvest Postal Protection Services Corp., and William L. Robinson, Jr. (together, the “Respondents”); and

WHEREAS, on the basis of that investigation, on January 31, 2006, the Maryland Securities Commissioner (the “Commissioner”) issued an Order To Show Cause (“OSC”), requiring Respondents to show cause: why a final order should not be entered ordering each of the Respondents to cease and desist from violations of the securities and agent registration and the antifraud provisions of the Act; why each Respondent should not be barred permanently from engaging in the securities and investment advisory

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 transactions; and why a monetary penalty should not be entered against each Respondent; and

WHEREAS, Respondents submitted a response to the OSC admitting certain of the alleged violations of the Act, but failed to request a hearing despite an extension of the time in which to do so; and

WHEREAS, the Commissioner and the Respondents have reached an agreement in this matter whereby Respondents consent to the jurisdiction of the Commissioner in this matter and over them, consent to the Findings of Facts and Conclusions of Law, and consent to the sanctions imposed and the terms of this Consent Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Order in settlement of any proceeding that could be brought based upon Respondents' violations of the Act.

NOW, THEREFORE, before the holding of a hearing in this matter, without trial or final adjudication of any issue of fact or law, and upon consent of the parties hereto,

IT IS HEREBY AGREED AND ORDERED:

I. JURISDICTION

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

2. Each Respondent voluntarily waives any right to a hearing and appeal under the Act and the rules and regulations promulgated thereunder with respect to this Consent Order and the OSC that initiated the instant proceeding.

3. In the event that judicial intervention in this matter is sought by any party, each Respondent consents to the jurisdiction of the Circuit Court for Baltimore City as to them and any such proceeding.

II. PARTIES

4. Melanie Senter Lubin is the Securities Commissioner for the State of Maryland.

5. Hartech Corporation was a Maryland corporation that merged in 2001 with U.S. Harvest Medical Technologies, Inc., also organized in Maryland.

6. U.S. Harvest Medical Technologies, Inc., later changed its name to U.S. Harvest Medical Technologies Corporation (individually or together, “Medtech”). Medtech maintains a current office address at Robinson’s home address in Baltimore, Maryland.

7. William L. Robinson, Jr. (“Robinson”), whose last-known address is in Baltimore, Maryland, at all relevant times was the chief executive officer, chairman, and principal shareholder of Medtech.

III. FINDINGS OF FACTS

8. At all relevant times, Medtech purported to be developing high-tech products for use in medical and homeland security applications. Medtech claims to hold all rights to develop, market, and sell certain patented technologies, under claim of patents or pending patents.

9. In 1996, Medtech issued 139 million shares of common stock to Robinson, and issued 26 million shares to his wife, Martha Robinson, secretary of Medtech. Together, the Robinsons held approximately 165 million, or 65% of the outstanding 252 million shares of Medtech stock.

10. On May 28, 1997, Medtech submitted a notice of exemption to the Division, claiming an exemption for an offering of 200,000 shares of its stock at a purchase price of \$5.00 per share.

11. On December 7, 1999, Medtech filed with the SEC an application on Form 1-A for qualification of its public offering of common stock.

12. On March 10, 2000, Medtech filed with the Division an application for registration by qualification of its public offering of common stock.

13. On November 6, 2000, noting the issuer’s representation that no shares of common stock

had been sold by Medtech, the SEC permitted the withdrawal of the application for qualification.

14. On April 23, 2001, Medtech withdrew its application for registration by qualification with the Division, and submitted an application for registration by coordination. On August 17, 2001, Medtech withdrew that application as well, under a representation that no shares had been sold.

15. Between May 1997 and November 2000, Respondents sold approximately 3.1 million shares of Medtech stock to some 360 investors, at prices ranging from \$0.05 per share to \$0.54 per share, for an aggregate purchase price of approximately \$660,000.

16. Respondents sold shares on a continuous basis. Sales of stock were certificated in nearly half of all the months between May 1997 and November 2000. Shares were sold both as newly issued shares by Medtech, and as resales of the shares originally issued to Robinson and his wife (and the other officers and directors of Medtech). Respondents recorded transfers of additional “gift” shares from Robinson or other officers or directors in connection with many of the sale transactions.

17. In September 2002, Respondents sold 3,750 shares to one investor for \$15,000.00.

18. Respondents did not register the Medtech securities offerings in Maryland. With the exception of the Form MLOE-1 filed in May 1997, Respondents failed to claim an exemption from registration, or preemption as a “covered security” for the Medtech offerings.

19. Medtech maintained web sites at <www.hartech.com> and <www.ushmedtech.com>, and transmitted information during 1997 through 2000 regarding the offering of its securities.

20. Robinson has never registered in Maryland as a broker-dealer or a securities agent.

21. Robinson states that he discussed the investment with each potential investor prior to selling the shares to the investors, but that he did not distribute written disclosures to potential investors.

22. In offering the Medtech securities, Respondents omitted material information regarding risk factors, dilution, principal shareholders, managements’ experience and compensation, financial statements, and the legal terms of the securities, among other material information.

IV. CONCLUSIONS OF LAW

The Commissioner concludes that:

23. The shares of Medtech common stock offered and sold by Respondents constitute "securities" within the definition at section 11-101(r) of the Act.

24. Respondents violated section 11-501 of the Act by offering and selling unregistered securities in Maryland, for which no claim of preemption or exemption was filed or otherwise established.

25. Robinson violated section 11-401(a) of the Act, by acting as an unregistered agent of an issuer or broker-dealer, as those terms are defined by the Act.

26. Medtech violated section 11-402(a) of the Act by conducting offers and sales of its securities through an unregistered broker-dealer or agent.

27. Respondents violated section 11-301 of the Act by omitting to state material facts necessary in order to make the information that was given not misleading, such as the omission of information about risk factors, dilution, principal shareholders, managements' experience and compensation, financial statements, and the legal terms of the securities, among other material information.

V. SANCTIONS

28. Each Respondent consents, and it is ordered that:

- a. Respondents shall each permanently cease and desist from offering or selling unregistered securities in violation of section 11-501 of the Act.
- b. Robinson shall permanently cease and desist from acting as an unregistered agent or broker-dealer in Maryland in violation of section 11-401 of the Act.
- c. Medtech shall permanently cease and desist from employing unregistered agents for the offer and sale of securities in violation of section 11-402 of the Act.
- d. Respondents shall each permanently cease and desist from engaging in material

misrepresentations or omissions in connection with the offer or sale of securities in violation of section 11-301 of the Act.

- e. Respondents are permanently barred from engaging in the securities or investment advisory businesses in or from Maryland, or from acting as principal or consultant in any entity so engaged.
- f. Respondents, jointly and severally, shall pay a civil monetary penalty, pursuant to section 11-702 of the Act, in the amount of \$750,000 (\$2,500 for each of the 300 transactions), and shall make payment to the Office of the Attorney General by certified check. However, collection of this penalty is waived in reliance upon the Respondents' representations of their financial status.

VI. RELIANCE ON FINANCIAL REPRESENTATIONS

29. Respondents have provided to the Commissioner, under penalty of perjury, sworn statements of income, assets, and liabilities as a condition of this Consent Order, and the Commissioner has relied upon those statements in establishing the terms of and agreeing to enter into this Consent Order. If the Commissioner receives information that those statements are false in any material respect, the Commissioner may reopen these proceedings and seek such further relief as is appropriate, including the collection of the monetary penalty imposed above.

30. In the event Respondents discover or become aware of, or if they acquire or recover, from any source, assets not now in their possession but attributable or accruing to or having been received from or belonging to any persons or entities investing in Medtech, Respondent(s) shall notify the Commissioner within five business days of such discovery or acquisition of assets. If the Commissioner receives such information from Respondents or from any other source, the Respondents shall, in a plan approved by the Commissioner, distribute those assets pro rata to investors in Medtech.

VII. CONSEQUENCES OF VIOLATION OF CONSENT ORDER

31. If any Respondent fails to comply with any term of this Consent Order, the Commissioner may declare this Consent Order to be null and void. The Commissioner may then proceed with full administrative and/or judicial proceedings to enforce this Consent Order and to collect the civil penalty imposed above, or to sanction Medtech or Robinson for violating an order of the Commissioner, and may take any other action authorized under the Act or any other applicable law. In any such proceeding, the Division also may seek the sanctions sought in the Order To Show Cause that initiated this matter. For the purposes of determining those sanctions, the Statement of Facts and the allegations of violations of the Act set forth in that Order shall be deemed admitted by that Respondent and may be introduced into evidence against him.

VIII. MODIFICATION OF TERMS OF THIS CONSENT ORDER

32. The terms of this Consent Order may be modified only by a subsequent order issued by the Commissioner.

IX. JURISDICTION RETAINED

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

SO ORDERED:

_____, 2006 _____

Melanie Senter Lubin
Securities Commissioner

CONSENTED TO:

U.S. HARVEST MEDICAL
TECHNOLOGIES CORPORATION

HARTECH CORPORATION

By: _____
William L. Robinson, Jr., Chairman

By: _____
William L. Robinson, Jr., Chairman

Personally signed before me on
this ____ day of _____, 2006.

Personally signed before me on
this ____ day of _____, 2006.

Notary Public

Notary Public

My Commission expires _____ My Commission expires _____

WILLIAM L. ROBINSON, Jr.,
Individually and in his capacities with U.S.
Harvest Medical Technologies Corporation

Personally signed before me on
this ____ day of _____, 2006.

Notary Public

My Commission expires _____