

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the matter of)
A.G. Edwards & Sons, Inc.;)
Cameron Erickson; Unitech Industries, Inc.)
and their Officers, Directors,)
Agents, and Employees,)
Respondents.)

**ORDER FOR
HEARING**

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WHEREAS, Lonnie H. Kyllonen, a resident of North Dakota, has filed a complaint with the office of the North Dakota Securities Commissioner alleging that the Respondents violated provisions of the North Dakota Securities Act by engaging in fraudulent practices pursuant to North Dakota Century Code Chapter 10-04 and

WHEREAS, Lonnie H. Kyllonen has alleged that:

1. in April 1995 Lonnie H. Kyllonen called Cameron Erickson of A.G. Edwards & Sons, Inc. to talk about investing in stocks, Mr. Kyllonen told Mr. Erickson he was looking to invest in large companies with little risk;
2. in June of 1995 Mr. Erickson called Mr. Kyllonen and recommended stock in Unitech Industries, Inc., telling Mr. Kyllonen the company had no debt, just took on several new multi-million dollar contracts, and was about to report a huge increase in net profits;
3. Mr. Erickson stated that there was no way to go wrong with a company like this, it was a very low risk investment and it would easily hit \$20 per share by the end of the year, Mr. Erickson told Mr. Kyllonen that the people in his office were buying Unitech stock;
4. Mr. Erickson continued to call Mr. Kyllonen trying to get him to buy Unitech stock and telling him about all the good things going on with Unitech;
5. On July 12, 1995 Mr. Kyllonen purchased 250 shares of Unitech at \$13 7/8 per share from Mr. Erickson;
6. Mr. Erickson continued to call Mr. Kyllonen to persuade him to buy more Unitech stock and told Mr. Kyllonen that he had purchased more shares for himself, Mr. Erickson told Mr. Kyllonen that Unitech had reported a 900 percent increase in sales;
7. Mr. Erickson encouraged Mr. Kyllonen to buy Unitech stock on margin, Mr. Kyllonen didn't feel comfortable buying on margin so he sold some other stock and bought 145 shares of Unitech at \$14 per share on September 20, 1995 and another 100 shares of Unitech for \$11 7/8 per share on November 3, 1995;
8. the price for Unitech stock dropped to around \$2 per share;
9. Unitech materially misstated information in quarterly reports;
10. Unitech has filed for bankruptcy;
11. Mr. Erickson never said anything to Mr. Kyllonen about Unitech having any problems, he never gave any negative information about Unitech to Mr. Kyllonen.

NOW, THEREFORE, IT IS ORDERED that:

1. pursuant to § 10-04-16.1 N.D.C.C. the Securities Commissioner will begin a PUBLIC INVESTIGATIVE HEARING for this matter in the Missouri River Room on the ground floor of the state Capitol in Bismarck, North Dakota at 9:00 a.m., Tuesday, September 24, 1996 and continuing until all interested parties have had an opportunity to present any relevant oral and written evidence under oath for complaints and remedies involving alleged securities violations and related material issues; and
2. to be received on or before Friday, August 9, 1996, complainant Lonnie H. Kyllonen and each of the Respondents shall provide to one another and to the Office of the Securities Commissioner copies of any documents they intend to present at the hearing for this matter with a brief description of the relevance of each of the documents to the alleged violations; and
3. to be received on or before Friday, August 9, 1996, complainant Lonnie H. Kyllonen and each of the Respondents shall provide to one another and to the Office of the Securities Commissioner a list of the name, address, telephone number, and brief summary of anticipated testimony for each witness whom they intend to present at the hearing, and the parties shall designate any witnesses who will not voluntarily appear and who should be subpoenaed by the Securities Commissioner; and
4. to be received by complainant Lonnie H. Kyllonen and the Respondents on or before August 26, 1996 the Office of the Securities Commissioner shall prepare a list of documents and witnesses for the hearing for the specific allegations of securities violations, a description of relevant fact issues that appear to be undisputed, and a description of relevant fact issues that appear to be disputed between the parties; and
5. a party who requests that a subpoena be issued for any witness at the hearing shall pay the witness fees and expenses for the witness to attend the hearing.

Dated at Bismarck, North Dakota on June 8, 1996.

(SEAL)



CAL HOOVESTOL
Securities Commissioner
State Capitol, 5th Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the matter of)
A.G. Edwards & Sons, Inc.;)
Cameron Erickson)
and their Officers, Directors,)
Agents, and Employees,)
Respondents.)

**NOTICE OF
HEARING**

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PLEASE TAKE NOTICE that the Securities Commissioner will begin a PUBLIC INVESTIGATIVE HEARING according to § 10-04-16.1 N.D.C.C. in the matter of the respondents and their officers, directors, agents, and employees in the Missouri River Room on the ground floor of the state Capitol in Bismarck, North Dakota at 9:00 a.m., Tuesday, September 24, 1996 and continuing until all interested parties have had an opportunity to present any relevant oral and written evidence under oath for complaints and remedies involving alleged securities violations and related material issues; and

YOU ARE REQUIRED BY THIS SECURITIES COMMISSIONER SUBPOENA, according to section 10-04-16.1 of the North Dakota Century Code, to attend the hearing in person and be prepared to testify and to produce at the stated time all books, papers, correspondence, memoranda, agreements, canceled checks, stock certificates, promotional materials, written documents presented at meetings, offers of recession, offers to repurchase stock, offers to sale, financial statements, income projections, or other documents or records that are relevant or material to securities issues involving the offer, sale or transfer of investment contracts, financial interests, or payments between respondents and Lonnie H. Kyllonen for transactions occurring from January 1, 1992 until the present time.

Dated at Bismarck, North Dakota on June 8, 1996.

Cal Hoovestol

Cal Hoovestol
Securities Commissioner
State Capitol 5th Floor
Bismarck, ND 58505-0510
(701) 328-2910

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the matter of)
A.G. Edwards & Sons, Inc.;) **AFFIDAVIT**
Cameron Erickson; Unitech Industries, Inc.) **OF**
and their Officers, Directors,) **MAILING**
Agents, and Employees,)
Respondents.)

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I, Diane Lillis, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On, June 11, 1996 I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following document:

ORDER FOR HEARING

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via certified mail, return receipt requested, and addressed to:


A.G. Edwards & Sons, Inc.
One North Jefferson
St. Louis, MO 63103

Cameron Erickson
A.G. Edwards & Sons, Inc.
902 28th Street SW
Fargo, ND 58103

Unitech Industries, Inc.
15035 N 75th St.
Scottsdale, AZ 85260

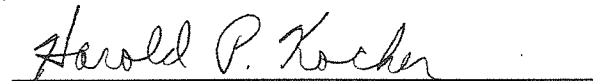
Lonnie H. Kyllonen
817 31st Street NW
Fargo, ND 58102

To the best of my knowledge, information, and belief, the address given above is the actual post office address of the party intended to be served.



Diane Lillis

Subscribed and sworn to before me on June 11, 1996.



HAROLD P. KOCHER, Notary Public
Burleigh County, State of North Dakota
My Commission Expires April, 26, 2002
STATE OF NORTH DAKOTA
NOTARY PUBLIC SEAL