

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of AgKota Holdings,)
Inc., International Joint Ventures)
Association, Preferred Home)
Loans, Founders Club, Inc., Verlin)
Swartzendruber, Terry Nitschke,)
Duane Moos, Norm Nitschke,)
William Ebele, and their Officers,)
Directors, Agents, and Employees,)
)
Respondents.)

**CEASE AND DESIST ORDER
AND NOTICE OF RIGHT TO
REQUEST A HEARING**

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO
AGKOTA HOLDINGS, INC., INTERNATIONAL JOINT VENTURES ASSOCIATION,
PREFERRED HOME LOANS, FOUNDERS CLUB, INC., VERLIN
SWARTZENDRUBER, TERRY NITSCHKE, DUANE MOOS, NORM NITSCHKE,
WILLIAM EBEL, AND THEIR OFFICERS, DIRECTORS, AGENTS, AND
EMPLOYEES:**

The Securities Commissioner has determined that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. The Respondents have offered for sale and sold investment contracts, which are securities as defined in §10-04-02(13) N.D.C.C., to residents of North Dakota in violation of §10-04-04 N.D.C.C.
2. The subject investments have not been registered with the Securities Commissioner under §10-04-07; §10-04-07.1; §10-04-08; or §10-04-08.1 N.D.C.C.; are not exempt securities under §10-04-05 N.D.C.C; and have not been offered for sale or sold in exempt transactions under §10-04-06 N.D.C.C.
3. The Respondents have failed to register as dealers in violation of §10-04-10(1) N.D.C.C.
4. The Respondents have failed to register any salesman in violation of §10-04-10(2) N.D.C.C.
5. Through offering the subject investments, the Respondents have guaranteed the returns and have stated that the program is without risk of investment loss in violation

§10-04-15 N.D.C.C. Further, Respondents engaged in other fraudulent acts in violation §10-04-15 N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to §10-04-16 N.D.C.C., that the Respondents immediately shall **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject investment, or any other investment interest however denominated, unless and until such investment interests have been registered with the Securities Commissioner.
2. From offering for sale or selling investments in North Dakota unless and until they have registered with the Securities Commissioner as dealers or salesmen.
3. From providing a guarantee on rates of return on investments, guaranteeing against loss of principle invested, or otherwise engaging in a fraudulent act while offering for sale or selling investments in North Dakota.

This order does not prohibit the offer or sale of securities through exempt securities transactions under §10-04-06 N.D.C.C., nor does it prohibit registered dealers and sales agents from offering or selling exempt securities under §10-04-05 N.D.C.C.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §10-04-16(1) N.D.C.C. The Securities Commissioner does not order a civil penalty herein but expressly reserves the authority to assess civil penalties regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to §10-04-12 N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN TEN (10) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondent has the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 22nd day of April, 1998.




Syver Vinje
North Dakota Securities Commissioner
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