# STATE OF NORTH DAKOTA

**BEFORE THE** 

# **COUNTY OF BURLEIGH**

#### **SECURITIES COMMISSIONER**

In the Matter of American Dream	)	
Systems, Inc.; Coupon Connection of	)	DESIST AND REFRAIN ORDER,
America, Inc.; and their Officers,	)	NOTICE OF CIVIL PENALTY, AND
Directors, Agents and Employees,	)	NOTICE OF RIGHT TO
	)	REQUEST A HEARING
RespondentS.	)	

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO AMERICAN DREAM SYSTEMS, INC.; COUPON CONNECTION OF AMERICA, INC.; AND THEIR OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES:

The Securities Commissioner has a reasonable basis to believe 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 51-19 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of franchise investors to restrain these acts, practices, or transactions of the Respondents.

- 1. The Respondents have offered for sale and/or sold franchises to residents of North Dakota in violation of §51-19-03 N.D.C.C.
- 2. The subject franchises have not been registered with the Securities Commissioner under Chapter 51-19 N.D.C.C., nor are they exempt under §51-19-04 N.D.C.C.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to §51-19-13(f) N.D.C.C., that the Respondents shall immediately **DESIST AND REFRAIN** from offering for sale or selling in North Dakota any franchise, unless and until such franchise has been registered with the Securities Commissioner. This does not prohibit the sale of franchises that are exempt pursuant to §51-19-04 N.D.C.C.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to §51-19-14(1) N.D.C.C. Pursuant to §12.1-32-01 N.D.C.C., a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment.

#### **NOTICE OF CIVIL PENALTIES**

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §51-19-13(f) N.D.C.C. The Securities Commissioner does not herein assess civil penalties, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future franchise violations or violations of this order.

#### NOTICE OF RIGHT TO REQUEST HEARING

**YOU ARE NOTIFIED** that pursuant to §51-19-13(f) N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing. The respondents have the right to be represented by legal counsel at the hearing.

**IN TESTIMONY WHEREOF**, witness my hand and seal this \_\_\_\_\_ day of May, 2003.

SECURITIES COMMISSION

Karen J. Tyler, Securities Commissioner Office of the Securities Commissioner 600 East Boulevard Ave. State Capitol – Fifth Floor Bismarck, ND 58505-0510

(701) 328-2910

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#### **COUNTY OF BURLEIGH**

# **SECURITIES COMMISSIONER**

In the Matter of American Dream	)	
Systems, Inc.; Coupon Connection of	)	
America, Inc.; and their Officers,	) AFFIDAVIT OF SERVICE	
Directors, Agents, and Employees,	) BY MAIL	
	)	
Respondent.	)	
·	·	

I, Jacqui Ferderer, 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 this <u>)</u> day of May, 2003, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

# CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY, AND NOTICE OF RIGHT TO REQUEST A HEARING

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

Coupon Connection of America, Inc. 10998 Wilcrest, Suite 200 Houston, TX 77099

To the best of my knowledge, information, and belief, the address given above is the actual mailing address for the party intended to be served or of the attorney representing that party.  $\wedge$ 

Jacqui Ferderer

Subscribed and sworn to before me this \_\_\_\_\_ day of May, 2003.

\_\_\_\_\_ day 0.11.ay, 2000

HAROLD P. KOCHER Notary Public State of North Delects My Commission Expires April 26, 2008

Harold P. Kocher, Notary Public Burleigh County, North Dakota My commission expires 4/26/2008