

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of American Investment Services, Inc.)
)
)
)
)
)
Respondents)

COMMISSIONER'S PROPOSED ORDER TO REVOKE THE DEALER REGISTRATION OF AMERICAN INVESTMENT SERVICES, INC., AND NOTICE OF RIGHT TO REQUEST A HEARING

.....
The North Dakota Securities Commissioner has conducted an investigation into the above-captioned matter, and has reason to believe that:

1. Respondent, American Investment Services, Inc., is a securities dealer headquartered in Colorado, and previously headquartered in Illinois. For all times relevant to this matter, the firm was a registered dealer in the state of North Dakota.

2. On or around April 5, 2002, Respondent's registration as a dealer in the state of Vermont has been revoked.

3. On or around June 3, 2002, Respondent's membership with the NASD was suspended.

4. As discussed more fully in the Commissioner's Order for Rescission and Notice of Right to Request a Hearing, issued by the Securities Commissioner on May 30, 2002, and the Commissioner's Order for Civil Penalty and Notice of Right to Request a Hearing, dated June 14, 2002, Respondent engaged in the sale of an unregistered security to a North Dakota resident in violation of section 10-04-04 N.D.C.C.

5. The information set forth in paragraphs 2-3 above, if proven, constitutes sufficient grounds for the Commissioner to revoke respondents' dealer registration in the state of North Dakota pursuant to §10-04-11(1)(j) N.D.C.C.

6. The information set forth in paragraph 4 above, if proven, are sufficient grounds for the Commissioner to determine that Respondent has engaged in "dishonest or unethical practices" pursuant to §73-02-09-03 N.D.A.C.

7. If the Commissioner determines that there are sufficient grounds for the Commissioner to find that Respondent has engaged in a "device, scheme, or artifice to defraud" residents of North Dakota or has engaged in "dishonest or unethical practices", the Commissioner has the authority to revoke respondents' dealer registration in the state of North Dakota pursuant to §10-04-11(1)(a) and/or (c) N.D.C.C.

8. The following order is necessary and proper and in the public interest.

**PROPOSED ORDER TO REVOKE THE DEALER
REGISTRATION OF AMERICAN INVESTMENT SERVICES, INC.**

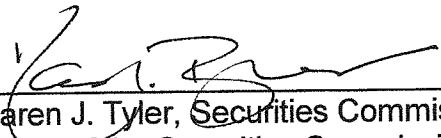
NOW THEREFORE, The North Dakota Securities Commissioner hereby Orders that, pursuant to the information outlined above, the Commissioner proposes to revoke the dealer registration of American Investment Services, Inc. pursuant to §§ 10-04-11 and 10-04-12 N.D.C.C. and to issue the Order to Revoke the Dealer Registration of American Investment Services, Inc. which is attached hereto.

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 FIFTEEN (15) 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 14th day of June, 2002.





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

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of American Investment)
Services, Inc.)
Respondent.)

**AFFIDAVIT OF SERVICE
BY MAIL**

.....
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, June 17, 2002, 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:

**PROPOSED ORDER TO REVOKE THE DEALER
REGISTRATION OF AMERICAN INVESTMENT SERVICES,
INC., AND NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to each of the following:

Mark Uselton, Chief Compliance Officer
American Investment Services, Inc.
6801 Broadway Extension, Ste 203b
Oklahoma City, OK 73116

Joseph A. Cerbone
American Investment Services, Inc.
600 High Point Lane, Suite B.
East Peoria, IL 61611

Joseph A. Cerbone
923 Fuschiq Lane
Carlsbad, CA 92009

Joseph A. Cerbone
1064 Dunford Way
Sunnyvale, CA 94087

Terry L. Buffalo
American Investment Services, Inc.
600 High Point Lane, Suite B.
East Peoria, IL 61611

Terry L. Buffalo
First Midwest Securities, Inc.
2422 E. Washington, Suite 106
Bloomington, IL 61704

Terry L. Buffalo
Niphix Investments Inc.
4507 N. Sterling Ave. Suite 201
Peoria, IL 61615

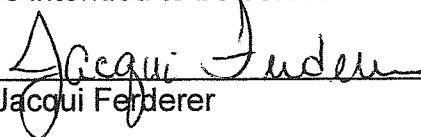
Terry L. Buffalo
607B South Main #354
Normal, IL 61761

Wanita M. Hamstedt
American Investment Services, Inc.
600 High Point Lane, Suite B.
East Peoria, IL 61611

Timothy I. McDowell, Compliance Officer
American Investment Services, Inc.
600 High Point Lane, Suite B.
East Peoria, IL 61611

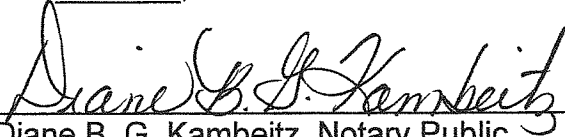
National Capital Companies, Inc.
6801 Broadway Extension, Ste 203b
Oklahoma City, OK 73116

To the best of my knowledge, information, and belief, the addresses given above are actual mailing addresses of the parties intended to be served.

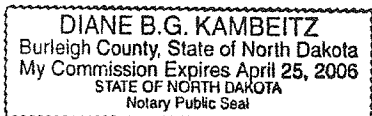


Jacqui Ferderer

Subscribed and sworn to before me on June 17, 2002.



Diane B. G. Kambeitz, Notary Public
Burleigh County, North Dakota
My commission expires: 4/25/06



STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of American Investment)
Services, Inc.)
)
Respondents)

**ORDER TO REVOKE THE
DEALER REGISTRATION
OF AMERICAN INVESTMENT
SERVICES, INC.,**

.....
The North Dakota Securities Commissioner, after a hearing, or after Respondent has been afforded the opportunity for a hearing, has determined that:

1. Respondent, American Investment Services, Inc., is a securities dealer headquartered in Colorado, and previously headquartered in Illinois. For all times relevant to this matter, the firm was a registered dealer in the state of North Dakota.

2. On or around April 5, 2002, Respondent's registration as a dealer in the state of Vermont has been revoked.

3. On or around June 3, 2002, Respondent's membership with the NASD was suspended.

4. As discussed more fully in the Commissioner's Order for Rescission and Notice of Right to Request a Hearing, issued by the Securities Commissioner on May 30, 2002, and the Commissioner's Order for Civil Penalty and Notice of Right to Request a Hearing, dated June _____, 2002, Respondent engaged in the sale of an unregistered security to a North Dakota resident in violation of section 10-04-04 N.D.C.C.

5. The information set forth in paragraphs 2-3 above, if proven, constitutes sufficient grounds for the Commissioner to revoke respondents' dealer registration in the state of North Dakota pursuant to §10-04-11(1)(j) N.D.C.C.

6. The information set forth in paragraph 4 above, if proven, are sufficient grounds for the Commissioner to determine that Respondent has engaged in "dishonest or unethical practices" pursuant to §73-02-09-03 N.D.A.C.

7. If the Commissioner determines that there are sufficient grounds for the Commissioner to find that Respondent has engaged in a "device, scheme, or artifice to defraud" residents of North Dakota or has engaged in "dishonest or unethical practices", the Commissioner has the authority to revoke respondents' dealer registration in the state of North Dakota pursuant to §10-04-11(1)(a) and/or (c) N.D.C.C.

8. The following order is necessary and proper and in the public interest.

**ORDER TO REVOKE THE DEALER REGISTRATION
OF AMERICAN INVESTMENT SERVICES, INC.**

NOW THEREFORE, The North Dakota Securities Commissioner hereby Orders that, pursuant to the information outlined above, the Commissioner hereby revokes the dealer registration of American Investment Services, Inc. pursuant to §§ 10-04-11 and 10-04-12 N.D.C.C.

IN TESTIMONY WHEREOF, witness my hand and seal this _____ day of _____, 2002.

(SEAL)

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