

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

BEFORE THE  
SECURITIES COMMISSIONER

COPY

In the Matter of CanOdi	)	
International, Inc., Donald S.	)	CEASE AND DESIST ORDER
Dalman, and other Officers	)	AND NOTICE OF OPPORTUNITY
Directors, Agents, Servants	)	FOR HEARING
and Employees of Canodi	)	
International, Inc.	)	

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO CANODI INTERNATIONAL, INC., DONALD S. DALMAN, AND OTHER OFFICERS, DIRECTORS, AGENTS, SERVANTS AND EMPLOYEES OF CANODI INTERNATIONAL, INC.:

1. It appears to the Securities Commissioner that CanOdi International, Inc. and Donald S. Dalman ("Respondents"), have engaged, are engaging, or are about to engage in certain 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 further appears to the Securities Commissioner that it is necessary or appropriate in the public interest or for the protection of investors to restrain these acts, practices, or transactions.

2. The Respondents have offered for sale, solicited an order or offer to buy, or sold in North Dakota securities in the form of risk capital or an investment contract.

3. The subject securities have not been registered with the Securities Commissioner under Section 10-04-04, N.D.C.C.; are not exempt securities under Section 10-04-05, N.D.C.C.; and have not

been offered for sale or sold in exempt transactions under Section 10-04-06, N.D.C.C.

4. The Respondents are not registered as dealers or salesmen under Section 10-04-10, N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to Section 10-04-16, N.D.C.C., that CanOdi International, Inc., Donald S. Dalman, and any other officers, directors, agents, servants, and employees of CanOdi International, Inc., immediately cease and desist:

A. From offering for sale or selling in North Dakota the subject securities, or any other security however denominated of any issuer, unless and until such securities have been registered with the Securities Commissioner; provided, however, that nothing in this part of the order shall apply to exempt securities under Section 10-04-05, N.D.C.C., or to exempt transactions under Section 10-04-06, N.D.C.C.

B. From offering for sale or selling in North Dakota the subject securities, or any other security however denominated of any issuer, unless and until they have been registered as dealers or salesmen with the Securities Commissioner; provided, however, that nothing in this part of the order shall apply to exempt transactions under Section 10-04-06, N.D.C.C.

YOU ARE NOTIFIED that the above-cited violations, if proven, are sufficient grounds for the imposition of a civil penalty, pursuant to Section 10-04-16, N.D.C.C.

YOU ARE ALSO NOTIFIED that any person aggrieved by this order may request a hearing before the Securities Commissioner if such a request is made within ten days after receipt of this order.

IN TESTIMONY WHEREOF, witness my hand and seal this 23 day of September, 1991.

(SEAL)

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GLENN POMEROY  
SECURITIES COMMISSIONER

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Directors, Agents, Servants )  
and Employees of CanOdi )  
International, Inc. )

AFFIDAVIT OF MAILING

STATE OF NORTH DAKOTA )  
 ) ss.  
COUNTY OF BURLEIGH )

Karla Gunderson, being first duly sworn under oath, deposes and says:

1. That she is 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.

2. That on the 24th day of September, 1991 she 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 the following document:

CEASE AND DESIST ORDER AND  
NOTICE OF OPPORTUNITY FOR HEARING

3. That a copy of the above document was securely enclosed in an envelope with postage duly prepaid and addressed as follows:

CANODI INTERNATIONAL INC  
PO BOX 650  
JAMESTOWN ND 58402

4. That to the best of her knowledge, information, and belief, the address given above is the actual post office address of the party intended to be so served.

\_\_\_\_\_  
KARLA GUNDERSON

Subscribed and sworn to before me this 24th day of ~~January~~<sup>Sept.</sup>, 1991.

\_\_\_\_\_  
MARGARET BRINTNELL, Notary Public  
Burleigh County, North Dakota  
My commission expires 8-9-95.