



- a. Cease and Desist Order in the matter of Capital Growth Real Estate Partners of Miami, LLC; CGF Securities, LLC; and Ross Owen Haugen, attached hereto and incorporated herein as Attachment A.
  - b. Consent Order in the matter of Capital Growth Real Estate Partners of Miami, LLC; CGF Securities, LLC; and Ross Owen Haugen, attached hereto and incorporated herein as Attachment B.
  - c. Cease and Desist Order in the matter of MDVIP, Inc.; CGF Securities, LLC; and Ross Owen Haugen, attached hereto and incorporated herein as Attachment C.
  - d. Consent Order in the matter of CGF Securities, LLC and Ross Owen Haugen, attached hereto and incorporated herein as Attachment D.
4. During that same time, Respondent's agent, Ross O. Haugen, engaged in the sale of unregistered securities through a non-registered issuer dealer, as approved by the Respondent, pursuant to NASD Rule 3040. Pursuant to Rule 3040(c)(2), Respondent has the duty to record the transactions "on the books and records of the member and the member shall supervise the person's participation in the transaction as if the transaction were executed on behalf of the member." Respondent did not comply with this provision.
5. In March of 2003, Respondent, by and through its agent, Ross O. Haugen engaged in the sale of stock and notes in Alliance Care, Inc. (Alliance) to two North Dakota residents. The Alliance investments were not registered or exempt from registration, nor were they properly filed as federal covered securities as required by North Dakota law. On April 15, 2003, the Commissioner issued a Cease and

Desist Order against Alliance, CGF Securities, and Haugen. A copy of the Cease and Desist Order is attached hereto and incorporated herein as Attachment E.

6. On July 1, 2003, the Commissioner entered into a Consent Order with the Respondent and other persons that required the payment of \$6,000 in civil penalties and the making of a rescission offer. Of the \$6,000 civil penalty, Respondent was responsible for \$4,000, to be paid \$2,000 down \$2,000 due thirty days after the entry of that Order. That payment was due on July 31, 2003. Respondent agreed to the Order and further received notice that payment would be required on that date. A copy of the Consent Order is attached hereto and incorporated herein as Attachment F.

7. Respondent has not made the payment due on July 31, 2003.

8. The Consent Order discussed in paragraph 6, above, required AllianceCare, Inc. to make a rescission offer to the North Dakota resident investors. During the rescission approval process, Respondent represented AllianceCare, Inc. before our office in the production of the offering documents. Unapproved drafts of those offering documents falsely represented several things, including the following:

a. Several drafts of the offering materials stated that the investments sold were "convertible notes" when the investment was in units consisting of stock and notes. No convertible features were part of this investment.

b. One draft of the offering materials stated that AllianceCare, Inc. had experienced marked growth over the years of its existence, while its most current financial statements show a negative working capital and shareholders' deficit of more than \$4 million.

9. Respondent's registration is currently deficient with the NASD because it has not properly and timely disclosed enforcement actions on the CRD system and has not responded to an NASD inquiry of April 16, 2003.

10. Pursuant to section 10-04-04 N.D.C.C., no person may sell securities in this state, unless the securities are registered, exempt from registration pursuant to section 10-04-05 N.D.C.C., sold through exempt transactions under section 10-04-06 N.D.C.C., or properly filed as federal covered securities as required by section 10-04-08.4 N.D.C.C. The transactions described above were made in violation of this provision.

11. Pursuant to section 10-04-15 N.D.C.C., no person may make "any material false statement or representation in any application" filed under the Securities Act. The activities described in paragraph 8 were conducted in violation of this section.

12. Pursuant to section 73-02-09-03 N.D.A.C., dishonest or unethical practices include violating the NASD conduct rules. The activities described in paragraphs 4 and 9 are dishonest or unethical practices.

13. Pursuant to section 10-04-11(1) N.D.C.C., the Commissioner may revoke the registration of a dealer if the Commissioner finds that the dealer has violated the provisions of the Securities Act or any Orders issued pursuant thereto, has engaged in dishonest, fraudulent or unethical practices, or has failed to properly supervise its agents. The activities set forth above constitute sufficient grounds for the revocation of the dealer registration of Respondent.

14. Pursuant to Section 10-04-11(4) N.D.C.C., the Commissioner may suspend the registration of a dealer pending a proceeding on a proposed order for revocation.

15. This order is necessary and appropriate in the public interest for the protection of investors.

**ORDER FOR SUMMARY SUSPENSION OF THE  
DEALER REGISTRATION OF CGF SECURITIES, LLC**

Based on the information set forth above, the North Dakota Securities Commissioner hereby summarily suspends the dealer registration of CGF Securities, LLC pending final resolution of this matter.

**PROPOSED ORDER TO REVOKE THE DEALER  
REGISTRATION OF CGF SECURITIES, LLC**

Based on the information set forth above, the North Dakota Securities Commissioner hereby proposes to revoke the dealer registration of CGF Securities, LLC by issuing the attached Order to Revoke the Dealer Registration of CGF Securities, LLC.

**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 respondents have the right to be represented by legal counsel at the hearing.

Signed and Sealed this 20 day of September, 2003.



  
\_\_\_\_\_  
Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of CGF Securities, LLC, )  
 )  
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, September 3, 2003, 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 SUMMARY SUSPENSION OF THE DEALER  
REGISTRATION OF CGF SECURITIES, LLC; PROPOSED ORDER  
TO REVOKE THE DEALER REGISTRATION OF CGF SECURITIES,  
LLC; 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:

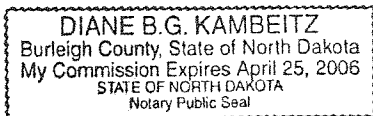
Michael Jacobs  
CGF Securities, LLC  
225 NE Mizner Boulevard, Suite 750  
Boca Raton, FL 33432

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

Jacqui Ferderer  
Jacqui Ferderer

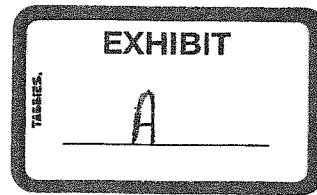
Subscribed and sworn to before me on September 3rd, 2003.

Diane B. G. Kambeitz  
Diane B. G. Kambeitz, Notary Public  
Burleigh County, North Dakota  
My commission expires 4/25/2006









STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Capital Growth Real )  
 Estate Partners of Miami, LLC.; CGF )  
 Securities, LLC.; Ross Owen Haugen; )  
 and their Officers, Directors, Agents, )  
 and Employees, )  
 Respondents. )

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

.....

**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO CAPITAL GROWTH REAL ESTATE LIMITED PARTNERS OF MIAMI, LLC.; CGF SECURITIES, LLC.; ROSS OWEN HAUGEN; AND THEIR OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES:**

The North Dakota 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 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/or sold investment(s) in Capital Growth Real Estate Limited Partners of Miami, LLC., to at least one resident of North Dakota in violation of §10-04-04 N.D.C.C. The subject investment(s) are securities as defined in §10-04-02(15) N.D.C.C.
2. The subject investment(s) 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 federal covered securities under §10-04-08.4 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 Respondent, Ross Owen Haugen, engaged in some transactions while he was not registered as an agent in violation of §10-04-10 N.D.C.C.

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

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 agents from offering or selling exempt securities under §10-04-05 N.D.C.C.

**YOU ARE NOTIFIED** that any willful violation of this order is a Class B Felony pursuant to §10-04-18(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.

**YOU ARE FURTHER NOTIFIED** that, pursuant to §12.1-09-03 N.D.C.C., a person is guilty of a criminal offense if he intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional

destruction of any documents related to this matter may result in criminal prosecution.

### 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 herein assess a civil penalty, 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 securities violations or violations of this order.

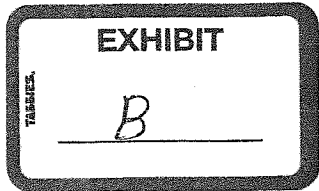
### NOTICE OF RIGHT TO REQUEST HEARING

**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 3rd day of October, 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 Capital Growth Real )  
Estate Partners of Miami, LLC; CGF )  
Securities, LLC; and Ross Owen )  
Haugen, )  
 )  
Respondents )

**CONSENT ORDER**

.....

The North Dakota Securities Commissioner has advised each of the respondents, Capital Growth Real Estate Partners of Miami, LLC (CGRE), CGF Securities, LLC (CGF), and Ross Owen Haugen (Haugen), that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, CGRE, is a securities issuer that is headquartered in Boca Raton, Florida. Respondent made a securities filing pursuant to section 10-04-08.4 on October 8, 2002.
2. Respondent, CGF, is a securities dealer headquartered in Boca Raton, Florida. For all times relevant to this matter, CGF has been registered as a dealer in the state of North Dakota. CGF is a firm which is affiliated with CGRE.
3. Respondent, Haugen, is a North Dakota resident who has been a securities agent for various firms for more than ten years. From August 1 through August 5, 2002, Haugen held a temporary registration as an agent of CGF. From August 6 through August 20, 2002, Haugen was not registered in any capacity with any firm registered as a dealer in North Dakota. From August 21 to the present, Haugen became registered as an agent of CGF through a registration agreement with the Commissioner.
4. On or around August 13, 2002, respondents sold stock in CGRE to one resident of North Dakota, such sale being made more than 15 days prior to the filing in North Dakota, as referenced in paragraph 1.
5. Based on the information briefly set forth above, on October 3, 2002, the Commissioner issued a Cease and Desist Order against the respondents.
6. Pursuant to section 10-04-04 N.D.C.C., no person may offer for sale or sell any securities in this state unless the security is registered, exempt from registration, or is properly filed as a federal covered security.

7. Pursuant to section 10-04-10 N.D.C.C., no person may act as a dealer in the sale of securities in this state unless the dealer is registered, unless the transaction is an exempt transaction.

8. Pursuant to section 10-04-16 N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.

9. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C.

10. Respondent acknowledges his/her right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

11. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order.

12. The following Order is necessary and appropriate in the public interest.

**NOW, THEREFORE, IT IS ORDERED, THAT:**

1. Respondent, CGRE, shall not transact any securities business with any person in North Dakota unless respondent's securities are registered, exempt from registration, or properly filed as a federal covered security as required by North Dakota law.

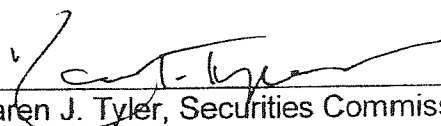
2. Respondents, CGF and Haugen, shall not transact any securities business with any person in North Dakota unless the securities related to the transactions are registered, exempt from registration, or properly filed as a federal covered security as required by North Dakota law.

3. Respondent, CGRE, shall make an offer of rescission, properly filed and approved in accordance with section 10-04-06 (9) (a) N.D.C.C., to the North Dakota resident who was sold an interest in the Respondent's securities as described above. The initial filing must be made within thirty (30) days of the entry of this Agreement. If changes to the filing are required by the Commissioner, such changes must be made within fifteen (15) days of such request by the Commissioner. Once the filing is approved, the offer shall be extended to each North Dakota investor within fifteen (15) days of the approval date. Any persons who accept the offer shall be paid by the Respondent within thirty (30) days of the acceptance of the offer.

4. Respondent, CGRE, shall pay a civil penalty of \$1,000 to the Office of the Securities Commissioner pursuant to NDCC §10-04-16.
5. Respondents, CGF and Haugen, shall pay a civil penalty of \$3,000.
6. The Cease and Desist Order issued on October 3, 2002 is hereby vacated.
7. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 22<sup>nd</sup> day of January, 2003.



  
\_\_\_\_\_  
Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Capital Growth Real )  
Estate Partners of Miami, LLC; CGF )  
Securities, LLC; and Ross Owen )  
Haugen, )  
)  
Respondents )

**CONSENT TO ENTRY  
OF ORDER**

.....  
Each of the undersigned, on behalf of the Respondents, state that he has read the foregoing Consent Order and that he knows and fully understand its contents and effects. Each further states that he is executing this Consent to Entry of Order on behalf of the Respondents, and that all parties have waived their rights to a hearing with respect to this matter, and that they consent to entry of the Consent Order by the Securities Commissioner.

It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 14<sup>th</sup> day of January, 2003.

Capital Growth Real Estate Partners of  
Miami, LLC  
225 NE Mizner Blvd., Suite 750  
Boca Raton, FL 33432

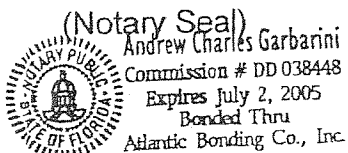
*Michael S. Jacobs*

By: Michael S. Jacobs  
Its: President

Subscribed and Sworn before me this 14<sup>th</sup> day of January, 2003.

*Andrew Charles Garbarini*

Notary Public  
State: Florida County: Palm Beach  
My Commission Expires: 7/2/2005



Dated this 14<sup>th</sup> day of January, 2003.

CGF Securities, LLC  
225 NE Mizner Blvd., Suite 750  
Boca Raton, FL 33432

*Michael S. Jacobs*

By: Michael S. Jacobs  
Its: President



Subscribed and Sworn before me this 14<sup>th</sup> day of January, 2003.

Andrew Charles Garber  
Commission # DD 038448  
Expires July 2, 2005  
Bonded Thru  
Atlantic Bonding Co., Inc.

(Notary Seal)

*Andrew Charles Garber*

Notary Public  
State: Florida County: Palm Beach  
My Commission Expires: 7/2/2005

Dated this \_\_\_\_\_ day of January, 2003.

Ross Owen Haugen  
3001 32<sup>nd</sup> Avenue South  
Grand Forks, ND 58201

Subscribed and Sworn before me this \_\_\_\_\_ day of January, 2003.

(Notary Seal)

Notary Public  
State: \_\_\_\_\_ County: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



Dated this 14<sup>th</sup> day of January, 2003.

CGF Securities, LLC  
225 NE Mizner Blvd., Suite 750  
Boca Raton, FL 33432

*Michael S. Jacobs*

By: Michael S. Jacobs  
Its: President



Andrew Charles Subscribed and Sworn before me this 14<sup>th</sup> day of January, 2003.

Commission # ND 038448  
Expires July 2, 2005  
Resided Thru  
Atlantic Bonding Co., Inc.

(Notary Seal)

*Andrew Charles*

Notary Public  
State: Florida County: Palm Beach  
My Commission Expires: 7/2/2005

Dated this 14 day of January, 2003.

*Ross Owen Hauger*

Ross Owen Hauger  
3001 32<sup>nd</sup> Avenue South  
Grand Forks, ND 58201

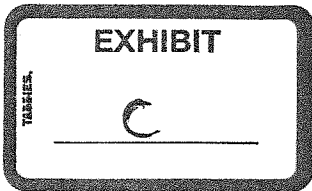
Subscribed and Sworn before me this 14 day of January, 2003.

(Notary Seal)

*Lynette Franks*

Notary Public  
State: North Dakota County: Grand Forks  
My Commission Expires:

LYNETTE FRANKS  
NOTARY PUBLIC  
STATE OF NORTH DAKOTA  
My Commission Expires: Aug. 26, 2005



STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of MDVIP, Inc.; CGF Securities, LLC.; Ross Owen Haugen; and their Officers, Directors, Agents, and Employees, Respondents.

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

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO MDVIP, INC.; CGF SECURITIES, LLC.; ROSS OWEN HAUGEN; AND THEIR OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES:

The North Dakota 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 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/or sold investment(s) in MDVIP, Inc., to at least one resident of North Dakota in violation of §10-04-04 N.D.C.C. The subject investment(s) are securities as defined in §10-04-02(15) N.D.C.C.
2. The subject investment(s) 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 federal covered securities under §10-04-08.4 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 Respondent, Ross Owen Haugen, engaged in some transactions while he was not registered as an agent in violation of §10-04-10 N.D.C.C.

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

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 agents from offering or selling exempt securities under §10-04-05 N.D.C.C.

**YOU ARE NOTIFIED** that any willful violation of this order is a Class B Felony pursuant to §10-04-18(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.

**YOU ARE FURTHER NOTIFIED** that, pursuant to §12.1-09-03 N.D.C.C., a person is guilty of a criminal offense if he intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

**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 herein assess a civil penalty, 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 securities violations or violations of this order.

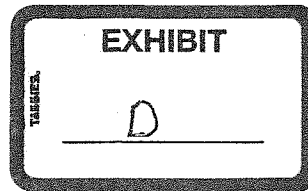
**NOTICE OF RIGHT TO REQUEST HEARING**

**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 3rd day of October, 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 CGF Securities, )  
LLC; and Ross Owen Haugen, )  
Respondents )

**CONSENT ORDER**

.....

The North Dakota Securities Commissioner has advised the respondent, CGF Securities, LLC (CGF) and Ross Owen Haugen (Haugen), that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. MDVIP, Inc., is a securities issuer headquartered in Boca Raton, Florida. Respondent made a filing pursuant to section 10-04-08.4 on October 8, 2002.
2. Respondent, CGF, is a securities dealer headquartered in Boca Raton, Florida. For all times relevant to this matter, CGF has been registered as a dealer in the state of North Dakota.
3. Respondent, Haugen, is a North Dakota resident who has been a securities agent for various firms for more than ten years. From August 1 through August 5, 2002, Haugen held a temporary registration as an agent of CGF. From August 6 through August 20, 2002, Haugen was not registered in any capacity with any firm registered as a dealer in North Dakota. From August 21 to the present, Haugen became registered as an agent of CGF through a registration agreement with the Commissioner.
4. From August of 2002 to September of 2002, respondents solicited several North Dakota residents to purchase the securities it issues. Six sales were made to residents of North Dakota.
5. Based on the information briefly set forth above, on October 3, 2002, the Commissioner issued a Cease and Desist Order against the respondents and MDVIP, Inc.
6. Pursuant to section 10-04-04 N.D.C.C., no person may offer for sale or sell any securities in this state unless the security is registered, exempt from registration, or is properly filed as a federal covered security.
7. Pursuant to section 10-04-10 N.D.C.C., no person may act as a dealer in the sale of securities in this state unless the dealer is registered, unless the transaction is an exempt transaction.
8. Pursuant to section 10-04-16 N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may

issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.

9. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondents pursuant to section 10-04-16 N.D.C.C.

10. Respondents acknowledge their rights to a hearing on this matter and waive those rights to a hearing and to present arguments to the Commissioner.

11. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order.

12. The following Order is necessary and appropriate in the public interest.

**NOW, THEREFORE, IT IS ORDERED, THAT:**

1. Respondents, CGF and Haugen, shall not transact any securities business with any person in North Dakota unless the securities related to the transactions are registered, exempt from registration, or properly filed as a federal covered security as required by North Dakota law.

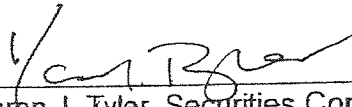
2. Respondents shall pay a civil penalty of \$15,000 to the Office of the Securities Commissioner pursuant to NDCC §10-04-16. \$2,500 shall be paid upon execution of this Consent Order, \$6,500 shall be paid 30 days after the execution of this Consent Order, and the remaining \$6,000 shall be paid 60 days after the execution of this Consent Order.

3. Respondents are hereby released from the Cease and Desist Order issued on October 3, 2002. The Order remains in full force and effect with respect to MDVIP, Inc.

4. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 22<sup>nd</sup> day of January, 2003.



  
\_\_\_\_\_  
Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of CGF Securities, )  
LLC; and Ross Owen Haugen, )  
Respondents )

**CONSENT TO ENTRY  
OF ORDER**

.....  
Each of the undersigned, on behalf of the Respondents, state that he has read the foregoing Consent Order and that he knows and fully understand its contents and effects. Each further states that he is executing this Consent to Entry of Order on behalf of the Respondents, and that all parties have waived their rights to a hearing with respect to this matter, and that they consent to entry of the Consent Order by the Securities Commissioner.

It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 14<sup>th</sup> day of January, 2003.

CGF Securities, LLC  
225 NE Mizner Blvd., Suite 750  
Boca Raton, FL 33432

*Michael S. Jacobs*

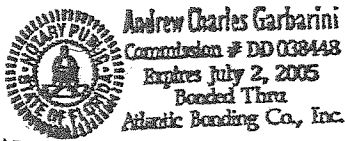
By: Michael S. Jacobs  
Its: President

Subscribed and Sworn before me this 14<sup>th</sup> day of January, 2003.

*Andrew Charles Garbarini*

Notary Public  
State: Florida County: Palm Beach  
My Commission Expires: 7/2/2005

(Notary Seal)



Dated this 14 day of January, 2003.

*Ross Owen Haugen*

Ross Owen Haugen  
3001 32<sup>nd</sup> Avenue South  
Grand Forks, ND 58201

Subscribed and Sworn before me this 14 day of January, 2003.

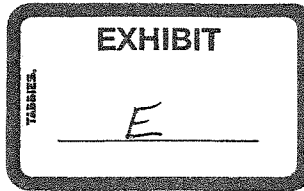
*Lynette Franks*

Notary Public  
State: *North Dakota* County: *Grand Forks*  
My Commission Expires:

(Notary Seal)

LYNETTE FRANKS  
NOTARY PUBLIC  
STATE OF NORTH DAKOTA  
My Commission Expires: Aug. 25, 2005





STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Alliance Care, Inc.; )  
CGF Securities, LLC.; Ross )  
Owen Haugen; and their Officers, )  
Directors, Agents, and Employees, )  
Respondents. )

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

.....

**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO ALLIANCE CARE, INC.; CGF SECURITIES, LLC.; ROSS OWEN HAUGEN; AND THEIR OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES:**

The North Dakota 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 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/or sold investment(s) in Alliance Care, Inc. to at least one resident of North Dakota in violation of §10-04-04 N.D.C.C. The subject investment(s) are securities as defined in §10-04-02(15) N.D.C.C.

2. The subject investment(s) 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 properly filed as federal covered securities under §10-04-08.4 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.

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

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 agents from offering or selling exempt securities under §10-04-05 N.D.C.C.

**YOU ARE NOTIFIED** that any willful violation of this order is a Class B Felony pursuant to §10-04-18(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.

**YOU ARE FURTHER NOTIFIED** that, pursuant to §12.1-09-03 N.D.C.C., a person is guilty of a criminal offense if he intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

#### **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

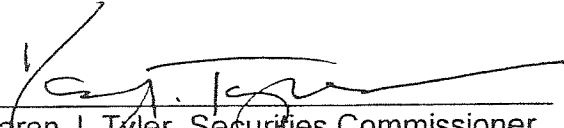
Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

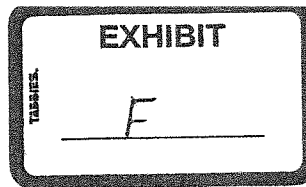
**NOTICE OF RIGHT TO REQUEST HEARING**

**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 15<sup>th</sup> day of April, 2003.



  
\_\_\_\_\_  
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 Alliance Care, Inc.; )  
CGF Securities, LLC; and )  
Ross Owen Haugen, )  
 )  
Respondents )

**CONSENT ORDER**

.....

The North Dakota Securities Commissioner has advised the respondents, Alliance Care, Inc. (Alliance); CGF Securities, LLC (CGF); and Ross Owen Haugen (Haugen), that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, Alliance, is a securities issuer headquartered in Boca Raton, Florida. Respondent made an incomplete and inadequate filing pursuant to section 10-04-08.4 on April 3, 2003. A complete filing was not made until April 16, 2003. At no time were the securities issued by alliance registered as securities in North Dakota.
2. Respondent, CGF, is a securities dealer headquartered in Boca Raton, Florida. For all times relevant to this matter, CGF has been registered as a dealer in the state of North Dakota.
3. Respondent, Haugen, is a North Dakota resident who, for all times relevant to this matter, was registered as an agent of CGF, pursuant to a registration agreement with the Commissioner.
4. During March of 2003, respondents sold securities in Alliance Care, Inc. to residents of North Dakota.
5. Based on the information briefly set forth above, on April 15, 2003, the Commissioner issued a Cease and Desist Order against the respondents.
6. Pursuant to section 10-04-04 N.D.C.C., no person may offer for sale or sell any securities in this state unless the security is registered, exempt from registration, or is properly filed as a federal covered security.
7. Pursuant to section 10-04-10 N.D.C.C., no person may act as a dealer in the sale of securities in this state unless the dealer is registered, unless the transaction is an exempt transaction.

8. Pursuant to section 10-04-16 N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.

9. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondents pursuant to section 10-04-16 N.D.C.C.

10. Respondents acknowledge their rights to a hearing on this matter and waive those rights to a hearing and to present arguments to the Commissioner.

11. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order.

12. The following Order is necessary and appropriate in the public interest.

**NOW, THEREFORE, IT IS ORDERED, THAT:**

1. Respondents, Alliance, CGF and Haugen, shall not transact any securities business with any person in North Dakota unless the securities related to the transactions are registered, exempt from registration, or properly filed as a federal covered security as required by North Dakota law.

2. Respondent, Alliance, shall make an offer of rescission, properly filed and approved in accordance with section 10-04-06 (9) (a) N.D.C.C., to each North Dakota resident who was sold an interest in the Respondent's securities as described above. The initial filing must be made within thirty (30) days of the entry of this Agreement. If changes to the filing are required by the Commissioner, such changes must be made within fifteen (15) days of such request by the Commissioner. Once the filing is approved, the offer shall be extended to each North Dakota investor within fifteen (15) days of the approval date. Any persons who accept the offer shall be paid by the Respondent within thirty (30) days of the acceptance of the offer.

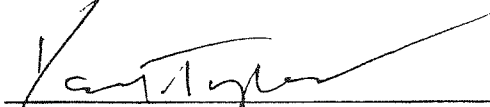
3. Respondent, Alliance, shall pay a civil penalty of \$2,000 to the North Dakota Securities Department pursuant to §10-04-16 N.D.C.C.

4. Respondents, CGF and Haugen, shall pay a civil penalty of \$4,000 to the North Dakota Securities Department pursuant to §10-04-16 N.D.C.C. \$2,000 shall be due and payable upon execution of this Consent Order. The remaining \$2,000 shall be due and payable 30 days after the execution of this Consent Order.

5. The Cease and Desist Order issued on April 15, 2003 is hereby vacated.
6. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 14 day of July, 2003.



  
\_\_\_\_\_  
Karen J. Tyler, Securities Commissioner  
North Dakota Securities Department  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910