

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Dakota Imaging, Inc.,)
)
 Respondent.)

CONSENT ORDER

.....
The North Dakota Securities Commissioner has advised the respondent that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code (N.D.C.C.) Chapter 10-04 and has determined as follows:

1. Dakota Imaging, Inc. (Dakota Imaging) is a North Dakota corporation that is doing business in North Dakota.
2. During December of 2000, Respondent offered for sale and sold stock in Dakota Imaging to more than 30 residents of North Dakota. The stock sold was valued, in the aggregate, at more than \$50,000.
3. On January 8, 2001, Respondent filed notice of intent, on form D, with the Securities Commissioner, to sell stock to North Dakota residents. The notice of intent indicated the filing was made pursuant to Regulation D, Rule 506. That notice, however, was not filed "within fifteen calendar days after the first sale in this state", and was therefore not filed in compliance with section 10-04-08.4(2) N.D.C.C.
4. The stock in question was not registered as a security, nor was it an exempt security or offered through exempt transactions under the North Dakota Securities Act (Securities Act). Additionally, none of the Respondents were registered as a dealer or agent under the Securities Act.
5. Pursuant to section 10-04-04 N.D.C.C., no person may offer or sell any security in this state unless the security is registered, is an exempt security under section 10-04-05 N.D.C.C., or is offered through an exempt transaction under section 10-04-06 N.D.C.C, or is a federal covered security and properly filed under section 10-04-08.4 N.D.C.C.
6. Pursuant to section 10-04-10 N.D.C.C., no person may offer for sale or sell any security within or from this state unless registered as a dealer or an agent in North Dakota, or the securities are offered through an exempt transaction under section 10-04-06 N.D.C.C.

7. 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, in his discretion, 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.

8. 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.

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

10. Respondent acknowledges that this Consent Order applies only to the violations discussed above, and that the Commissioner expressly reserves the authority to take further action based on subsequent violations of the Securities Act, or any other violations of the Securities Act that the Commissioner may discover, that are not outlined above.

11. Respondent acknowledges that the transactions described above are governed by the Securities Act, and that the investors described above are entitled, pursuant to section 10-04-17 N.D.C.C., to the return of their investment plus 6% interest per annum from the date of their investment, if they should so elect.

12. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by the signature below.

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

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondent shall not offer or sell any security within or from this state unless the security is registered or exempt from registration pursuant to section 10-04-04 N.D.C.C.

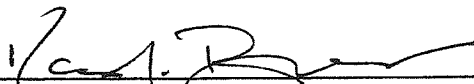
2. Respondent shall not offer or sell any security within or from this state unless respondent is registered as required by section 10-04-10 N.D.C.C.

3. Respondent, Dakota Imaging, shall pay the Commissioner a civil penalty in the amount of \$2,000.

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

Signed and Sealed this 26 day of September, 2001.





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

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)
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**CONSENT TO ENTRY
OF ORDER**

.....
I, the undersigned, state that I have read the foregoing Consent Order and that I know and fully understand its contents and effects. I further state that I am authorized to enter into this Consent Order on behalf of the Dakota Imaging, Inc.. I acknowledge that the respondent has waived its right to a hearing with respect to this matter, and that it consents to the entry of the Consent Order by the Securities Commissioner.

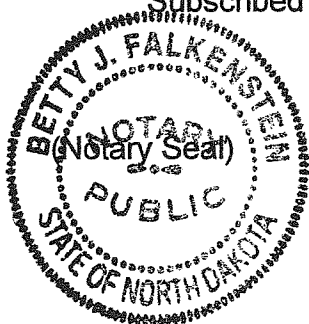
It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 24 day of ~~August~~ ^{Sept.}, 2001.

Dakota Imaging, Inc.
3727 Kingston Drive
Bismarck, ND 58503

By: *Lawrence Nieters*
LAWRENCE NIETERS
(print name)

Subscribed and Sworn before me this 24 day of ~~August~~ ^{Sept.}, 2001.



Betty J. Falkenstein
Notary Public
State: *ND* County: *Burleigh*
My Commission Expires:
BETTY J. FALKENSTEIN
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires OCT. 17, 2002