

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

1655/83

In the Matter of First Fidelity)
Financial Corporation, Bruce M. Follick,)
Newport Financial Corporation,)
Exchange.Online, Inc.,)
and their officers, directors,)
agents and employees)
Respondents.)

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

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO
FIRST FIDELITY FINANCIAL CORPORATION, BRUCE M. FOLLIICK,
NEWPORT FINANCIAL CORPORATION, EXCHANGE.ONLINE, INC., AND
THEIR OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES:

The Securities Commissioner has reason 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 investments in Exchange.Online, Inc. to residents of North Dakota. These investments are securities as defined in §10-04-02(13) N.D.C.C.

2. The subject investments 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 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. As such, the securities were offered for sale and sold in violation of §10-04-04 N.D.C.C.

3. The respondents have failed to register as dealers, and therefore the offer(s) and/or sale(s) were made in violation of §10-04-10(1) N.D.C.C.

4. The respondents have failed to register any salesman, and therefore the offer(s) and/or sale(s) were made in violation of §10-04-10(2) N.D.C.C.

5. Respondents, Bruce M. Follick and First Fidelity Financial Corp. has not provided a North Dakota investor with stock certificates and has not responded to the investor's attempts to get answers to questions about the investment.

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

3. From providing false or misleading information during the offer and/or solicitation of any investments in North Dakota, or engaging in any scheme or artifice to defraud any North Dakota residents.

This order does not prohibit the offer or sale of securities through exempt securities transactions under §10-04-16(1) N.D.C.C., nor does it prohibit registered dealers and salesmen from offering or selling exempt securities under §10-04-05 N.D.C.C.

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 Commissioner does not assess civil penalties herein but expressly reserves the authority to assess civil penalties against respondents 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 A 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 THEREOF, witness my hand and seal this 22nd day of March, 1999.



Syver Vinje

Syver Vinje, 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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AFFIDAVIT OF MAILING

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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 23 day of March, 1999, 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, and addressed to each of the following:

First Fidelity Financial Corporation
82 Wall Street, Suite 1105
New York, NY 10005

Bruce M. Follick
First Fidelity Financial Corporation
82 Wall Street, Suite 1105
New York, NY 10005

Bruce M. Follick
146 Sweetman's Lane
Manalapan, NJ 07746

Newport Financial Corporation
113 Pavonia Avenue, #146
Jersey City, NJ 07310

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.

Jacqui Ferdefer
Jacqui Ferdefer

Subscribed and sworn to before me this 23 day of March, 1999.

Diane Kambeitz
Diane Kambeitz, Notary Public
Burleigh County, North Dakota
My commission expires 03/10/2000