

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

11015764

In the Matter of Friends N Freedom,)
LaVerne Zenker, Kay Zenker, and their)
Officers, Directors, Agents and)
Employees,)
11015774)
Respondents)

**DEFAULT ORDER AND
NOTICE OF DEFAULT ORDER**

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On September 3, 1999, the North Dakota Securities Commissioner issued a Cease and Desist Order, Notice of Civil Penalty, and Notice of Right to Request a Hearing, in the above-captioned matter.

The respondents made a timely request for a hearing, and a hearing on the matter was set for November 22, 1999, and a pre-hearing conference was set for Tuesday, October 26, 1999.

None of the respondents appeared, either in person or through representation, at the pre-hearing conference, which had been set in the above-captioned matter. The respondents also refused to accept service of several documents, including the amended notice of pre-hearing conference and the notice of hearing. Respondents have also failed to respond to the Commissioner's discovery requests.

§28-32-08.4(1) N.D.C.C. provides that an agency may find a party in default if that party fails to participate in an administrative proceeding.

NOW, THEREFORE, The North Dakota Securities Commissioner hereby Orders that **FRIENDS N FREEDOM, LAVERNE ZENKER, KAY ZENKER, AND THEIR OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES** are in default, and that the Commissioner's Cease and Desist Order discussed above is a final order. **That order assessed a \$10,000 civil penalty against the respondents, and that \$10,000 civil penalty is now due and payable.** The Commissioner expressly reserves the authority to assess additional civil penalties, not to exceed \$10,000 per violation, regarding the violations discussed in the Cease and Desist Order, any other violations subsequently discovered, any future violations, or violations of this order of the Cease and Desist Order.

The North Dakota Securities Commissioner also hereby notifies each of the respondents that they are in default in the above-referenced matter and that the Cease and Desist Order discussed above is final.

If you wish to contest this order, you may do so as permitted by §28-32-08.4(2) N.D.C.C.

IN TESTIMONY WHEREOF, witness my hand and seal this 29th day of November, 1999.



A handwritten signature in black ink, appearing to read "Syver Vinje", written over a horizontal line.

Syver Vinje, Securities Commissioner
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