

COPY

In the matter of Gold Unlimited,)
Inc.; David Crowe, an individual;)
Martha Crowe, an individual; and)
its Officers, Directors,)
Agents and Employees)
)
)
Respondents)

CEASE AND DESIST ORDER
NOTICE OF OPPORTUNITY
FOR HEARING
NOTICE OF PENALTIES
NOTICE OF COSTS

.....

WHEREAS the Securities Commissioner has reasonable grounds to believe that:

- (1) Gold Unlimited, Inc.; David Crowe, an individual; Martha Crowe an individual ("Respondents"); and its officers, directors, agents or employees 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.);
- (2) it is necessary or appropriate in the public interest or for the protection of investors to restrain these acts, practices, or transactions;
- (3) the Respondents have offered for sale, solicited an order or offer to buy, or sold securities in North Dakota;
- (4) the subject securities have not been registered with the Securities Commissioner under 10-04-04 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.;

- (5) the Respondents are not registered as dealers or salesmen under 10-04-10 N.D.C.C.;
- (6) on or around June 5, 1992, Respondents were operating a pyramid distribution plan in violation of Kentucky state law, specifically KRS 367.832;
- (7) on or around October 20, 1993, Respondents entered into an agreed order with the Commonwealth of Kentucky acknowledging the findings of the above referenced matter but admitting to no violations of law;
- (8) pursuant to the above referenced order, Respondents agreed to be permanently enjoined and restrained, from directly or indirectly:
 - (i) engaging in the business of a pyramid distribution plan;
 - (ii) making representations as to earnings claims or as to the potential earnings of the Gold Unlimited program which is not based on actual earnings;
 - (iii) making representations as to approval by the Office of the Attorney General of any program;Respondents further agreed to make restitution to those individuals who enrolled in Gold Unlimited, Inc.; to pay the Commonwealth of Kentucky two thousand dollars (\$2,000.00) for costs and prosecution; and to pay the Attorney General's Office of the Commonwealth of Kentucky two thousand dollars (\$2,000.00) to be used for consumer education and protection;

(9) on page 3 of the document entitled "Gold Unlimited, Inc ...a profile The Products The Plan The Company The Support System" it states, in part, the following:

... but early regulatory challenges did bring Gold Unlimited to the Kentucky Attorney General's Attention. Far from negative, the intense scrutiny by the Attorney General gave Gold Unlimited close to an official endorsement as possible.

(10) statements such as, but not limited to, the statement referenced in paragraph 9 is an untrue statement of material fact or an omission of a material fact rendering the statement in paragraph 9 misleading in violation of the fraudulent practices provision of N.D.C.C. § 10-04-15;

(11) on or around March 19, 1990, the North Dakota Securities Commissioner issued a Cease and Desist Order against American Gold Eagle, Inc., James H. Ridinger, and all other Officers Directors, Agents, Servants, and Employees of American Gold Eagle, Inc. for the sale of unregistered securities by unregistered agents;

(12) on or around March 19, 1990 Respondent David Crowe was the Chief Executive Officer of American Gold Eagle;

(13) on or around September 19, 1990 the South Dakota Division of Securities issued a Cease and Desist Order against American Gold Eagle, Inc. for the sale of unregistered securities by unregistered agents;

- (14) on or around September 19, 1990 Respondent David Crowe was the Chief Executive Officer of American Gold Eagle;
- (15) on or around August 22, 1990 the Massachusetts Securities Division issued a Notice for Order of Proceeding and Temporary Cease and Desist Order against American Gold Eagle, Inc. for operation of a pyramid scheme;
- (16) on or around August 22, 1990 Respondent David Crowe was the Chief Executive Officer of American Gold Eagle;

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that Gold Unlimited, Inc.; David Crowe, an individual; Martha Crowe, an individual and its officers, directors, agents, or employees immediately CEASE AND DESIST:

1. 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 10-04-05 N.D.C.C., or to exempt transactions under 10-04-06, N.D.C.C.;
2. From offering for sale or selling in North Dakota subject securities, or any other security however denominated of any issuer, unless and until they have 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 10-04-06, N.D.C.C.

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

YOU ARE NOTIFIED that pursuant to 10-04-16(1) N.D.C.C., the Commissioner hereby orders payment of a civil penalty of \$40,000.

YOU ARE NOTIFIED that pursuant to 10-04-17 N.D.C.C., the Commissioner hereby orders Respondent to make a rescission offer for any securities sold to any North Dakota residents with whom Respondent has conducted business in the past, or with whom Respondent is presently conducting business.

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 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 February, 1995.



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CAL HOOVESTOL
SECURITIES COMMISSIONER

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.

Jocelyn Smith-Whitney

Jocelyn Smith-Whitney

Subscribed and sworn to before me this 3rd day of February 1995.

Cheryl Fleck

CHERYL FLECK Notary Public
State of North Dakota
My commission expires June 23, 1999

CHERYL FLECK
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires JUNE 23, 1999