

**STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH**

**BEFORE THE  
SECURITIES COMMISSIONER**

In the Matter of Grainline.com, Inc.; )  
Scott D. Olson, Kent Sortland; 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  
GRAINLINE.COM, INC.; SCOTT D. OLSON, KENT SORTLAND; 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 Grainline.com, Inc. stock 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 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. Respondent, Grainline.com, Inc. is not registered as a dealer as required by section 10-04-10.

4. Respondents, Scott D. Olson and Kent Sortland, have not registered as agents as required by §10-04-10 N.D.C.C.

5. During the solicitation of one North Dakota resident, respondents indicated that a \$15,000 investment could result in a \$15,000 return annually, or a total return of \$45,000 over three years. Such projection was not realistic and amounts to a material misrepresentation, in violation of §10-04-15 N.D.C.C.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to §10-04-16 N.D.C.C., that the Respondent 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.
3. From engaging in any fraudulent conduct in connection with the offer and/or sale of securities.

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**

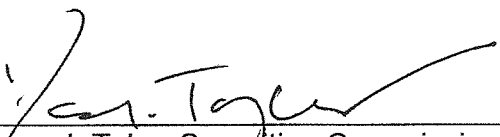
**YOU ARE NOTIFIED** that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §10-04-16(1) N.D.C.C. The Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not 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 respondents have the right to be represented by legal counsel at the hearing.

**IN TESTIMONY WHEREOF**, witness my hand and seal this 11<sup>th</sup> day of September, 2003.



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

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**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 11, 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:

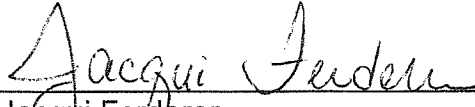
**CEASE AND DESIST ORDER, NOTICE OF CIVIL  
PENALTY, AND NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to the following:

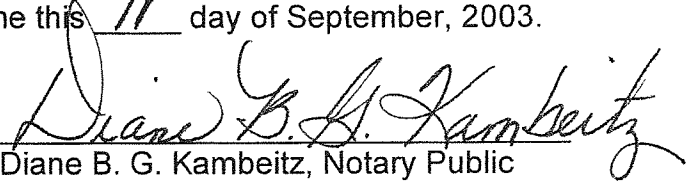
Scott Olson  
Grainline.com, Inc.  
503 2nd Ave NW  
Jamestown, ND 58401

Kent Sortland  
Grainline.com, Inc.  
503 2nd Ave NW  
Jamestown, ND 58401

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.

  
Jacquie Ferderer

Subscribed and sworn to before me this 11 day of September, 2003.

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

