

COPY

In the matter of
Group Dynamics Downline, and
its Officers, Directors,
Agents and Employees

) CEASE AND DESIST ORDER
) NOTICE OF CIVIL PENALTY
) NOTICE OF RESCISSION
) ORDER
) AND NOTICE OF
) OPPORTUNITY FOR
) HEARING

Respondents,

.....

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO GROUP
DYNAMICS DOWNLINE AND ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES:

1. It appears to the Securities Commissioner that Group Dynamics Downline ("Respondents") and its officers, directors, agents, servants 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.). It further appears to the Securities Commissioner that it is necessary or appropriate in the public interest or for the protection of investors to restrain these acts, practices, or transactions;
2. the Respondents have offered for sale, solicited an order or offer to buy, or sold securities to residents of North Dakota in violation of N.D.C.C. § 10-04-04;
3. the subject securities have not been registered with the Securities Commissioner under N.D.C.C. §§ 10-04-07; 10-04-07.1; 10-04-08; or 10-04-08.1; 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.;
4. the Respondents have failed to register as dealers in violation of N.D.C.C. § 10-04-10(1);
5. the Respondents have failed to register any salesman in violation of N.D.C.C. § 10-04-02(2);
6. the Respondents have offered interests in Group Dynamics Downline to residents of North Dakota;
7. interests in Group Dynamics Downline are a security in North Dakota as that term is defined in N.D.C.C. § 10-04-02(13);

8. the Respondents have failed to register the interests in Ray Roberts Investments in violation of N.D.C.C. § 10-04-04;
9. on or around January 26, 1995, Petitioner sent, via Certified Mail, an inquiry letter to Respondent;
10. on or around January 28, 1995, Respondent received the above referenced inquiry letter;
11. Respondent failed to respond to the inquiry letter;
12. on or around February 13, 1995, Petitioner sent, via Certified Mail, a Request for Admissions, Subpoena Duces Tecum and Subpoena Ad Testificandum to Respondent;
13. on or around February 17, 1995, Respondent received the Request for Admissions, Subpoena Duces Tecum and Subpoena Ad Testificandum;
14. the Respondent failed to respond to the Request for Admissions, Subpoena Duces Tecum and Subpoena Ad Testificandum and the statements of fact and conclusions of law contained therein are, therefore, deemed admitted by the Respondent.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that Ray Roberts Investments and its officers, directors, agents, servants or employees immediately CEASE AND DESIST:

- A. 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.;
- B. 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 \$10,000.

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 Respondent has conducted business with 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 15th day of March, 1995.

(SEAL)

Cal Hoovestol

CAL HOOVESTOL
SECURITIES COMMISSIONER



STATE OF NORTH DAKOTA
SECURITIES COMMISSIONER

BEFORE THE
SECURITIES COMMISSIONER

IN THE MATTER OF:)
Group Dynamics Downline, and)
its Officers, Directors,)
Agents and Employees)
)
)
)
)
)
Respondents,)

AFFIDAVIT
OF
MAILING

.....
Jocelyn Smith-Whitney, being first duly sworn under oath,
deposes and says:

1. That she is 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.

2. That on the 15th day of March 1995, she 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
NOTICE OF RESCISSION ORDER
AND NOTICE OF OPPORTUNITY
FOR HEARING

3. That a copy of the above document was securely enclosed in an envelope with postage duly prepaid and addressed as follows:

GROUP DYNAMICS DOWNLINE
1109 NAVAHO DRIVE
LEBANON, OH 45036-9227

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 15th day of March 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