

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

BEFORE THE  
SECURITIES COMMISSIONER

In the Matter of Image Financial Network, Ltd. and Joel Freezon and their Officers, Directors, Agents, Servants and Employees ) CEASE AND DESIST ORDER  
) \$40,000 FINE  
) RESCISSION OFFER  
) AND NOTICE OF  
) OPPORTUNITY FOR  
) HEARING

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO IMAGE FINANCIAL NETWORK, LTD. AND ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES:

1. It appears to the Securities Commissioner that Image Financial Network, Ltd. ("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 in North Dakota.

3. 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.

4. The Respondents are not registered as dealers or salesmen under 10-04-10 N.D.C.C.

5. The Respondents have failed to supervise under Section 27 of Article III, NASD Rules of Fair Practice.

NOW, THEREFORE, IT IS ORDERED, pursuant to 10-04-16 N.D.C.C. that Image Financial Network, Ltd. and Joel Freezon and their 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 \$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 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 25th day of January, 1994.

(SEAL)

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SECURITIES COMMISSIONER