

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of)
International Benevolence Fund Trust,)
Frank R. Johnson and their Officers,)
Directors, Agents, and Employees,)
)
Respondents.)

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

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO
INTERNATIONAL BENEVOLENCE FUND TRUST, FRANK R. JOHNSON AND THEIR
OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES:**

The 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 sold investments in the International Benevolence Fund Trust, which are securities as defined in §10-04-02(13) N.D.C.C., to residents of North Dakota in violation of §10-04-04 N.D.C.C.
2. The subject investments 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. The Respondents have failed to register as dealers in violation of §10-04-10(1) N.D.C.C.
4. The Respondents have failed to register any salesman in violation of §10-04-10(2) N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to §10-04-16 N.D.C.C., that the Respondents immediately shall **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; 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 investments in North Dakota unless and until they have registered with the Securities Commissioner as dealers or salesmen; provided, however, that nothing in this part of the order shall apply to exempt securities transactions under §10-04-06 N.D.C.C.;
3. From providing a guarantee on rates of return on investments or otherwise engaging in a fraudulent act while offering for sale or selling investments in North Dakota; and
4. From failing to comply with the reasonable requests for information from the Office of the Securities Commissioner in regard to your activities in offering for sale or selling investments in North Dakota.

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 hereby orders payment of a civil penalty in the amount of \$10,000.

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 FOURTEEN (14) 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 October, 1997.



Matthew Bahrenburg

Matthew Bahrenburg – Attorney for the
North Dakota Securities Commissioner
State Capitol – Fifth Floor
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Bismarck, ND 58505-0510
(701) 328-2910

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AFFIDAVIT OF SERVICE BY MAIL

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I, Diane Lillis, 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, Tuesday, October 15, 1997, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy 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 duly prepaid, sent via registered mail and addressed to:


Frank R. Johnson
International Benevolence Fund Trust
Katrina Court, 101 East Hill Place
Nassau, Bahamas

To the best of my knowledge, information, and belief, the address given above is the actual post office address of the party intended to be served.



Diane Lillis

Subscribed and sworn to before me on October 15, 1997.



Diane Kambeitz, Notary Public
Burleigh County, North Dakota
My commission expires 03/10/2000