

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of IRAX International, LLC;)
Financial Planning Services, Inc.;)
Bruce Anderson; Rodney Kirschmann;)
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
IRAX INTERNATIONAL, LLC; FINANCIAL PLANNING SERVICES, INC.; BRUCE
ANDERSON; RODNEY KIRSCHMANN; 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 investments to several residents of North Dakota in violation of Section 10-04-04 N.D.C.C. The subject investments are securities as defined in Section 10-04-02(15) N.D.C.C.
2. The subject investments have not been registered with the Securities Department under Section 10-04-07; Section 10-04-07.1; Section 10-04-08; or Section 10-04-

08.1 N.D.C.C.; are not exempt securities under Section 10-04-05 N.D.C.C; and have not been offered for sale or sold in exempt transactions under Section 10-04-06 N.D.C.C.

3. The subject investments are not federal covered securities, though they were filed as federal covered securities under Section 10-04-08.4 N.D.C.C. Respondents have claimed that the securities are federal covered securities and were sold pursuant to a Rule 506 offering. The securities were not offered according to Rule 506 as they were not issuer transactions, as required by that exemption.
4. According to the offering circular for this investment, the offering was limited to accredited investors. Several of the investors were not accredited investors. As such, there were material misstatements in the offering documents disseminated to the investors. Those misstatements appear to have been made in violation of Section 10-04-15 N.D.C.C.
5. None of the Respondents were registered as a dealer with the Securities Department, in apparent violation of Section 10-04-10(1) N.D.C.C.
6. None of the Respondents were registered as an agent with the Securities Department, in apparent violation of Section 10-04-10(2) N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to Section 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 a scheme or artifice to defraud investors, or from engaging any fraudulent or deceptive practices in connection with the offer and/or sale of securities in this state.

This order does not prohibit the offer or sale of securities through exempt securities transactions under Section 10-04-06 N.D.C.C., nor does it prohibit registered dealers and agents from offering or selling exempt securities under Section 10-04-05 N.D.C.C. or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to Section 10-04-08.4 N.D.C.C.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to Section 10-04-18(1) N.D.C.C. Pursuant to Section 12.1-32-01(3) N.D.C.C., a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to Section 12.1-32-01.1(2) N.D.C.C., a Class B Felony is punishable by a \$35,000 fine with respect to an organization.

YOU ARE FURTHER NOTIFIED that, pursuant to Section 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 Section 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 Section 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 FIFTEEN (15) 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 21st day of December, 2004.





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 this 22 day of December, 2004, 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 each of the following documents:

**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 certified mail, return receipt requested, addressed to each of the following:


Bruce Anderson
Impact Industries International, Ltd.
P.O. Box 832
Aberdeen, ID 83210

Rodney Kirschmann
Impact Industries International, Ltd.
P.O. Box 832
Aberdeen, ID 83210

Rodney Kirschmann
HCR 2 Box 9
Regent, ND 58650

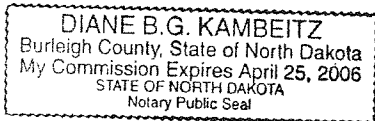
Financial Planning Services, Inc.
PO Box 832
Aberdeen, ID 83210

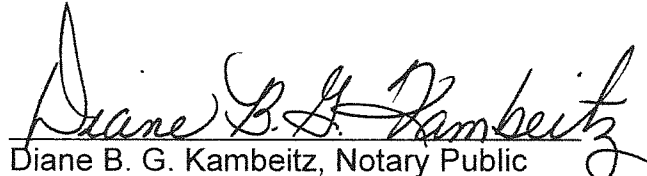
To the best of my knowledge, information, and belief, the address given above is
the actual mailing address for the party intended to be served.



Jacquie Ferderer

Subscribed and sworn to before me this 22nd day of December, 2004.





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