

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of Jonathan C. Papa)
)
 Respondent)

**NOTICE OF CIVIL PENALTY
AND RIGHT TO REQUEST A
HEARING**

.....
WHEREAS, on January 18, 1999, the Commissioner issued a Consent Order against Papa Holdings, Inc.; The Ponzu Companies, Inc.; Jonathan C. Papa, Ramon C. Papa, III; Thomas L. Anderson; David M. Beneake; Kourosh Saroole; and David J. Naughton; (collectively, "respondents") based on multiple violations of North Dakota securities laws, including violations of the registration provisions of the Securities Act; and,

WHEREAS, on January 7, 1999, the Consent to Entry of Order was executed by David J. Naughton, on behalf of the respondents; and,

WHEREAS, in the Consent Order executed by the Commissioner on January 18, 1999, the Commissioner ordered that a rescission offer be made to each North Dakota resident who invested in Papa Holdings, Inc.; and,

WHEREAS, the rescission order which respondents agreed to make was not made in violation of the Consent Order dated January 18, 1999; and,

WHEREAS, pursuant to §10-04-16(1), the Commissioner has the authority to assess civil penalties in an amount not to exceed \$10,000 for each violation of any order issued by the Commissioner.

NOTICE OF CIVIL PENALTY

NOW, THEREFORE, it is hereby Ordered that respondent, Jonathan C. Papa is hereby assessed and shall make payment to the Commissioner, **a civil penalty in the amount of \$10,000** for the violations set forth above. The payment of the civil penalties is due and payable immediately upon receipt 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 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 June, 1999.



SYVER VINJE
Syver Vinje, Securities Commissioner
Office of the Securities Commissioner
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of Jonathan C. Papa)
)
Respondent)

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, June 25, 1999, 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:

**NOTICE OF CIVIL PENALTY AND
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, and addressed to:

Thomas E. Stepp, Jr.
Stepp & Beauchamp, LLP
1301 Dove Street, Suite 460
Newport Beach, CA 92660-2422

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

Jacqui Ferderer
Jacqui Ferderer

Subscribed and sworn to before me this 25 day of June, 1999.

DIANE LILLIS, Notary Public
Burleigh County, State of North Dakota
My Commission Expires April, 26, 2002
STATE OF NORTH DAKOTA
NOTARY PUBLIC SEAL

Diane Lillis
Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2002