



which was administered by Alerus Financial, N.A., Trustee, d/b/a Alerus Retirement Solutions.

5. From 2004 to 2005, Respondents, in violation of their fiduciary duties, diverted funds deducted from employee paychecks for the purposes of 401(k) contributions, to the use of the company, without prior knowledge of the employees. Such activity violated federal law, and subjects the Respondents to potential civil and administrative penalties, and/or criminal charges. Respondents were aware that they were in violation of the law at least by mid 2005.
6. In October of 2005, Respondents filed an application with the North Dakota Securities Department for the registration of a LAS securities offering in North Dakota. The application contained an offering circular which is required to contain a summary of all material information relating to the securities offering. The application, and other materials submitted, were reviewed and approved by the Securities Department on November 14, 2005.
7. The offering circular did not contain any discussion of the diversion of employee 401(k) payroll deductions by the Respondents for company operating expenses in violation of their fiduciary duties, the violations of federal law, or the potential administrative, civil and criminal penalties that could result from those violations. This information was material to the securities offering.

8. From November 14, 2005 thru May 19, 2006, Respondents engaged in 51 sales of securities in North Dakota, with respect to 45 individuals or couples. In connection with these transactions, Respondents provided the investors with a copy of the offering circular, which omitted any disclosure of the diversion of employee 401(k) payroll deductions by the Respondents for company operating expenses in violation of their fiduciary duties, the violations of federal law, or the potential administrative, civil and criminal penalties that could result from those violations, all of which was material to the securities offering.
9. Pursuant to N.D.C.C. § 10-04-15(1), no person may make a material false statement or omission in connection with any document required to be filed with the Securities Department. The offering circular, which omitted any disclosure of the diversion of employee 401(k) payroll deductions by the Respondents for company operating expenses in violation of their fiduciary duties, the violations of federal law, or the potential administrative, civil and criminal penalties that could result from those violations, was a document required to be filed with the Securities Department as part of the registration application and the information omitted from the offering circular was material to the offering. Respondents engaged in one violation of this provision.
10. Pursuant to N.D.C.C. § 10-04-15(2), no person may make a material false statement or omission in connection with any offer or sale of a security. The offering circular, which omitted any disclosure of the diversion of employee

401(k) payroll deductions by the Respondents for company operating expenses in violation of their fiduciary duties, the violations of federal law, or the potential administrative, civil and criminal penalties that could result from those violations, was a document provided to potential purchasers of LAS securities, and the information omitted from the offering circular was material to the offering. Respondents engaged in fifty-one (51) violations of this provision.

11. Pursuant to N.D.C.C. § 10-04-16 (1), when it shall appear to the Securities Commissioner that any person has engaged in any act or practice which is declared illegal in this Chapter, the Commissioner may issue an order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violations of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$520,000 based on the violations described above. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to N.D.C.C. § 10-04-16 (1).
12. Respondents acknowledge their right to a hearing on this matter and waive this right to a hearing and to present arguments to the Commissioner.
13. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order. Respondents have consented to the entry of this Order by executing the Consent to Entry of Order, which is attached hereto and incorporated herein by reference.

14. The following Order is necessary and appropriate in the public interest and for the protection of investors.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. § 10-04-16,

that:

1. Respondents shall not offer for sale and/or sell any security in North Dakota unless that security is registered or exempt from registration under N.D.C.C. Ch. 10-04.
2. Respondents shall not make any material false statement or omission in connection with any document required to be filed with the Securities Department.
3. Respondents shall not make any material false statement or omission in connection with any offer for sale or sale of any security in North Dakota.
4. Respondents are hereby assessed, jointly and severally, a civil penalty of \$52,000, \$41,600 of which shall be suspended and shall never become due and payable as long as Respondents shall pay \$10,400 to the North Dakota Securities Department, no later than December 31, 2007. Failure to make timely payment shall result in a default of this Consent Order and the entire civil penalty of \$52,000 shall be due and payable.
5. The Order for Civil Penalty dated May 25, 2007, previously issued, is superseded by this Consent Order and is hereby vacated.
6. This Order shall be effective upon signature of the Commissioner.

IN TESTIMONY WHEREOF, witness my hand and seal this 19<sup>th</sup> day of  
June, 2007.



  
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Karen J. Tyler, Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Ave.  
State Capitol – Fifth Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of LAS International, Ltd.; )  
Neil Whittey; and Syver Vinje; )  
 )  
 )  
Respondents. )

CONSENT TO  
ENTRY OF ORDER

.....  
Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the above-named Respondents state that:

1. The Respondents have read the foregoing Consent Order and know and fully understand its contents and effects.
2. The Respondents have been advised of their rights to a hearing with regard to this matter, and have specifically waived their rights to a hearing.
3. The Respondents have been advised that any willful violation of the Consent Order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1) and is punishable by a \$10,000 fine and 10 years imprisonment, with respect to a natural person, pursuant to N.D.C.C. § 12.1-32-01(3) or by a \$35,000 fine with respect to an organization, pursuant to N.D.C.C. § 12.1-32-01.1(2).
4. The foregoing Consent Order, which is attached hereto and incorporated herein by reference, constitutes the entire settlement agreement between the Respondents and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
5. The Respondents admit the jurisdiction of the Securities Department, neither admit nor deny the accuracy of the factual determinations and legal conclusions of the Commissioner, as set forth in the foregoing Consent Order, and consent to entry of this Order and payment of a civil penalty as settlement of the issues contained in said Order.

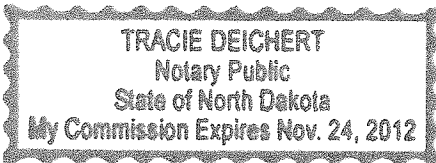
6. The Respondents consent to entry of the foregoing Consent Order by the Securities Commissioner, and do so willingly and voluntarily for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 12 day of June, 2007.

LAS INTERNATIONAL, LTD.

By: *Neil Whittey*  
Neil Whittey, Its President

Subscribed and sworn to before me this 12 day of June, 2007.

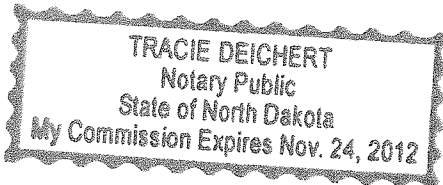


*Tracie Deichert*  
Notary Public  
My Commission Expires: Nov 24, 2012

Dated this 12 day of June, 2007.

*Neil Whittey*, President  
Neil Whittey

Subscribed and sworn to before me this 12 day of June, 2007.

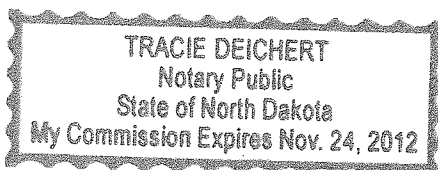


*Tracie Deichert*  
Notary Public  
My Commission Expires: Nov. 24, 2012

Dated this 12<sup>th</sup> day of June, 2007.

*Syver Vinje*  
Syver Vinje

Subscribed and sworn to before me this 12 day of June, 2007.



*Tracie Deichert*  
Notary Public  
My Commission Expires: Nov 24, 2012