

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of)
Magnum Petroleum, Inc.)
Respondents)

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

.....
WHEREAS, on February 3, 1998, the Commissioner issued a Cease and Desist Order based on multiple violations of North Dakota securities laws, including violations of the registration provisions of the Securities Act; and,

WHEREAS, on February 3, 1998, the Cease and Desist Order was sent to Magnum Petroleum, Inc. and the Cease and Desist Order was received by Magnum Petroleum, Inc. on February 6, 1998; and,

WHEREAS, respondent did not provide a request for hearing, nor did respondent deny any facts relied upon by the Commissioner underlying the Cease and Desist Order dated February 3, 1998.

NOW, THEREFORE, it is hereby Ordered that respondent, Magnum Petroleum, Inc. is hereby assessed and shall make payment to the Commissioner, a civil penalty in the amount of \$20,000 for the violations set forth above and in the Cease and Desist Order dated ~~September 23~~ ^{February}, 1998. The payment of the civil penalties are 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 20th day of January, 1999.



Syver Vinje

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

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)
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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, January 20th, 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:

Magnum Petroleum, Inc.
6920 Redbud Lane
Ida, LA 71044

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

Jacqui Ferderer
Jacqui Ferderer

Subscribed and sworn to before me this 20th day of January, 1999.

Harold P. Kocher
Harold P. Kocher, Notary Public
Burleigh County, North Dakota
My commission expires 04/26/2002