

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

BEFORE THE  
SECURITIES COMMISSIONER

MID VALLEY BROADCASTING, INC.;  
CHARLES "SKIP" RUTLEDGE;  
JACK BRUSH;  
and their officers, directors,  
agents, and employees;

PRE-HEARING ORDER  
SUBPOENA DUCES TECUM  
NOTICE OF COSTS

Respondents,

COPY

WHEREAS, the Securities Commissioner has reasonable grounds to believe the following ALLEGATIONS OF FACT AND STATEMENTS OF LAW:

(1) the Respondents have not registered in North Dakota as an "investment adviser," "investment adviser representative," "dealer," or "salesman" as defined in NDCC 10-04-02;

(2) one or more of the Respondents have offered or sold shares of preferred stock of Mid Valley Broadcasting, Inc. in North Dakota for the alleged purpose of building a radio tower in the area of West Fargo, North Dakota;

(3) according to NDCC 10-04-15, the Respondents have engaged in fraudulent and deceptive practices by making false statements of material facts or by omitting to state material facts about the current financial status and projected investment value of the preferred stock of Mid Valley Broadcasting, Inc. that would prevent other statements and disclosures from being misleading under all of the circumstances, and the Respondents have offered or sold the preferred stock without adequate disclosure of risks to investors;

(4) the shares of preferred stock of Mid Valley Broadcasting, Inc. are not registered under NDCC 10-04-04, are not exempt securities under NDCC 10-04-05, and have not been offered or sold in exempt transactions under NDCC 10-04-06;

(5) one or more of the Respondents have engaged or are about to engage in activities to offer or sell investment advice, investment contracts, or securities to investors in North Dakota without proper registration with the Securities Commissioner;

(6) the Respondents have failed reasonably to supervise their agents and employees for the offer and sale of shares of preferred stock of the Respondents in North Dakota; and

(7) the Respondents have received a Cease & Desist Order issued by the Securities Commissioner on December 28, 1993;

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

(1) the Respondents shall either admit or deny each of the seven ALLEGATIONS OF FACT AND STATEMENTS OF LAW stated above in this Pre-Hearing Order;

(2) for each of the denied ALLEGATIONS OF FACT AND STATEMENTS OF LAW, the Respondents shall:

(a) describe in detail the specific facts and law that are the basis for the denial,

(b) attach readable copies of any documents that support the claims of denial or that the Respondents intend to introduce as exhibits at the hearing for this matter,

(c) list the name, address, and telephone number of each person whom the Respondents intend to call as a witness at the hearing for this matter, and describe briefly the material facts and issues for which the witness is expected to testify, and describe the specific qualifications and relevance of any expert witnesses who are expected to testify at the hearing;

(3) failure of the Respondents to describe in detail their basis for denial of specific ALLEGATIONS OF FACT AND STATEMENTS OF LAW may result in a decision by the Securities Commissioner that the allegations and statements are admitted as FINDINGS OF FACT AND CONCLUSIONS OF LAW;

(4) pursuant to this SUBPOENA DUCES TECUM of NDCC 10-04-16.1, the Respondents shall provide to Nancy J. Lewis in the Office of the Securities Commissioner the following information, to be received on or before 1:00 p.m. on Friday, February 18, 1994:

(a) the name, address, and telephone number of every person in North Dakota to whom the Respondents made an offer or sale of investment advice, an investment contract, or securities from February 15, 1989 to February 14, 1994,

(b) copies of any written materials or telephone scripts used for the offer or sale of investment advice or securities in North Dakota from February 15, 1989 to February 14, 1994,

(c) the number of people in North Dakota who received each of the written materials or telephone offers,

(d) the name, address, and telephone number of each

person who paid money or value for an investment or materials offered or sold by the Respondents, and

(e) copies of any pleadings, applications, statements, orders or other documents involving the Respondents and the Federal Communications Commission since February 15, 1989;

(5) the Respondents immediately shall Cease and Desist from all activities involving the offer or sale of investment advice, investment contracts, or securities in North Dakota;

(6) the Cease and Desist Order of December 28, 1993 is revoked and the \$10,000 fine and \$1500 administrative costs imposed in the Cease and Desist Order on December 28, 1993 are dismissed;

(7) a hearing for this matter will be held on Tuesday, February 22, 1994 at 9:00 a.m. in the Missouri River Room at the state capitol in Bismarck, North Dakota;

(8) according to NDCC 10-04-12(4), the Respondents may appear at the hearing in their own behalf or may be represented by an attorney to present evidence and witnesses;

(9) NDCC 10-04-12(4) requires a stenographic record of the hearing, and NDCC 10-04-13(3)(a) requires the appellant to pay reasonable transcript costs. Therefore, on the day of the hearing, the Respondents shall pay a certified check in the amount of \$500

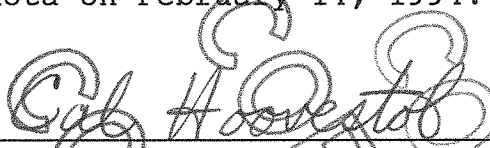
to stenographer "Emineth & Associates" before the hearing begins. The stenographer shall refund any unused portion of the \$500 to the Respondents within 30 days after the time for appeal has expired. If reasonable costs for a stenographer or transcripts exceed \$500, then the Respondents shall pay the additional costs to the stenographer before receiving the transcripts for appeal;

(10) AMERICANS WITH DISABILITY ACT NOTIFICATION: the Respondents promptly shall notify the Securities Commissioner if a party or witness to be called at the hearing has a disability that will require auxiliary aids or service at the hearing;

(11) time is of the essence for the prompt scheduling of the hearing for this matter, for the Respondents' admissions or denials of the ALLEGATIONS OF FACT AND STATEMENTS OF LAW, for the production of documents and detailed descriptions of a basis for denial of allegations and statements, and for the listing of witnesses and descriptions of the facts and issues for their expected testimony; and, therefore, A FAILURE BY THE RESPONDENTS TO COMPLY WITH ANY TERMS OF THIS ORDER MAY RESULT IN CIVIL PENALTIES OR OTHER APPROPRIATE REMEDIES IN LAW AND EQUITY.

Dated at Bismarck, North Dakota on February 14, 1994.

(Seal)

  
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Cal Hoovestol  
Securities Commissioner