

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Nicholas Alexander)	
Smirnow, aka Nick Smirnow, doing)	
business under the Ontario registered)	
Business Name "P-2-P NETWORK",)	CEASE AND DESIST ORDER,
and their Officers, Directors, Agents,)	NOTICE OF CIVIL PENALTY,
and Employees,)	ORDER FOR RESCISSION,
)	AND
Respondents.)	NOTICE OF RIGHT TO
)	REQUEST A HEARING

.....

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO:

NICHOLAS ALEXANDER SMIRNOW, aka NICK SMIRNOW, doing business under the Ontario registered Business Name, "P-2-P NETWORK", AND THEIR OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, RESPONDENTS.

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. Respondent, Nicholas Alexander Smirnow, aka Nick Smirnow, ("Smirnow") is a resident of the Province of Ontario, Canada, doing business as a sole proprietorship under the Ontario registered Business Name "P-2-P NETWORK", and also known as "Pathway-2-Prosperity", offering for sale and selling investment contracts known as "7 Day Plan", "15 Day Plan", "30 Day Plan", and "60 Day Plan", with varying rates of return on investment.

2. Respondent Smirnow, for all times relevant to this matter, was acting as agent of and on behalf of Respondent P-2-P NETWORK.
3. The Respondents have offered for sale and sold securities, as defined in N.D.C.C. §10-04-02(19) and as described above, to at least one resident of North Dakota.
4. The subject securities have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07.1, 10-04-08, or 10-04-08.1; are not exempt securities under N.D.C.C. § 10-04-05; and have not been offered for sale or sold in exempt transactions under N.D.C.C. § 10-04-06; and are not federal covered securities or have not been properly filed as federal covered securities under N.D.C.C. § 10-04-08.4. All offers and sales of the subject investments were made in apparent violation of N.D.C.C. § 10-04-04.
5. The Respondents were not registered as a broker-dealer with the Securities Department, in apparent violation of N.D.C.C. § 10-04-10(1).
6. The Respondents were not registered as an agent with the Securities Department, in apparent violation of N.D.C.C. § 10-04-10(2).
7. The Respondents have offered and sold the above-referenced securities by use of material misrepresentations and/or omissions, have engaged in a scheme or artifice to defraud investors and/or have otherwise engaged in fraudulent or deceptive practices in violation of N.D.C.C. § 10-04-15.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Securities Department.
2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until they have registered with the Securities Commissioner as broker-dealers or agents.
3. From using material misstatements or omissions, engaging in a scheme or artifice to defraud investors, or from engaging in 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 N.D.C.C. § 10-04-06, nor does it prohibit registered broker-dealers and agents from offering or selling exempt securities under N.D.C.C. § 10-04-05 or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to N.D.C.C. § 10-04-08.4.

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

YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person 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 N.D.C.C. § 10-04-16(1). 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.

ORDER FOR RESCISSION

The Securities Commissioner further Orders that the Respondents shall, within sixty days of the date of this Order, make rescission of any transactions previously made with residents of the State of North Dakota, for the full amount paid for the securities, plus interest at the statutory rate, and less the amount of any income received on the securities by said resident, pursuant to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 10-04-12 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 16th day of
October, 2008.





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 Nicholas Alexander)
Smirnow, aka Nick Smirnow, doing)
business under the Ontario registered)
Business Name "P-2-P NETWORK",)
and their Officers, Directors, Agents,)
and Employees,)
Respondents.)

**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 16th day of October, 2008, 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:

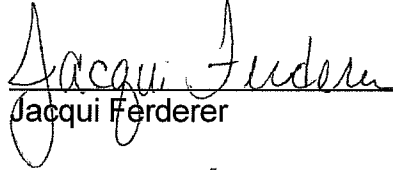
**CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY,
ORDER FOR RESCISSION, AND NOTICE OF RIGHT TO
REQUEST A HEARING**

Copies of the above documents were securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

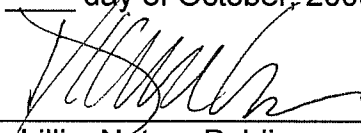
Nicholas Smirnow
P-2-P NETWORK
1013 Fairy Falls Road
Baysville
Ontario, Canada P0B 1A0

Nicholas Smirnow
P-2-P NETWORK
2635 Highway #117
P.O. Box 66
Baysville
Ontario, Canada P0B 1A0

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 or of the attorney representing that party.


Jacquie Ferderer

Subscribed and sworn to before me this _____ day of October, 2008.


Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2014

