

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of Papa Holdings, Inc.,)
The Ponzu Companies, Inc.,)
Jonathan C. Papa, Ramon C. Papa III,)
Thomas L. Anderson, David M.)
Beneakem, Kourosh Saroole, David)
J. Naughton, and their Officers,)
Directors, Agents, and Employees,)
)
Respondents.)

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

.....
THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO PAPA HOLDINGS, INC., THE PONZU COMPANIES, INC., JONATHAN C. PAPA, RAMON C. PAPA III, THOMAS L. ANDERSON, DAVID M. BENEAKEM, KOUROSH SAROOLE, DAVID J. NAUGHTON, AND THEIR OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES:

The 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. The Respondents have refused to comply with or respond to a *subpoena duces tecum* issued by the Commissioner on July 6, 1998, and received by Respondents on July 10, 1998. Respondent's failure to provide the requested information is in violation of §10-04-16.1 N.D.C.C.

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

1. From offering for sale or selling in North Dakota an investment in Papa Holdings, Inc., or any other investment interest however denominated, unless and until such investment interests have been registered with the Securities Commissioner.
2. From offering for sale or selling investments in North Dakota unless and until they have registered with the Securities Commissioner as dealers or salesmen.
3. From failing to comply with the Commissioner's reasonable requests for information.

This order does not prohibit the offer or sale of securities through exempt securities transactions under §10-04-06 N.D.C.C., nor does it prohibit registered dealers and

salesmen from offering or selling exempt securities under §10-04-05 N.D.C.C.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §10-04-16(1) N.D.C.C. The Securities Commissioner does not order a civil penalty herein but expressly reserves the authority to assess civil penalties regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations 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 23rd day of July 1998.



Harold P. Kocher

Harold P. Kocher, Chief Examiner
Office of Securities Commissioner
State Capitol – Fifth Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of Papa Holdings, Inc.,)
The Ponzu Companies, Inc.,)
Jonathan C. Papa, Ramon C. Papa III,)
Thomas L. Anderson, David M.)
Beneakem, Kourosch Saroole, David)
J. Naughton, and their Officers,)
Directors, Agents, and Employees,)
Respondents.)

AFFIDAVIT OF MAILING

.....
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, Thursday, July 23, 1998 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:

**CEASE AND DESIST ORDER
NOTICE OF CIVIL PENALTY AND
NOTICE OF 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:

PAPA HOLDINGS, INC.
21700 OXNARD ST, SUITE 1270
WOODLAND HILLS, CA 91367

JONATHAN C. PAPA
PAPA HOLDINGS, INC.
21700 OXNARD ST, SUITE 1270
WOODLAND HILLS, CA 91367

RAMON C. PAPA III
PAPA HOLDINGS, INC
21700 OXNARD ST, SUITE 1270
WOODLAND HILLS, CA 91367

THOMAS L. ANDERSON
PAPA HOLDINGS, INC
21700 OXNARD ST, SUITE 1270
WOODLAND HILLS, CA 91367


DAVID M. BENEAKE
EXPRESS COMPANIES, INC
c/o PAPA HOLDINGS, INC.
21700 OXNARD ST, SUITE 1270
WOODLAND HILLS, CA 91367

KOUROSH SAROOLE
21300 VICTORY BLVD
WOODLAND HILLS, CA 91367

DAVID J. NAUGHTON
ARENAPLEX, INC
EXPRESS CORP.
c/o PAPA HOLDINGS, INC.
21700 OXNARD ST, SUITE 1270
WOODLAND HILLS, CA 91367


Handwritten notes in the top right corner, including the date "JUL 23 1998" and other illegible markings.

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



Jacquie Ferderer

Subscribed and sworn to before me on July 23rd, 1998.



Matthew Bahrenburg, Notary Public
Burleigh County, North Dakota
My commission expires 04/26/2002