

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the Matter of)
Premier Capital Investment; J.R. Munoz;)
Information Network Technology Partners III;) **CEASE AND DESIST ORDER**
Strategic Investor; Steven Harrell;)
and their Officers, Directors,)
Agents and Employees,)
Respondents.)

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH
DAKOTA TO PREMIER CAPITAL INVESTMENT; J.R. MUNOZ;
INFORMATION NETWORK TECHNOLOGY PARTNERS III; STRATEGIC
INVESTOR; STEVEN HARRELL; AND THEIR OFFICERS, DIRECTORS,
AGENTS, AND EMPLOYEES:**

1. 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;
2. Respondents have solicited sales of units in Information Network Technology Partners III from at least one North Dakota resident;
3. on or about March 14, 1996 the North Dakota Office of the Securities Commissioner sent a letter to the Respondents requesting that they provide answers to the following questions:
 1. a list of the name, address, telephone number, amount of investment, and dates of investment of each North Dakota resident to whom you offered for sale or sold any investments in Information Network Technology Partners III by any means, including communication through mail, FAX, telephone, computer, Internet, e-mail, private or public meetings, in person conversations, or other methods of communication;
 2. the name, address, telephone number, job title, job description and summary of the sales role of each person in Information Network Technology Partners III who assisted in the offer or sale of investments to residents of North Dakota; and

3. a list of all written documents, including letters, marketing materials, checks, customer lists, sales scripts, contracts, advertisements, and all other sales materials used for the offer for sale or sale of investments to residents of North Dakota.
4. on or about April 15, 1996 the Respondents sent a response to the Office of the Securities Commissioner which did not include answers to any of the above questions;
5. on or about April 24, 1996 the Office of the Securities Commissioner sent a letter to the Respondents informing them that the response they provided was deficient and that they needed to supply complete and responsive answers to the above questions;
6. By May 15, 1996 Respondents had not provided answers to the above questions;
7. on or about October 27, 1994, the North Dakota Office of the Securities Commissioner issued a Cease and Desist Order against the Respondents Premier Capital Investment and J.R. Munoz;
8. on or about November 29, 1995 the Kansas Office of the Securities Commissioner issued a Cease and Desist Order against the Respondents Premier Capital Investment and Information Network Technology Partners III;
9. on or about December 6, 1995 the Wisconsin commissioner of Securities issued a summary Order of Prohibition and Revocation of Exemptions against Respondents Premier Capital Investment, J.R. Munoz, and Information Network Technology Partners III;
10. on or about January 18, 1996 the California Department of Corporations issued a Desist and Refrain Order against Respondents Premier Capital Investment, J.R. Munoz, and Information Network Technology Partners III;
11. on or about January 30, 1996 the Missouri Secretary of State, Securities Division issued a Cease and Desist Order against Respondents Premier Capital Investment, J.R. Munoz, and Information Network Technology Partners III;
12. on or about March 5, 1996 the Illinois Securities Department issued a temporary Order of Prohibition against Respondents Premier Capital Investment and Information Network Technology Partners III;
13. in connection with the offer of the subject investments the Respondents failed to disclose the fact that they were the subject of Orders from several states, including the above listed Orders;

14. the Respondents have offered for sale, solicited an order or offer to buy, or sold investments, as defined in §10-04-02(13) N.D.C.C., to residents of North Dakota in violation of §10-04-04 N.D.C.C.;
15. the Respondents have, in connection with the offer, sale, or purchase of an investment, directly or indirectly, made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in violation of § 10-04-15 (3) N.D.C.C.;
16. the subject investments have not been registered with the Securities Commissioner under §10-04-07; §10-04-07.1; §10-04-08; or §10-04-08.1 N.D.C.C.; are not exempt securities under §10-04-05 N.D.C.C; and have not been offered for sale or sold in exempt transactions under §10-04-06 N.D.C.C.;
17. the Respondents have failed to register as dealers in violation of § 10-04-10(1) N.D.C.C; and
18. the Respondents have failed to register any salesman in violation of §10-04-10(2) 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**:

- a. From offering for sale or selling in North Dakota the subject investment, or any other investment interest however denominated, unless and until such investment interests have been registered with the Securities Commissioner; provided, however, that nothing in this part of the order shall apply to exempt securities under §10-04-05 N.D.C.C. or to exempt transactions under §10-04-06 N.D.C.C.;
- b. From offering for sale or selling investments in North Dakota unless and until they have registered with the Securities Commissioner as dealers or salesmen; provided, however, that nothing in this part of the order shall apply to exempt securities transactions under §10-04-06 N.D.C.C.; and
- c. From using fraudulent practices in connection with the offer, sale, or purchase on any investment; making untrue statements of material facts or omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and engaging in an act, practice or course of business which operates or would operate as a fraud or deception upon purchasers or the public.

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 hereby orders payment of a civil penalty in the amount of \$10,000.

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 15th day of May 1996.



Cal Hoovestol

CAL HOOVESTOL
Securities Commissioner
State Capitol, 5th Floor
Bismarck, ND 58505-0510
(701) 328-2910

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the matter of)
Premier Capital Investment; J.R. Munoz;) **AFFIDAVIT**
Information Network Technology Partners III;) **OF**
Strategic Investor; Steven Harrell;) **MAILING**
and their Officers, Directors,)
Agents, and Employees,)
Respondents.)

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I, Diane Lillis, 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, May 15, 1996 I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following document:

CEASE AND DESIST ORDER

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:

Premier Capital Investment
23706 Crenshaw Blvd.
Torrance, CA 90505

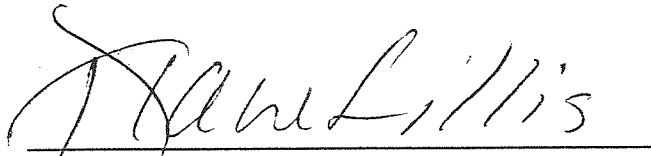
J.R. Munoz
23706 Crenshaw Blvd.
Torrance, CA 90505

Information Network Technology Partners III
23706 Crenshaw Blvd.
Torrance, CA 90505

Strategic Investor
1257 Palms Blvd.
Marina Del Rey, CA 90291

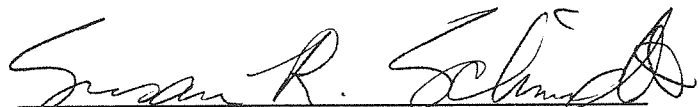
Steven Harrell
1257 Palms Blvd.
Marina Del Rey, CA 90291

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.



Diane Lillis

Subscribed and sworn to before me on May 15, 1996.



Susan R. Schmidt, Notary Public
Burleigh County, North Dakota
My commission expires 9/25/2001