

**STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH**

**BEFORE THE  
SECURITIES COMMISSIONER**

In the Matter of **Raoul Brandt,** )  
Royal Crown Corporation, )  
American Investment Services, Inc., )  
Brandt Brokerage House and )  
their Officers, Directors, Agents, )  
and Employees, )  
 )  
Respondents. )

**CEASE AND DESIST ORDER**

**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO  
AMERICAN INVESTMENT SERVICES, INC., BRANDT BROKERAGE HOUSE AND  
RAOUL BRANDT, 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. 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., in Royal Crown Corporation and investments in viatical settlement contracts to residents of North Dakota in violation of §10-04-04 N.D.C.C.;
3. 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.;
4. the respondents have refused to provide documents and information to the office of the Securities Commissioner for alleged sales of "100% guaranteed" and "no risk" investments offered to residents of North Dakota and the respondents have refused to comply with the investigation authority of the office of the Securities Commissioner in Section 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**:

From offering for sale or selling in North Dakota the viatical settlement contracts or any other "no risk" or "100% guaranteed" investment interests 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.; and

the respondents shall immediately provide documents and information requested by the office of the Securities Commissioner for the viatical settlement contracts and for the "no risk" and "100% guaranteed" investments.

#### 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.

#### 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 FOURTEEN (14) 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 on November 15, 1996.

(SEAL)



*Cal Hoovestol*  
\_\_\_\_\_  
CAL HOOVESTOL  
SECURITIES COMMISSIONER

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

BEFORE THE  
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In the Matter of )  
American Investment Services, Inc., )  
Brandt Brokerage House and )  
Raoul Brandt, their Officers, )  
Directors, Agents, and Employees, )  
 )  
Respondents. )

**AFFIDAVIT OF SERVICE  
BY MAIL**

.....

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, Friday, November 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:

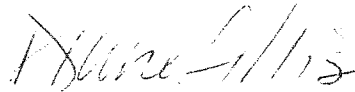
**CEASE AND DESIST ORDER**

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:

Raoul Brandt  
Brandt Brokerage House  
P. O. Box 340  
Stanley, ND 58784

American Investment Services, Inc.  
600 High Point Lane Suite B  
East Peoria, IL 61611-9329

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 November 15, 1996.



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