

**STATE OF NORTH DAKOTA**

**BEFORE THE**

**COUNTY OF BURLEIGH**

**SECURITIES COMMISSIONER**

In the Matter of Select Electronic )  
Devices, Inc.; VOIP Communications, )  
Inc.; Kent Johanneson A/K/A W. K. )  
Johanneson; David Ludwick; )  
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  
SELECT ELECTRONIC DEVICES, INC.; VOIP COMMUNICATIONS, INC.; KENT  
JOHANNESON A/K/A W. K. JOHANNESON; DAVID LUDWICK; AND THEIR  
OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES:**

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. The Respondents have offered for sale and/or sold investment(s) in North Dakota in violation of §10-04-04 N.D.C.C. The subject investment(s) are securities as defined in §10-04-02(15) N.D.C.C.
2. The subject investment(s) 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; have not been offered for sale

or sold in exempt transactions under §10-04-06 N.D.C.C.; and are not properly filed as federal covered securities under §10-04-08.4 N.D.C.C.

3. The Respondents have not registered as dealers or agents in violation of §10-04-10 N.D.C.C.

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

1. 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.
2. From offering for sale or selling investments in North Dakota unless and until they have registered with the Securities Commissioner as dealers or agents.

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 agents from offering or selling exempt securities under §10-04-05 N.D.C.C. or properly filed federal covered securities pursuant to §10-04-08.4 N.D.C.C.

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

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

### 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 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 21<sup>st</sup> day of May, 2003.



  
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Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
600 East Boulevard Ave.  
State Capitol – Fifth Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

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Agents, and Employees, )  
)  
)  
Respondents. )

**AFFIDAVIT OF SERVICE BY MAIL**

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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 21 day of May, 2003, 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,  
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, addressed to each of the following:

VOIP Communications, Inc.  
5060 Shoreham Place, Suite 200  
San Diego, CA 91222

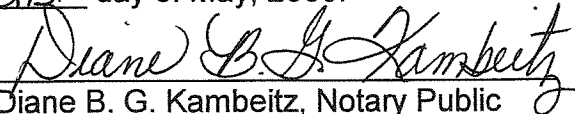
Kent Johanneson  
121 E Arikara Ave #103  
Bismarck, ND 58501

David Ludwick, President  
Select Electronic Devices, Inc.  
6099 Ponders Court  
Greenville, SC 29615

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 21st day of May, 2003.

  
Diane B. G. Kambeitz, Notary Public  
Burleigh County, North Dakota  
My commission expires 4/25/2006

