

**STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH**

**BEFORE THE  
SECURITIES COMMISSIONER**

In the matter of )  
Trans-American Ostrich Traders, Inc. )  
and their Officers, Directors, )  
Agents, and Employees, )  
Respondents. )

**CEASE AND DESIST ORDER**

**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO  
TRANS-AMERICAN OSTRICH TRADERS, INC. 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 or Chapter 51-19 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 securities, as defined in N.D.C.C. §10-04-02(13), of Units in an Ostrich raising agreement to residents of North Dakota in violation of N.D.C.C. §10-04-04;
3. the subject securities have not been registered with the Securities Commissioner under N.D.C.C. §10-04-07; §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;
4. the Respondents have failed to register as dealers in violation of N.D.C.C. §10-04-10(1);
5. the Respondents have failed to register any salesman in violation of N.D.C.C. §10-04-10(2);
6. the Respondents have offered or sold interests in a franchise, as defined in N.D.C.C. §51-19-02(5)(a), to North Dakota residents; and
7. the subject franchise has not been registered with the Securities Commissioner under N.D.C.C. §51-19-03, and the Respondents are not exempt from registration under N.D.C.C. §51-19-04.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. §10-04-16 and N.D.C.C. §51-19-13, that the Respondents immediately **CEASE AND DESIST**:

- a. From offering for sale or selling in North Dakota the subject investments or franchises, 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 N.D.C.C. §10-04-05, to exempt transactions under N.D.C.C. §10-04-06, or to franchise exemptions under N.D.C.C. §51-19-04; and

- b. From offering for sale or selling investments or franchises in North Dakota unless and until they have registered with the Securities Commissioner as dealers, salesmen, or franchisors; provided, however, that nothing in this part of the order shall apply to exempt securities transactions under N.D.C.C. §10-04-06 or franchise exemptions under N.D.C.C. §51-19-04.

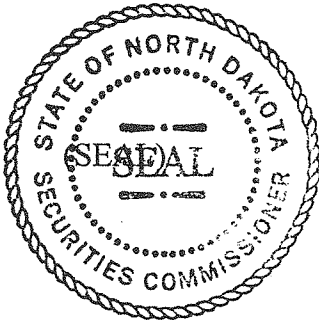
#### NOTICE OF CIVIL PENALTIES

**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) and N.D.C.C. §51-19-13(2)(g).

#### NOTICE OF RIGHT TO REQUEST HEARING

**YOU ARE NOTIFIED** that pursuant to N.D.C.C. §10-04-12 and N.D.C.C. §51-19-13(2)(g), 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 this 15th day of April, 1996.



*Cal Hoovestol*  
\_\_\_\_\_  
CAL HOOVESTOL  
SECURITIES COMMISSIONER  
State Capitol, 5<sup>th</sup> Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

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AFFIDAVIT  
OF  
MAILING

.....  
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, April 16, 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:

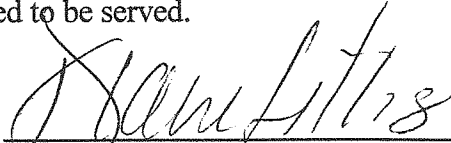
**CEASE AND DESIST ORDER**

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:


Trans-American Ostrich Traders, Inc.  
PO Box 1092  
Palm Desert, CA 92261-1092

Trans-American Ostrich Traders, Inc.  
44227 Monterey Avenue, Suite 1  
Palm Desert, CA 92260

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 April 16, 1996.

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