

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the Matter of)
Z3 Capital Holding Corporation; Stella Bella)
Corporation USA; Jack Broberg; Mark Scialdone;)
Becky Pepper; Steven Zubkis; Marcus O’Neal;)
and their Officers, Directors,)
Agents and Employees,)
Respondents.)

CEASE AND DESIST ORDER

.....
**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO
Z3 CAPITAL HOLDING CORPORATION; STELLA BELLA CORPORATION USA;
JACK BROBERG; MARK SCIALDONE; BECKY PEPPER; STEVEN ZUBKIS;
MARCUS O’NEAL; 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. 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., of stock in Stella Bella Corp., USA 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 failed to register as dealers in violation of § 10-04-10(1) N.D.C.C; and
5. 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.; and

- 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.

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 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 24th day of April 1996.



Cal. Hoovestol

CAL HOOVESTOL
SECURITIES COMMISSIONER
State Capitol, 5th Floor
600 E Boulevard
Bismarck, ND 58505-0510
(701) 328-2910

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Agents, and Employees,)
Respondents.)

**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 30, 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:

Z3 Capital Holding Corporation
800 Grand Avenue, Suite A-2
Carlsbad, CA 92008

Steven Zubkis
c/o Z3 Capital Holding Corporation
800 Grand Avenue, Suite A-2
Carlsbad, CA 92008

Marcus O'Neal
c/o Z3 Capital Holding Corporation
800 Grand Avenue, Suite A-2
Carlsbad, CA 92008

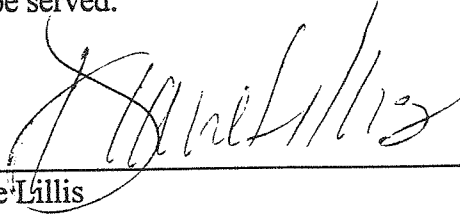
Stella Bella Corporation USA
7570 Clairemont Mesa Blvd.
San Diego, CA 92111

Jack Broberg
c/o Stella Bella Corporation USA
7570 Clairemont Mesa Blvd.
San Diego, CA 92111

Mark Scialdone
c/o Stella Bella Corporation USA
7570 Clairemont Mesa Blvd.
San Diego, CA 92111

Becky Pepper
c/o Stella Bella Corporation USA
7570 Clairemont Mesa Blvd.
San Diego, CA 92111

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 30, 1996.



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