

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the Matter of AMS Financial Corp.,)	CEASE AND DESIST ORDER,
Allen Halstead, and their Officers,)	NOTICE OF CIVIL PENALTY, AND
Directors, Agents and Employees,)	NOTICE OF RIGHT TO
Respondent.)	REQUEST A HEARING

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO AMS FINANCIAL CORP., ALLEN HALSTEAD, AND THEIR OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES:

The Securities Commissioner has a reasonable basis to believe that the Respondent has engaged in, is engaging in, or is 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 Respondent.

1. The Respondent, ~~in cooperation with New World International,~~ has offered for sale and sold investments in AMS Financial Corporation to residents of North Dakota in violation of §10-04-04 N.D.C.C. The subject investments are securities as defined in §10-04-02(13) N.D.C.C.
2. 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.
3. The Respondent has not registered as a securities 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 Respondent immediately shall **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 salesmen.

3. From engaging in any scheme or artifice to defraud investors, or otherwise engaging in a fraudulent or deceptive act while offering for sale or selling securities or investments in North Dakota or to North Dakota residents.

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 sales agents from offering or selling exempt securities under §10-04-05 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.

NOTICE OF CIVIL PENALTIES

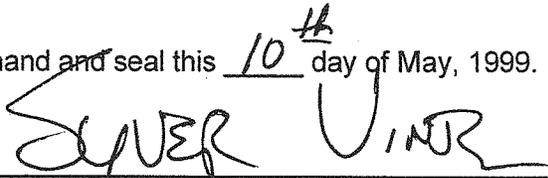
YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §10-04-16(1) N.D.C.C. The Securities Commissioner does not herein assess civil penalties, but expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per 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 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 10th day of May, 1999.





Syver Vinje
North Dakota Securities Commissioner
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

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BEFORE THE
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In the matter of AMS Financial Corp.,)
Allen Halstead, and their Officers,)
Directors, Agents and Employees,)
Respondents)

**AFFIDAVIT OF SERVICE
BY MAIL**

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, Monday, May 11, 1999, 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, NOTICE OF CIVIL
PENALTY, AND NOTICE OF RIGHT TO REQUEST A HEARING
AND
SUBPOENA DUCES TECUM**

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via first class, U. S. mail, and addressed to:

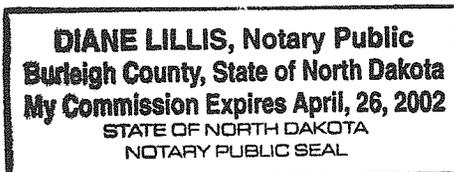
Allen Halstead
AMS Financial Corporation
1100 NW Loop 410, #700
San Antonio, TX 78213

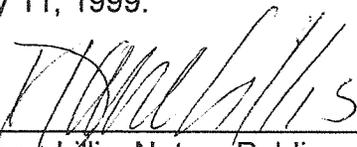
To the best of my knowledge, information, and belief, the address given above is the actual post office address of the party intended to be served.



Jacqui Ferderer

Subscribed and sworn to before me on May 11, 1999.





Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2002