

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of MDVIP, Inc. )  
 )  
 Respondent )

**SETTLEMENT AGREEMENT**

.....  
The North Dakota Securities Commissioner has advised the respondent, MDVIP, Inc. (MDVIP), that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent is a securities issuer that is headquartered in Boca Raton, Florida. Respondent made a filing pursuant to section 10-04-08.4 on October 8, 2002.
2. CGF Securities, LLC, (CGF) is a securities dealer headquartered in Boca Raton, Florida. For all times relevant to this matter, CGF has been registered as a dealer in the state of North Dakota.
3. Ross Owen Haugen is a North Dakota resident who has been a securities agent for various firms for more than ten years. From August 1 through August 5, 2002, Haugen held a temporary registration as an agent of CGF. From August 6 through August 20, 2002, Haugen was not registered in any capacity with any firm registered dealer in North Dakota. From August 21 to the present, Haugen became registered as an agent of CGF through a registration agreement with the Commissioner.
4. From August of 2002 to September of 2002, respondent, by and through Haugen and CGF, solicited several North Dakota residents to purchase the securities it issues. Five sales were made to residents of North Dakota.
5. Based on the information briefly set forth above, on October 3, 2002, the Commissioner issued a Cease and Desist Order against the respondent, as well as CGF and Haugen.
6. Pursuant to section 10-04-04 N.D.C.C., no person may offer for sale or sell any securities in this state unless the security is registered, exempt from registration, or is a federal covered security.
7. Pursuant to section 10-04-16 N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person

found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.

8. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C.

9. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

10. Each of the parties has read the Settlement Agreement and know and fully understand its contents and effects.

11. It is further expressly understood that the Settlement Agreement constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

12. Respondent agrees to resolve this matter with the Securities Commissioner by this Settlement Agreement, and this is evidenced by the signatures below.

13. The following Agreement is necessary and appropriate in the public interest.

**NOW, THEREFORE, IT IS ORDERED AND AGREED, THAT:**

1. Respondent shall not transact any securities business with any person in North Dakota unless respondent's securities are registered, exempt from registration, or properly filed as a federal covered security as required by North Dakota law.

2. Respondent shall make an offer of rescission, properly filed and approved in accordance with section 10-04-06 (9) (a) N.D.C.C., to each North Dakota resident who was sold an interest in the Respondent's securities as described above. The initial filing must be made within thirty (30) days of the entry of this Agreement. If changes to the filing are required by the Commissioner, such changes must be made within fifteen (15) days of such request by the Commissioner. Once the filing is approved, the offer shall be extended to each North Dakota investor within fifteen (15) days of the approval date. Any persons who accept the offer shall be paid by the Respondent within thirty (30) days of the acceptance of the offer.


3. Respondent shall pay a civil penalty of \$5,000 to the Office of the Securities Commissioner pursuant to NDCC §10-04-16.

4. Respondent is hereby released from the Cease and Desist Order issued on October 3, 2002. That Order remains in full force and effect with respect to CGF and Haugen.

5. This Agreement shall be effective upon the agreement of the parties as evidenced by their signatures below.

Agreed to this 6<sup>th</sup> day of ~~December~~<sup>January</sup>, 2007. 3 (D/2)


MDVIP, Inc.  
6401 Congress Avenue  
Boca Raton, FL 33487



By: Daren S. Engelhardt

Its: Chief Financial Officer and  
General Counsel

Subscribed and Sworn before me this 6<sup>th</sup> day of ~~December~~<sup>January</sup>, 2007.

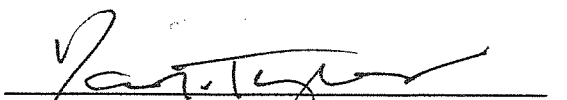


Notary Public  
State: Florida County: Palm Beach  
My Commission Expires: 11/22/04

(Notary Seal)



Agreed to and Sealed this 23<sup>rd</sup> day of ~~November~~<sup>January</sup>, 2007.



Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
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Bismarck, ND 58505-0510  
(701) 328-2910