BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
ASSURED INTERNATIONAL, INC., SHARP FINANCIAL CORP., SAM E. HARRIS, MAX BECKER, TRALANA TANAWA FOX f/k/a TRALANA LEE, KIRK E. KUYKENDOLL II a/k/a KEN KONETSKI, and ANGELA TATE,

Respondents.

PETITION FOR ORDER

File No. S-00125(EX)

The staff of the Enforcement Unit, Registration & Enforcement Section, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Assured International, Inc. ("Assured International") is a California corporation with a last known business address of 22647 Ventura Blvd, #363, Woodland Hills, CA 91364.

2. Sharp Financial Corp. ("Sharp Financial") is a foreign business entity with a last known business address of 16161 Ventura Boulevard, #719, Encino, CA 91436.

3. Sam E. Harris (DOB 2/20/54; CRD #2109064) ("Harris") is an individual, who upon information and belief, at all times material hereto was the Chief Executive Officer of Assured International, with a last known business address at that of Assured International and a last known residence address of 741 Calle Mandarinas, Thousand Oaks, CA 91360.

4. Max Becker (DOB 4/29/23; CRD# 2109078) ("Becker") is an individual, who upon information and belief, at all times material hereto was the President of Assured International, with a last known business address at that of Assured International and a last known residence address of 2 N. Madrid Av., Newbury Park, CA 91320.

5. Tralana Tanawa Fox f/k/a Tralana Lee ("Fox") is an individual, who upon information and belief, at all times material hereto was the Secretary of Assured International, with a last known business address at that of Assured International and a last known residence address of 1521 Greenfield #403, Los Angeles, CA 90025.

6. Kirk E. Kuykendoll II a/k/a Ken Konetski (DOB 2/24/49; CRD#: 2105082) ("Kuykendoll") is an individual who, upon information and belief, at all times material hereto was the Vice President of Assured International, with a last known business address at that of Assured International and a last known residence address of 741 Calle Mandarinas, Thousand Oaks, CA 91360.

7. Angela Tate ("Tate") is an individual, who upon information and belief, who at all times material hereto was an agent of Assured International, Harris and Kuykendoll, with a last known business address at that of Assured International and a last known residence address of 6827 Whitsett Ave., #201, North Hollywood, CA 91605.

8. Upon information and belief, during the period of at least 1998 and 1999, Tate, on behalf of Assured International, Sharp Financial, Harris, Becker, Fox and Kuykendoll, offered and sold to an indeterminate number of persons in Wisconsin the common stock of Assured International.

9. The common stock of Assured International is a "security" as defined by sec. 551.02(13), Wis. Stats., which had a filing with the Division on October 14, 1998, of Regulation Form D of the United States Securities & Exchange Commission ('the SEC").

10. In connection with the offers of the securities described above, Sharp Financial transacted business in Wisconsin as a "broker-dealer," as that term is defined by sec. 551.02(3), Wis. Stats.

11. At no time has Sharp Financial been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.

12. Respondent Sharp Financial has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.

13. In connection with the offer and sale of the securities described above, Tate transacted business in Wisconsin as an "agent" for Assured International, Sharp Financial, Harris, Becker, Fox and Kuykendoll, as that term is defined by sec. 551.02(2), Wis. Stats.

14. At no time has Tate been licensed as a securities agent to sell the common stock of Assured International, pursuant to Ch. 551, Wis. Stats.

15. Tate has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

16. Assured International, Sharp Financial, Harris, Becker, Fox and Kuykendoll have violated sec. 551.31(2), Wis. Stats., by employing Tate as an unlicensed agent to represent them in Wisconsin.

17. Upon information and belief, on January 20, 1999, the United States Securities & Exchange Commission ("the SEC") sued Assured International and Harris - who it described in Litigation Release No. 16037 of January 21, 1999 as a repeat securities fraud violator - and the SEC also obtained a temporary restraining order and froze the assets of Assured International and Harris.

18. According to SEC Litigation Release No. 16540 of May 5, 2000, on May 1, 2000, a U.S. District Judge for the Central District of California granted the SEC's motion for summary judgement against Assured International, Harris, Sharp Financial, Becker, and Fox, for violating the anti-fraud provisions of the securities laws, Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

19. According to SEC Litigation Release No. 16540, "It was undisputed that Assured Harris, Becker, and Fox operated a boiler room out of Woodland Hills, Southern California and raised $1,134,217.88 from investors nationwide from February 1998 through January 1999. Harris, Becker and Fox misappropriated for their own use $321,119.30 of investor monies. Harris claimed the title of Chief Executive Officer, among other titles, of Assured; and Becker and Fox claimed the titles of President and Secretary, respectively. It was also undisputed that from February 1999 to June 1999, Fox and Sharp raised an additional $136,500 from investors from the offer and sale of Assured stock in violation of the Temporary Restraining Order and Preliminary Injunction issued by the Court."

20. "Assured, Harris, Becker and Fox represented to investors that Assured was controlled by three officers, Defendants Becker and Fox, and a third officer, and failed to disclose that Harris, a repeat securities law violator, controlled all investor funds. Undisclosed to investors, seven states had issued orders against Harris for securities law violations and the National Association of Securities Dealers censured, fined, and barred him from association with any NASD member. Assured, Harris, Becker and Fox also represented that investor money would be used to market and sell latex products, when, in fact, Assured never manufactured or distributed latex products and Harris, Becker and Fox misappropriated 28.3% of investor funds for their own personal use. Additionally, Fox and Sharp continued the fraudulent scheme to raise $136,500 in violation of the Court orders to cease, failed to disclose the lawsuit, temporary restraining order and preliminary injunction issued by the Court, and Fox misappropriated $52,733.19 of the additional monies raised."

21. Upon information and belief, the United States Postal Inspectors executed a search warrant at the offices of Assured International and seized records of Assured International.

22. Upon information and belief, the United States Postal Inspectors are to date conducting an on-going investigation of the offer and sale of the securities of Assured International.

23. Upon information and belief, in connection with the offers and sales of the common stock of Assured International, Tate targeted persons of Hmong heritage, and about 20 Hmong in Wisconsin and elsewhere did invest through Tate in the common stock of Assured International.

24. Upon information and belief, in connection with the offers and sales of the common stock of Assured International to at least one person in Wisconsin, Tate stressed the safety of the common stock, informing the prospective purchaser that the common stock was going to soon "go public" at a much greater sale price and that the business of Assured International was to manufacture and sell latex gloves for use in such places as hospitals, which it was doing successfully in the United States and around the world.

25. Upon information and belief, in connection with the offers and sales of the common stock of Assured International to at least one person in Wisconsin, after January 20, 1999, Harris, Becker, Fox, Kuykendoll and Tate failed to inform the investor of the action taken by the SEC against Assured International and Harris as described above.

26. Upon information and belief, in connection with the offers and sales of the common stock of Assured International to at least one person in Wisconsin, Harris, Becker, Fox, Kuykendoll, and Tate failed to inform the investor, that, according to litigation release No. 16037 of January 21, 1999, of the SEC, Harris is a repeat securities law violator, seven states have issued orders against him for securities law violations and the National Association of Securities Dealers ("NASD") censured, fined, and barred him from association with any NASD member.

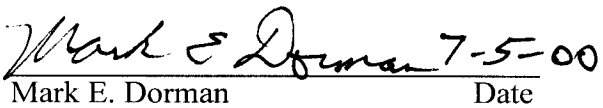
27. Upon information and belief, in connection with the offers and sales of the common stock of Assured International to persons in Wisconsin, Harris, Becker and Fox never used the money of the investors to have Assured International manufacture or distribute latex products, and did use some of the money of investors in the stock of Assured International for their own personal use.

28. In connection with the offers and sales of the securities described above, all Respondents violated sec. 551.41(2), Wis. Stats., by omitting to state material facts necessary in order to

make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

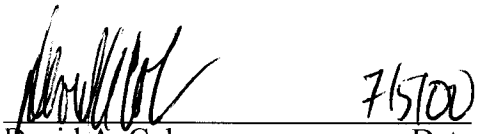
29. The staff of the Enforcement Unit of the Division of Securities sent inquiry letters to Assured International and Tate at their last known business address but to date has received no response.

Therefore, the staff of the Enforcement Unit, Registration & Enforcement Section, petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.



Mark E. Dorman 7-5-00
Examiner
Enforcement Unit

Date



David A. Cohen 7/5/00
Supervising Attorney
Enforcement Unit

Date

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