

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
 2 DIVISION OF FINANCE AND CORPORATE SECURITIES
 3 SECURITIES SECTION
 4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
 5 STATE OF OREGON

6 In the Matter of:)
 7)
 8 JAMES HONSE, AND)
 9 STARSHIP CONSORTIUM, LTD.,)
 10)
 11)
 12)
 13 Respondents.)

0-94-0045
 AGREEMENT and UNDERTAKING
 for
 JAMES HONSE, and
 STARSHIP CONSORTIUM, LTD.

14 WHEREAS the Department of Consumer and Business Services (hereinafter the
 15 Department) conducted an investigation of certain securities transactions
 16 involving JAMES HONSE, STARSHIP CONSORTIUM, LTD., Russell Kenaga, Jr., Russ
 17 Kenaga, Inc., doing business as Russ Kenaga Inc. Realty, Memo USA, Inc., and
 18 Truman Dang, and determined that violations of the Oregon Securities Laws (ORS
 19 Chapter 59) occurred in connection with those transactions; and

20 WHEREAS the Director entered into a Consent Order to Cease and Desist
 21 with Russell Kenaga, Jr.; and

22 WHEREAS the Director issued an Order to Cease and Desist, Order Imposing
 23 Civil Penalty, Order Denying Exemptions and Notice of Right to Hearing in the
 24 above-captioned matter on January 30, 1995; and

25 WHEREAS the Director's Order of January 30, 1995, made certain Findings
 26 of Fact and Conclusions of Law; and

WHEREAS JAMES HONSE and STARSHIP CONSORTIUM, LTD. are the Respondents
 named in such order; and

WHEREAS a dispute exists between the parties with respect to the extent
 of JAMES HONSE'S and STARSHIP CONSORTIUM LTD.'S involvement with Russell

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1 Kenaga, Jr., Russ Kenaga, Inc., doing business as Russ Kenaga Inc. Realty,
2 Memo USA, Inc., and Truman Dang; and

3 **WHEREAS** the parties intend to resolve their differences pursuant to the
4 terms of this Agreement and Undertaking, without admitting or denying any
5 legal liability which may, or may not, result from those facts; and

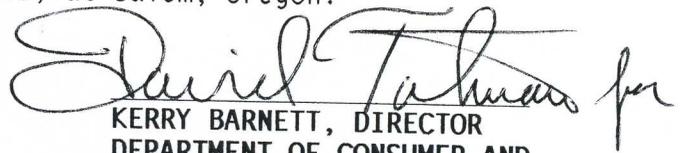
6 **NOW THEREFORE**, in consideration for the Department's agreement to
7 withdraw its Order and to cancel the Hearing now scheduled for May 16, 1995,
8 in the matter of JAMES HONSE and STARSHIP CONSORTIUM, LTD., HONSE and STARSHIP
9 CONSORTIUM, LTD. hereby agree to the following terms and conditions:.

10 1. JAMES HONSE and STARSHIP CONSORTIUM, LTD. agree that they will not
11 effect securities transactions in Oregon unless such activities are in
12 compliance with Chapter 59 of the Oregon Revised Statutes.

13 2. JAMES HONSE and STARSHIP CONSORTIUM, LTD. shall provide written
14 notice to the Director prior to offering or selling any security under an
15 exemption listed in ORS Chapter 59.025 or 59.035 for a period of one year
16 after this Agreement and Undertaking is executed.

17 3. JAMES HONSE and STARSHIP CONSORTIUM, LTD. agree to pay, jointly and
18 severally, the costs of the investigation in the amount of \$1,000. This
19 amount shall be due and payable on or before May 25, 1995. The
20 Director's withdrawal of the Order referenced above will not occur until
21 such time as payment is made. This Agreement and Undertaking shall be
22 null and void if payment is not made on or before May 25, 1995.

23 Dated this 19th day of May, 1995, at Salem, Oregon.

24 
25 KERRY BARNETT, DIRECTOR
26 DEPARTMENT OF CONSUMER AND
BUSINESS SERVICES

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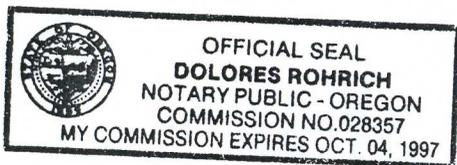
1 **CONSENT TO ENTRY OF AGREEMENT and UNDERTAKING**

2 I, James Honse, Respondent herein, state that I have read the foregoing
3 Agreement and Undertaking; that I know and fully understand the contents
4 thereof; that I consent to the entry of this Agreement and Undertaking without
5 admitting or denying any legal liability; that I have been advised of my right
6 without further hearing on this matter; that I consent to entry of this
7 Agreement and Undertaking voluntarily without any force or duress; that I
8 understand that the Director will not sign the Agreement and Undertaking until
9 I have made full payment due under the terms and conditions herein and that
10 should I fail to make full payment on or before May 25, 1995, this Agreement
11 and Undertaking shall be null and void; that I understand that the Director
12 reserves the right to take further action upon discovery of other violations
13 of the Oregon Securities Law.

14 Dated this 15 day of May, 1995.

15
16 *James Honse*
17 **JAMES HONSE**

18 SUBSCRIBED AND SWORN to before me this 15th day of May, 1995.



27 *Dolores Rohrich*
28 Notary Public for Oregon
29 Commission expires: 10.4.97

30 I, James Honse, state that I am the president of Starship Consortium,
31 Ltd., and I am authorized to act on its behalf; that I have read the foregoing
32 Agreement and Undertaking and that I know and fully understand the contents
33 hereof; that Starship Consortium, Ltd. has been advised of its right to a
34 hearing and of its right to be represented by counsel in this matter; that
35 Starship Consortium, Ltd. voluntarily consents to the entry of this Agreement
36 and Undertaking without further hearing and without any force or duress,
37 expressly waiving any right to a hearing in this matter; that I understand
38 that the Director will not sign the Agreement and Undertaking until full
39 payment has been made under the terms and conditions herein and that if full
40 payment is not made on or before May 25, 1995, this Agreement and Undertaking
41 shall be null and void; that I understand that the Director reserves the right
42 to take further action against Starship Consortium, Ltd. upon discovery of

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Oregon Department of Consumer & Business Services
Corporate Securities Section
350 Winter St. NE, Room 21
Salem, OR 97310
(503) 378-4387

1 other violations of the Oregon Securities Law; and that Starship Consortium,
2 Ltd. will fully comply with the terms and conditions stated herein.

3 Dated this 15 day of May, 1995.

4
5 James Honse
6 **JAMES HONSE, PRESIDENT OF**
7 **STARSHIP CONSORTIUM, LTD.**

8 **CORPORATE ACKNOWLEDGMENT**

9 There appeared before me this 15th day of May, 1995, James Honse who was
10 first duly sworn on oath, and stated that he was and is the president of
11 Starship Consortium, Ltd., and that he is authorized and empowered to sign
12 this Agreement and Undertaking on behalf of Starship Consortium, Ltd., and to
13 bind Starship Consortium, Ltd. to the terms hereof.

14 SUBSCRIBED AND SWORN to before me this 15th day of May, 1995.



Dolores Rohrich
Notary Public for Oregon
Commission expires: 10-4-97