

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of))	
Finance, Securities Bureau,))	
Complainant,))	Docket No. 1996-7-83
vs.))	AGREEMENT AND ORDER
GARY M. LINDGREN, and))	
MICHAEL B. McFARLAND,))	
Respondents.))	
_____))	

The Director of the Department of Finance has instituted an investigation into the conduct of Gary M. Lindgren (Lindgren) and Michael B. McFarland (McFarland). Pursuant to said investigation it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401 *et seq.*, have occurred. The Director, Lindgren and McFarland have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Lindgren and McFarland consent to the entry of this Agreement and Order.

BACKGROUND

1. Lindgren is the president, and has served as a securities salesman of an Idaho corporation named OZ Technology, Inc. (OZ).
2. McFarland is the secretary and general counsel, and has served as a securities salesman of OZ.

FINDINGS OF FACT

3. The findings of the Department concerning the activities of Lindgren and McFarland, as they relate to the offer and sale of securities of OZ, are set forth in a Complaint filed by the Department, State of Idaho v. OZ Technology, Inc., Civil No. CV OC 9603416D , Idaho Fourth Judicial District, Ada County (June 28, 1996). The Complaint, Stipulation for Judgment and Permanent Injunction, and Judgment and Permanent Injunction entered in that case are incorporated herein, and made a part of this record.

FINDINGS OF VIOLATIONS

4. Respondents sold or offered for sale, or caused to be sold, either directly or indirectly, or aided or abetted in the offer or sale, to Idaho residents, securities in the form of OZ stock. The OZ stock offered and sold by Respondents was not registered with the Department as required by Idaho Code §30-1416. Respondents have violated Idaho Code §30-1416.

5. At no time were Respondents licensed by the Department as broker-dealers or salesmen to sell or offer for sale securities as required by Idaho Code §30-1406. Respondents have violated Idaho Code §30-1406.

6. Respondents offered and sold securities to individuals in this state in violation of the antifraud provision of the Idaho Securities Act, Idaho Code §30-1403(2), in that they made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. The false statements and omissions of Respondents include, but are not

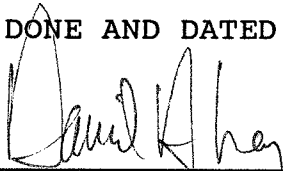
limited to, those set forth in the Complaint filed in this matter, referred to in paragraph 3, above.

REMEDIES/SANCTIONS

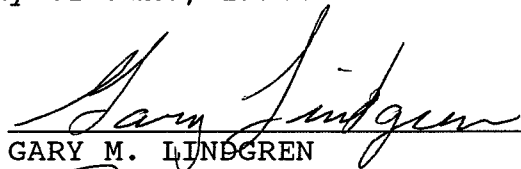
7. Respondents neither admit nor deny the allegations contained in this Agreement and Order.

8. Respondents agree that they shall be parties to, and shall be personally bound by, the offer of rescission to be made by OZ, as specified in paragraph 4 of the Judgment and Permanent Injunction entered in the civil action brought in this matter, referred to in paragraph 3, above. That is, Respondents shall, within thirty (30) days of the signing of the Judgment, offer rescission to all investors in OZ Technology, Inc. The offer of rescission shall be made by way of letter, the contents of which shall be submitted for approval to the Department of Finance prior to its dissemination, and within twenty-one (21) days of the signing of the Judgment. The rescission offer shall not be made until the Department of Finance approves the contents of the letter. All persons who accept the offer of rescission shall be paid pursuant to the terms of the rescission offer.

DONE AND DATED this 28th day of June, 1996.



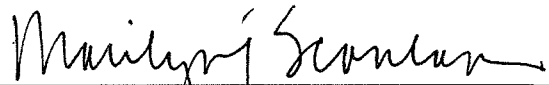
DAVID H. LEROY
Attorney at Law
Counsel for Respondents



GARY M. LINDGREN



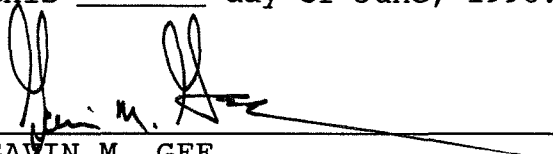
MICHAEL B. MCFARLAND



MARILYN T. SCANLAN
Bureau Chief-Securities Bureau
Department of Finance

IT IS SO ORDERED.

DONE AND DATED at Boise, Idaho this 28th day of June, 1996.



GAVIN M. GEE
Director
Department of Finance

