STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING, SECURITIES, AND CORPORATIONS
P.O. BOX 110807
JUNEAU, AK 99811-0807

In the Matter of:
M.L. Stern & Co. Inc.
8350 Wilshire Boulevard
Beverly Hills, CA 90211

Respondent

ALASKA ORDER #96-05S
CONSENT AGREEMENT

I.

1. Whereas the Alaska Division of Banking, Securities and Corporations ("DBSC") has raised questions concerning the public offering by M.L. Stern & Co., Inc. ("M.L. Stern") of that certain Alaska State Lease and Option Agreement, dated May 15, 1995, between the State of Alaska, Department of Fish and Game, and Mitel Financial Services ("Mitel") (the "Lease"); and,

2. Whereas M.L. Stern is the assignee of the Lease and offered to the public for sale undivided interests in the Lease; and,

3. Whereas the offering of such interest was made through public advertisement; and,

4. Whereas both M.L. Stern and the DBSC desire to effectuate an expeditious resolution of all securities and regulatory issues that in any manner relate to or arise out of the Lease and/or the public offer to sell interests in the lease by M.L. Stern, and without any admission of liability or violation of the Alaska Securities Act (the "Act"), it is now therefore agreed as follows:

II.

5. The DBSC and M.L. Stern agree that M.L. Stern shall immediately furnish to each investor that purchased interests in the Lease the disclosure information attached hereto as Exhibit "A"; and,

6. M.L. Stern shall furnish evidence to the DBSC in the form of an affidavit that such disclosure information was sent registered mail, return receipt request to each such investor; and,
7. M.L. Stern agrees to provide rescission to any such investor upon request; and,

8. Provided that all terms and conditions herein described are met in full, the DBSC agrees and covenants that its inquiry into this matter has concluded; that the DBSC shall not initiate any further administrative proceeding against M.L. Stern; and that the DBSC shall not in any way initiate, assert, claim or maintain any administrative action against M.L. Stern arising out of or relating in any way to the Lease and/or the sale of undivided interests in the Lease.

Agreed to by the principals this 11th day of December 1996.

/s/ Willis F. Kirkpatrick  
Willis F. Kirkpatrick  
Administrator of Securities

/s/ Paul H. White  
Paul H. White  
Executive Vice President  
M.L. Stern Co. Inc.

Contact Person:  
Lawrence P. Carroll  
Senior Securities Examiner  
907-465-2521