STATE OF NORTH CAROLINA

Department of The Secretary of State

THE NORTH CAROLINA SECURITIES DIVISION, Petitioner, vs. INTELLICASE CORPORATION; ROBERT GORDON GOODING; CHARLES ALLEN SMITH; and SEAN KEATING HELMS, Respondents.	)	FINAL ORDER AS TO INTELLICASE CORPORATION AND ROBERT GORDON GOODING FILE NO. 06-046-CC

THIS CAUSE coming on to be heard and being heard before the Secretary of State of the State of North Carolina as Administrator (the "Administrator") of the North Carolina Securities Act (the "Act"); and

IT APPEARING to the Administrator that the undersigned Respondents are some of the subjects of the above-captioned contested case proceeding and that these Respondents desire to resolve the contentions of the Securities Division arising from the application of North Carolina law to their business activities, without further controversy or the full use of the procedural rights available to them under North Carolina law, and that Respondents, by their written consent to this Final Order, do not object to the making of Findings of Fact and Conclusions of Law and the entry of a Final Order in conformity therewith in this proceeding;

FINDINGS OF FACT

(1) Without admitting or denying the various factual matters and legal conclusions relevant to this controversy, the undersigned Respondents do not contest, do waive any and all objections to, and do waive and release any and all rights of appeal from, or judicial review of, the making of Findings of Fact and Conclusions of Law, as set forth herein, and the entry of this Final Order in conformity therewith in this proceeding. By execution of the Consent to Entry of Final Order attached hereto, each of the undersigned Respondents expressly waives any right to a Notice of Hearing, a hearing, the making of findings of fact and conclusions of law, and all further proceedings before the Administrator to which each may be entitled by law and any and all rights to seek judicial review or otherwise challenge the validity of this Final Order.

(2) The Administrative Petition, together with a Temporary Order to Cease and Desist and a Notice of Rights and Opportunity for a Hearing were filed in this matter and served upon the undersigned Respondents by the Petitioner, seeking relief under N.C.G.S. §78A-47(b)(2). Within the time allowed by law, the undersigned Respondents requested a hearing on the matters at issue.

(3) The Administrator has jurisdiction over the subject matter of this proceeding and over the person of each of the undersigned Respondents pursuant to the Act.

(4) Respondent **INTELLICASE CORPORATION** (hereinafter "Respondent IntelliCase") is a corporation that at all times relevant herein was organized under the laws of the State of Delaware, with its principal office in the State of California.

(5) Respondent **ROBERT GORDON GOODING** (hereinafter "Respondent Gooding") is a resident of the State of California. Respondent Gooding is the Chief Financial Officer of Respondent IntelliCase.

(6) Between December 2002 and August 2005, Respondent IntelliCase, through persons then residing and doing business in North Carolina, offered for sale, solicited purchase orders from and sold to 18 residents of North Carolina, debentures issued by Respondent IntelliCase. These debentures are promissory notes for repayment of principal and interest and are securities as defined by N.C.G.S. §78A-2(11). Each of the debentures sold was executed on behalf of Respondent IntelliCase by Respondent Gooding.

(7) The debentures of Respondent IntelliCase sold to North Carolina residents were not registered as securities under the Act in violation of N.C.G.S. §78A-24.

(8) The persons used by Respondents IntelliCase and Gooding to sell the debentures of Respondent IntelliCase, to North Carolina residents were not registered as securities dealers or salesmen under the Act in violation of N.C.G.S. §78A-36. Respondent Gooding signed the checks by which these unlicensed persons were compensated.

(9) Respondent IntelliCase has failed to honor its debentures sold to North Carolina residents as those debentures have become due. Between 2006 and 2008 Respondents Gooding and IntelliCase have solicited the North Carolina residents who purchased these now-defaulted

debentures to either exchange their defaulted debentures for stock in IntelliCase or to accept new debentures from IntelliCase in exchange for the defaulted debentures. The solicitation of North Carolina purchasers to exchange the defaulted debentures of Respondent IntelliCase for new debentures between 2006 and 2008 violated N.C.G.S. §78A-24 as no such offer of replacement debentures from Respondent IntelliCase was ever registered as required by the Act.

(10) The conduct described above of each of the undersigned Respondents is within the subject matter jurisdiction of the Administrator and each Respondent is personally subject to the jurisdiction of the Administrator, to the extent that persons in North Carolina responded to the offers to sell and actually purchased securities as described herein.

(11) This Final Order contains the entire settlement agreement between the undersigned, there being no agreement of any kind, verbal or otherwise, which varies, alters, or adds to this Final Order. Respondents affirmatively state that they have freely agreed to the signing of this Final Order, and that no threats, promises or offers of any kind, other than as stated in this document, have been made by the Securities Administrator, Deputy Securities Administrator, any member of the staff of the Securities Division, or any agent or employee of the Department of the Secretary of State in connection with the signing of this Final Order.

(12) The acceptance and entry of this Final Order will be in the public interest and is necessary for the protection of the investing public.

(13) The undersigned Respondents agree that the presentation of this Final Order to the Administrator without the undersigned Respondents or counsel for Respondents being present shall not constitute an improper *ex parte* communication between the Administrator and Petitioner or counsel for Petitioner. This Final Order shall be effective only after approval and execution by the Administrator

BASED UPON THE FOREGOING Findings of Fact, the Administrator makes the following:

CONCLUSIONS OF LAW

(1) The acceptance and entry of this Final Order is in the public interest and for the protection of investors as required by N.C.G.S. §78A-49(b).

(2) Sale of debentures of Respondent IntelliCase in North Carolina to persons in North Carolina between December 2002 and August 2005 were sales of securities under North Carolina law, N.C.G.S. §78A-2 (8). The offers of new debentures for defaulted debentures for between 2006 and 2008 were offers of securities for sale under the Act.

(3) Offers and sales of the debentures of Respondent IntelliCase and the offer of new debentures to persons in North Carolina between December 2002 and early 2008 were made in violation of N.C.G.S. §78A-24. Respondent IntelliCase, as the issuer of the offered or sold securities, and Respondent Gooding, as the officer of the issuer executing debentures, paying the unlicensed persons to sell securities in North Carolina, and as a person offering new debentures to North Carolina residents, caused these violations of the Act.

(4) The Administrator has jurisdiction of the subject matter of the securities transactions with persons in North Carolina and the person of each of the Respondents to the extent that offers and sales of debentures or stock in Respondent IntelliCase were made to residents of North Carolina.

(5) It is in the public interest of the citizens of North Carolina and for the protection of investors that each Respondent be prohibited from violating the provisions of the Act in connection with selling or making offers to sell securities, buying or soliciting offers to buy securities, or otherwise engaging in business as an issuer of securities pursuant to the Act.

NOW, THEREFORE, the Administrator, acting through her duly appointed Deputy Securities Administrator, pursuant to and under all authority granted by the North Carolina Securities Act, upon the foregoing Findings of Fact and Conclusions of Law does hereby enter the following:

ORDER

IT IS HEREBY ORDERED that Respondents shall immediately cease and desist from offering to sell or selling securities of any kind in the State of North Carolina, including, but not limited to, debentures or stock of IntelliCase Corporation, or any other entity, to persons residing or located in the State of North Carolina, without first complying with Chapter 78A, N.C.G.S., the North Carolina Securities Act.

This **ORDER** shall become final upon entry.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of Secretary of State, this the 12th day of September 2008.

ELAINE F. MARSHALL
SECRETARY OF THE STATE OF
NORTH CAROLINA and
SECURITIES ADMINISTRATOR

By: _____
DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR

CONSENT TO ENTRY OF FINAL ORDER BY ROBERT GORDON GOODING

Robert Gordon Gooding hereby acknowledges that he has read and understands the foregoing **FINAL ORDER**, and, while neither admitting nor denying the Findings of Fact and Conclusions of Law, he does not object to their making or the entry of the foregoing **FINAL ORDER** and acknowledges his waiver of all further substantive and procedural rights in contesting this matter.

Dated this the 2 day of SEPTEMBER, 2008.

By: _____

Robert Gordon Gooding

SUBSCRIBED AND SWORN TO before me this 2ND day of SEPT., 2008.

_____
Notary Public

MUKESH PUNAM PATEL
Comm. # 1572269
NOTARY PUBLIC-CALIFORNIA
Alameda County
My Comm. Expires Apr. 23, 2009

My Commission expires: APRIL 23RD 2009

CONSENT TO ENTRY OF FINAL ORDER BY INTELLICASE CORPORATION

IntelliCase Corporation hereby acknowledges that it has read and understands the foregoing **FINAL ORDER**, and, while neither admitting nor denying the Findings of Fact and Conclusions of Law, it does not object to their making or the entry of the foregoing **FINAL ORDER** and acknowledges its waiver of all further substantive and procedural rights in contesting this matter.

Dated this the 2 day of SEPTEMBER, 2008.

IntelliCase Corporation

By: _____

Title: R.G. GOODING, PRESIDENT

SUBSCRIBED AND SWORN TO before me this 2ND day of SEPT., 2008.

_____
Notary Public

MUKESH PUNAM PATEL
Comm. # 1572269
NOTARY PUBLIC-CALIFORNIA
Alameda County
My Comm. Expires Apr. 23, 2009

My Commission expires: APRIL 23RD 2009

CONSENT TO ENTRY OF CONSENT ORDER BY COUNSEL FOR RESPONDENTS

The undersigned counsel for Respondents, on behalf of Respondents, hereby consents to the submission of this **FINAL ORDER** to the Administrator for acceptance and entry as a final administrative order in this matter.

Dated this the 22d day of August, 200X.

WYRICK ROBBINS YATES & PONTON LLP
Counsel for Respondents

By: _____

Attorney at Law