

STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS

TO: Joe Escareno, President, CFO and CEO  
Steven Strauss, Director of Business Affairs  
Manny Argomaniz, Vice-President  
Robert Argomaniz, Director of Legal Affairs and Agent for Service of Process  
STOVEACT, INC.

731 South Spring Street, Suite 500  
Los Angeles, California, 90014

1210 John Reed Court  
City of Industry, California, 91745

DESIST AND REFRAIN ORDER

The California Corporations Commissioner finds that:

1. At all relevant times, Joe Escareno, was, and continues to be, President, CFO and CEO of Stoveact, Inc., a California corporation, located at 731 South Spring Street, Suite 500, Los Angeles, California, 90014.
2. At all relevant times, Manny Argomaniz was, and continues to be, Vice-President of Stoveact, Inc.
3. At all relevant times, Steven Strauss was, and continues to be, Director of Business Affairs of Stoveact, Inc.
4. At all relevant times, Robert Argomaniz was, and continues to be, Director of Legal Affairs and the Agent for Service of Process of Stoveact, Inc.
5. Beginning in or about August 1999 and through March 2000, Escareno, Strauss, M. Argomaniz, R. Argomaniz and Stoveact, Inc. began to solicit investment opportunities in Stoveact, Inc. by means of a cold-calling telemarketing campaign, for which they hired telemarketers to place telephone calls to potential investors off a lead list in an attempt to sell shares of stock in Stoveact, Inc.
4. Escareno, Strauss, M. Argomaniz, R. Argomaniz and Stoveact, Inc. advertised that Stoveact, Inc.'s primary function as a company is to develop, manufacture, market and sell an automotive anti-theft device that enables a car to be shut off remotely after being stolen. Stoveact and the others were also representing to potential investors that this product, once fully

developed and manufactured would significantly reduce high speed police chases since the Stoveact product would allow police to remotely shut off the car engine of the vehicle failing to yield to the police in pursuit.

6. Stoveact, Inc and the others also operated an internet website at <http://www.stoveact.com>. This website also advertised investment opportunities with Stoveact, Inc. However, the website is no longer operational.

7. These securities were offered and sold in this State in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this State.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that the shares of stock offered and sold by Joe Escareno, Steven Strauss, Manny Argomaniz, Robert Argomaniz and Stoveact, Inc., are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified, in violation of Section 25110 of the Corporate Securities Law of 1968.

Pursuant to Section 25532 of the Corporate Securities Law of 1968, Joe Escareno, Steven Strauss, Manny Argomaniz, Robert Argomaniz and Stoveact, Inc., are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, in the form of shares of stock, unless and until qualification has been made under said law or unless exempt. The sale of such securities are subject to qualification under said law and such securities are being or have been offered for sale without first being so qualified.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: March 25, 2002  
Los Angeles, California

DEMETRIOS A. BOUTRIS  
California Corporations Commissioner

By \_\_\_\_\_ /s/\_\_\_\_\_  
ALAN S. WEINGER  
Supervising Counsel  
Enforcement and Legal Services Division