

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

TO: Richard Dale Falls  
1550 Kamm Avenue # 144  
Kingsburg, CA 93631

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Beginning before 1998, Richard Dale Falls (“Richard Falls”) offered and sold securities in the form of common shares of stock in Int’l. PSO, Inc. (“International”) and Warranty Services, Inc., purportedly doing business in the State of California as Nevada Warranty Services, Inc. (“Warranty”).

2. From November 2001 until his resignation in June 2003, Richard Falls was President of Investors Precision Manufacturing, Inc. (“Investors Precision”). Investors Precision is a California corporation incorporated on November 6, 2001; its principal place of business was, at all relevant times, 10181 Commercial Avenue, Penn Valley, CA 95946.

2. In 2002 and 2003 Richard Falls offered many earlier investors in International and Warranty, securities in the form of common shares of stock in Investors Precision, in exchange for their old shares or stock certificates. Many investors accepted the offer. In addition, beginning around November 2001 Richard Falls offered and sold securities in the form of common shares of stock in Investors Precision to investors who had not previously invested in International or Warranty. In offering and selling these securities to the public, Richard Falls engaged in general solicitations.

3. These securities were offered in this state in issuer transactions. At times Richard Falls represented that he was selling Investors Precision stock as an issuer, and at times Richard Falls represented that he was selling his own stock in Investors Precision, but at all times the purported

1 purpose of the offering was to raise funds for Investors Precision for the manufacture and marketing  
2 of an oil purification product.

3 4. The Department of Corporations has not issued a permit or other form of qualification  
4 authorizing any person or entity to offer and sell these securities in this state.

5 5. In connection with these offers, Richard Falls omitted to disclose material facts,  
6 specifically the following:

7 a.) Between January of 2002 and May 2003, Richard Falls on behalf of Investors  
8 Precision paid monthly consulting fees to Charles V. Hicken. On September  
9 13, 2002 Charles V. Hicken pled guilty in the Superior Court of California,  
10 County of Marin, (Case no. SC123371A), to felonies relating to the offer and  
11 sale of securities, specifically grand theft and the unlicensed sale of securities.  
12 Richard Falls failed to disclose to investors that Charles V. Hicken was the  
13 subject of a criminal investigation and failed to disclose that Charles V. Hicken  
14 had pled guilty to these felonies.

15 b.) On June 20, 2003 Richard Falls resigned as President of IPM.

16 c.) On June 20, 2003 the board of directors of IPM revoked the signature authority  
17 of Richard Falls.

18 Based on the forgoing findings, the California Corporations Commissioner is of the opinion  
19 that the investments offered and sold by Richard Falls constitute securities, which are subject to  
20 qualification under the California Corporate Securities Law of 1968, and that these securities have  
21 been and are being offered and sold without being qualified, and are not exempt, in violation of  
22 Corporations Code section 25110.

23 Pursuant to Corporations Code section 25532, Richard Falls is hereby ordered to desist and  
24 refrain from the further offer or sale in the State of California of securities, including but not limited  
25 to shares of stock in Investors Precision Manufacturing, Inc., unless and until qualification has been  
26 made under the law or unless exempt.

1           Based on the forgoing findings, the California Corporations Commissioner is of the further  
2 opinion that securities were offered and sold by means of written or oral communications that failed  
3 to disclose material facts in violation of 25401 of the Corporations Code.

4           Pursuant to Corporations Code section 25532, Richard Falls is hereby ordered to desist and  
5 refrain from offering or selling or buying or offering to buy securities in this state, including but not  
6 limited to shares of stock in Investors Precision Manufacturing, Inc., by means of any written or oral  
7 communication which includes an untrue statement of a material fact or omits to state a material fact  
8 necessary in order to make the statements made, in light of the circumstances under which they are  
9 made, not misleading.

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

12 Dated: August 21, 2007  
13           Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

15 By \_\_\_\_\_  
16 ALAN S. WEINGER  
17 Lead Corporations Counsel