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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Request of)	
)	OAH No. L-1998040123
DANIEL W. HEATH, HEATH & ASSOCIATES,)	File No.: ALPHA
INC., HEATH PARTNERS, PRIVATE)	
CAPITAL MANAGEMENT, INC., PCM FIXED)	
INCOME FUND I, LLC, and HEATH)	STIPULATED SETTLEMENT
PARTNERS/C.W.D. PARTNERS,)	
)	
Respondents,)	
)	
to)	
)	
THE COMMISSIONER OF CORPORATIONS)	
OF THE STATE OF CALIFORNIA,)	
)	
Complainant,)	
)	
for a hearing pursuant to Section)	
25532 of the Corporate Securities)	
Law of 1968.)	

The parties to this action, COMPLAINANT, THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, and RESPONDENTS, DANIEL W. HEATH, HEATH & ASSOCIATES, INC., HEATH PARTNERS, PRIVATE CAPITAL MANAGEMENT, INC., PCM FIXED INCOME FUND I, LLC, and HEATH PARTNERS/C.W.D. PARTNERS ("RESPONDENTS"), wishing to save time and expenses from further litigation of this matter, stipulate as follows:

1 1. RESPONDENTS hereby withdraw their request for
2 a hearing before the Office of Administrative Hearings and
3 waive any further right to appeal, in any forum, the
4 issuance of the two Desist and Refrain Orders that are the
5 subject matter of this proceeding. In withdrawing their
6 request for a hearing and waiving their rights of appeal,
7 RESPONDENTS admit no violation, liability, fault or breach
8 of any statute, regulation or order.

9 2. COMPLAINANT stipulates that nothing in the
10 two Desist and Refrain Orders is intended to prevent
11 RESPONDENTS from offering and selling any security pursuant
12 to a qualification or to any exemption from the
13 qualification requirement under the Corporations Code.

14 3. COMPLAINANT further stipulates that nothing
15 in the two Desist and Refrain Orders is intended to be a
16 statement as to the integrity of RESPONDENTS, their officers
17 or agents, or of the investment potential of any security
18 that RESPONDENTS might offer now or in the future, including
19 the investments subject to these Desist and Refrain Orders.

20 4. Each signatory hereto covenants that he
21 possesses all the necessary capacity and authority to sign
22 and to enter into this Stipulation.

23 DATED: 5/11/98

DALE A. BONNER
Commissioner of Corporations

24
25 By: _____
26 MARK E. HARMAN, Sr. Trial Counsel

27
28 (additional signatures on next page)

MAY-25-1998 13:18 FROM CORP ENF SRD

TO 89098903501 P.04

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DATED: 5-8-98

DANIEL W. HEATH
Respondent

DATED: 5-8-98

HEATH & ASSOCIATES, INC.
Respondent

By: DANIEL W. HEATH
President

DATED: 5-8-98

HEATH PARTNERS
Respondent

By: DANIEL W. HEATH
Managing Partner

DATED: 5-8-98

PRIVATE CAPITAL MANAGEMENT,
INC.
Respondent

By: DANIEL W. HEATH
President

DATED: 5-8-98

PCM FIXED INCOME FUND I, LLC,
Respondent

By: DANIEL W. HEATH
President

DATED: 5-8-98

HEATH PARTNERS/C.W.D.
PARTNERS
Respondent

By: DANIEL W. HEATH
Managing Partner

Approved as to form and content
DATED: 5-8-98

MARE R. McDONALD, ESQ.
Attorney for Respondents