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

TO: Kalaco Scientific, Inc.  
Raymond Pizinger  
Yakov Katsnelson  
Michael Jackson  
Robert Scaccianoce  
7721 E. Gray Rd., Suite 101  
Scottsdale, AZ 85260

**DESIST AND REFRAIN ORDER**  
(For violations of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Raymond Pizinger (“Pizinger”) was Chief Executive Officer of Kalaco Scientific, Inc., a Nevada corporation, and was responsible for actions of the company in this capacity. Kalaco Scientific, Inc. (“Kalaco”) maintained a business address at 7721 E. Gray Rd., Suite 101, Scottsdale, Arizona 85260.
2. At all relevant times, Yakov Katsnelson (“Katsnelson”) was President of Kalaco Scientific, Inc., and was responsible for actions of the company in this capacity.
3. At all relevant times, Michael Jackson (“Jackson”) was a director of Kalaco Scientific, Inc., and was responsible for the actions of the company in this capacity.
4. At all relevant times, Robert Scaccianoce (“Scaccianoce”) was Director of Shareholder Relations at Kalaco Scientific, Inc.
5. In or about June 2006, Kalaco, Raymond Pizinger, Yakov Katsnelson, Robert Scaccianoce, and Michael Jackson offered and sold securities to California residents in the form of shares of common stock in Kalaco Scientific, Inc. The purpose of the offering was to raise money to develop and market a therapeutic medical device called Nexalin, which purportedly uses “transcranial electronic stimulation” to treat symptoms of various diseases.

1 6. These securities were offered or sold in the State of California in issuer transactions. The  
2 Department of Corporations has not issued a permit or other form of qualification authorizing any  
3 person or entity to offer and sell these securities in this State. Although, an exemption notice was  
4 filed the offering does not fit the requirements of the exemption claimed.

5 Based on the forgoing findings, the California Corporations Commissioner is of the opinion  
6 that the investments offered and sold in the form of common stock in Kalaco Scientific, Inc. are  
7 securities subject to qualification under the California Corporate Securities Law of 1968, and that  
8 these securities have been and are being offered and sold without qualification, and are not exempt, in  
9 violation of Corporations Code section 25110.

10 Pursuant to section 25532 of the Corporations Securities Law, Kalaco Scientific, Inc.,  
11 Raymond Pizinger, Yakov Katsnelson, Robert Scaccianoce, and Michael Jackson are hereby ordered  
12 to desist and refrain from the further offer or sale in the State of California of securities, including but  
13 not limited to shares of common stock in Kalaco Scientific, Inc., unless and until qualification has  
14 been made under the law or unless exempt.

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

17 Dated: September 28, 2010  
18 Sacramento, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

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21 By \_\_\_\_\_  
22 ALAN S. WEINGER  
23 Deputy Commissioner  
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