

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of FBD VENTURES II, LLC,)	CEASE AND DESIST ORDER,
a North Dakota limited liability company,)	ORDER FOR CIVIL PENALTY,
and Craig F. Wollenburg,)	ORDER FOR RESCISSION,
)	AND
)	NOTICE OF RIGHT TO
Respondents.)	REQUEST A HEARING

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA
TO: FBD VENTURES II, LLC, a North Dakota limited liability company, and CRAIG
F. WOLLENBURG, RESPONDENTS.

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. Respondent, FBD VENTURES II, LLC, is a North Dakota limited liability company operated and controlled by Respondent, Craig F. Wollenburg, (hereinafter, "Wollenburg"), with its principal place of business at 109 ½ South Main Street, Rugby, North Dakota. FBD VENTURES II, LLC, is not now and has never been registered as an issuer-dealer or broker-dealer in North Dakota.
2. Respondent Wollenburg is a North Dakota resident who, for all times relevant to this matter, operated and controlled FBD VENTURES II, LLC, as its Principal and Registered Agent.

3. On or about August 4, 2011, Respondent, FBD VENTURES II, LLC, through its agent, Respondent Wollenburg, offered for sale and sold membership interests in FBD VENTURES II, LLC, to Ileen Moen in Rugby, North Dakota, for the principal sum of \$5,000. Respondent Wollenburg is not now and was not then registered as an agent with the North Dakota Securities Department as to the sale of these securities.
4. On or about August 29, 2011, Respondent, FBD VENTURES II, LLC, through its agent, Respondent Wollenburg, offered for sale and sold membership interests in FBD VENTURES II, LLC, to Monte Schneibel in Rugby, North Dakota, for the principal sum of \$20,000. Respondent Wollenburg is not now and was not then registered as an agent with the North Dakota Securities Department as to the sale of these securities.
5. The membership interests in the limited liability company described in paragraphs 3 and 4 are "securities" as defined in N.D.C.C. § 10-04-02(19).
6. The membership interests offered for sale and sold by Respondents were not registered with the Securities Department under N.D.C.C. §§ 10-04-07.1, 10-04-08, or 10-04-08.1; are not an exempt security under N.D.C.C. § 10-04-05; and were not offered for sale or sold in an exempt transaction under N.D.C.C. § 10-04-06; and are not a federal covered security or have not been properly filed as a federal covered security under N.D.C.C. § 10-04-08.4. The offer and sale of the subject investments were made in violation of N.D.C.C. § 10-04-04 and Respondents each engaged in two violations of N.D.C.C. § 10-04-04.

7. The transactions referenced above were conducted at a time when FBD VENTURES II, LLC, was not registered as an issuer-dealer or broker-dealer with the Securities Department. Respondent FBD VENTURES II, LLC, engaged in two violations of N.D.C.C. § 10-04-10(1).
8. Respondent Wollenburg, while registered as an agent with the Securities Department at the time of these transactions, did not make the sales on the books and records of his then broker-dealer and therefore was acting as an unregistered agent as to these securities transactions. Respondent Wollenburg engaged in two violations of N.D.C.C. § 10-04-10(2).
9. Pursuant to N.D.C.C. § 10-04-16 (1), the Securities Commissioner has the authority to Order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violation of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$80,000 based on the violations described above. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to N.D.C.C. § 10-04-16 (1).
10. Upon information and belief, Respondents have engaged in additional offers and sales of securities to other North Dakota investors.
11. This Order is issued in the public interest, and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Securities Department.
2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until they have registered with the Securities Department as issuer-dealers, broker-dealers or agents.

This order does not prohibit the offer or sale of securities through exempt securities transactions under N.D.C.C. § 10-04-06, nor does it prohibit registered broker-dealers and agents from offering or selling exempt securities under N.D.C.C. § 10-04-05 or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to N.D.C.C. § 10-04-08.4.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1). Pursuant to N.D.C.C. § 12.1-32-01(3), a Class B Felony is punishable by a \$20,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to N.D.C.C. § 12.1-32-01.1(2), a Class B Felony is punishable by a \$70,000 fine with respect to an organization.

YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

ORDER FOR AND NOTICE OF CIVIL PENALTY

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1), in an amount not to exceed \$10,000 for each violation. **IT IS ORDERED, THAT:**

1. Respondent FBD VENTURES II, LLC shall pay a civil penalty of \$20,000 to the North Dakota Securities Department based on the violations discussed above. \$15,000 of the civil penalty assessed under this paragraph shall be suspended and shall not be due and payable provided the Respondent completes rescission of the transactions described in paragraphs 3 and 4 of the findings within thirty days of the date of this Order, with the complainants' losses to be calculated pursuant to N.D.C.C. § 10-04-17. Failure to make timely payment to complainants shall result in a default of this provision and the entire civil penalty of \$20,000 shall be due and payable to the Department.
2. Respondent Wollenburg shall pay a civil penalty of \$10,000 to the North Dakota Securities Department based on the violations discussed above.

The civil penalties assessed herein are due and payable immediately upon the entry of this Order, except to the extent that a hearing has been timely requested by the Respondents. If a hearing is requested, the Securities Commissioner expressly reserves the authority to modify this provision and to assess additional civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above or any other violations subsequently discovered. The Commissioner reserves the authority to direct any penalties to the North Dakota Investor Restitution Fund (Fund # 262), for the purpose of repaying aggrieved investors, as appropriate.

ORDER FOR RESCISSION

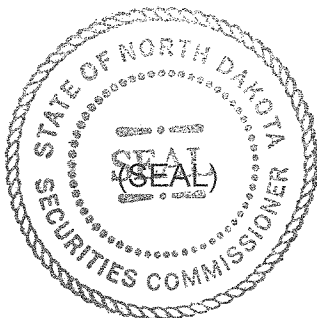
The Securities Commissioner further Orders that the Respondents shall make rescission of the transactions described in paragraphs 3 and 4 of the findings within thirty days of the date of this Order, for the full amount paid for the securities, plus interest at the statutory rate, less the amount of any income received on the securities, pursuant to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17.

The complainants, Ileen Moen and Monte Schneibel, are intended third party beneficiaries of this provision, and may seek to enforce their interests under this paragraph.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The Respondents have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 22nd day of June, 2018.





Karen J. Tyler, Securities Commissioner
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