

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

BEFORE THE  
SECURITIES COMMISSIONER

In the Matter of American Investment )  
Services, Inc. and David R. Bjork, )  
 )  
Respondents )  
 )

**RECEIVED**

CONSENT ORDER

**FEB 8 1999**

**SECURITIES COMMISSIONER  
STATE OF NORTH DAKOTA**

The North Dakota Securities Commissioner has advised the Respondents, American Investment Services, Inc. and David R. Bjork that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. On January 20, 1998, the North Dakota Securities Commissioner's Office received a complaint from Leonilla Grassel, a North Dakota resident, alleging that Respondents violated North Dakota Securities law.
2. On July 23, 1998, the North Dakota Securities Commissioner issued an Order, Notice of Right to Request a Hearing and Notice of Civil Penalties against Respondents. Respondents requested a hearing on that order.
3. For all times relevant to this matter, Respondent David R. Bjork was registered as a securities salesman with respondent, American Investment Services, Inc.
4. On October 7, 1997, Ms. Grassel went to see Mr. Bjork regarding an annuity consisting of employer and employee contributions, with Mutual of America. While at Mr. Bjork's office, Mr. Bjork filled out a document from Mutual of America which authorized Mutual of America to distribute funds from her annuity to be rolled over into an IRA with First American Mutual Funds. Ms. Grassel executed other documents that day, including an IRA Adoption and New Account Agreement for the funds to be rolled over into. Mr. Bjork stated that the form from Mutual of America, the Distribution Method and Tax Withholding Election, and Special Tax Notice Regarding Plan Payments form would be sent to Mutual of America promptly. This form is a client account record.
5. Mr. Bjork failed to promptly submit those documents to Mutual of America, and thereby failed to properly execute a securities transaction in violation of North Dakota law.
6. Sometime in mid December, 1997, Mr. Bjork found that the Distribution Method And Tax Withholding Election, Special Tax Notice Regarding Planned Payments had not been submitted. Prior to submitting the

document in December, Mr. Bjork altered the date on the form next to Ms. Grassel's signature. The date was changed from 10/7/97 to 12/7/97. The document was mailed on 12/7/97. Ms. Grassel did not authorize the change of the document. Mr. Bjork changed these client account records in violation of North Dakota law. Mr. Bjork made no attempt to conceal the fact that he had changed the date.

7. Pursuant to §10-04-16 N.D.C.C., whenever it shall appear to the Commissioner that any person has engaged in any act or practice that is declared illegal in Ch. 10-04 N.D.C.C., the Commissioner may issue any order and collect civil penalties in an amount not to exceed \$10,000 for each violation.
8. The violations described above constitute sufficient grounds for the imposition of civil penalties under Ch. 10-04 N.D.C.C.
9. Respondents waive their right to a hearing in this matter and to present arguments to the Commissioner.
10. Respondents acknowledge their right to be represented by legal counsel throughout this proceeding, and have agreed to an informal disposition of his matter, and have affirmatively waive its right to a hearing before the Commissioner on this matter.

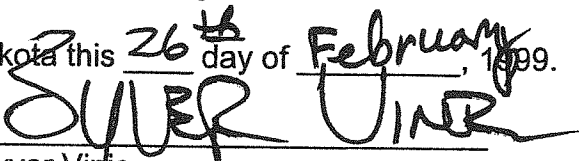
The following Order is necessary and appropriate in the pubic interest.

NOW THEREFORE, IT IS ORDERED THAT:

1. Respondents shall pay a civil penalty of \$5,000 to the Office of the Securities Commissioner pursuant to § 10-04-16 N.D.C.C.
2. The Order, Notice of Right to Request a Hearing and Notice of Civil Penalties, issued by the Commissioner on July 23, 1998 is hereby revoked.
3. This Order shall be effective upon signature of the Commissioner.

Dated at Bismarck, North Dakota this 26<sup>th</sup> day of February, 1999.

(SEAL)



Syver Virjie  
North Dakota Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck N.D. 58505-0610  
(701) 328-2910

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In the Matter of )  
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Respondents. )

CONSENT TO ENTRY  
OF ORDER

.....

The undersigned, acting on behalf of the Respondent, states that he/she has read the foregoing Consent Order; that he/she knows and fully understands its contents and effects; and that he/she is authorized to execute this Consent to Entry of Order on behalf of the Respondent. Respondent has waived his/her right to a hearing with respect to this matter and consents to entry of the Consent Order by the Securities Commissioner without admitting or denying the findings of fact and conclusions of law contained herein. It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 3 day of February, 1999.

American Investment Services, Inc.

By: \_\_\_\_\_  
(Print or Type Name)

Signed: \_\_\_\_\_

Capacity: \_\_\_\_\_

David R. Bjork

Signed: David R Bjork

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Dated this 3<sup>rd</sup> day of February, 1999.

American Investment Services, Inc.

By: Lisa J. Strong  
(Print or Type Name)

Signed: Lisa J. Strong

Capacity: Corp. Vice President

David R. Bjork

Signed: \_\_\_\_\_