

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the Matter of Amerivet
Securities, Inc.

Respondent.

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CONSENT AGREEMENT

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The North Dakota Securities Commissioner has advised the Respondent, Amerivet Securities, Inc., that he is prepared to commence formal action pursuant to NDCC Chapter 10-04 and has determined that:

1. On September 14, 1998, the commissioner received an application for respondent to be registered as a broker/dealer in North Dakota. That application is currently in a pending status. During the course of reviewing the application, the commissioner learned that:
 - a. Respondent executed three transactions in the account of one North Dakota resident while the respondent was not registered as a broker/dealer in North Dakota. Additionally, respondent has acknowledged that, at the time of the transactions, it did not have any persons registered as salesmen in North Dakota, and the person who conducted the transactions on behalf of the North Dakota resident was not registered as a salesman in North Dakota. Each transaction was made in violation of §10-04-10 N.D.C.C.
 - b. The North Dakota resident at issue here became a client of respondent through a transfer of clients from Creative Capital, Inc. Respondent did not solicit the North Dakota resident as a client.
 - c. That at the time of the transactions, respondent was using the services of J. B. Oxford as its clearing broker. J. B. Oxford has a computer system,

which is designed to reject any transactions on behalf of any client who resides in any state where the firm is not registered as a broker/dealer.

That system broke down with regard to the transactions set forth above.

2. That on February 9, 1999, the commissioner issued an "order, notice of civil penalties, and right to request a hearing" in the above-reverenced matter. That order assessed civil penalties in the amount of \$1,000 for the above-referenced violations. The order did not determine the approval or denial of the pending broker/dealer application. Respondent properly requested a hearing with regard to that order.
3. Pursuant to NDCC §10-04-16, when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may, in his discretion, issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.
4. The information described above is sufficient grounds for the Commissioner to assess civil penalties against Respondent pursuant to NDCC §10-04-16.
5. Respondent acknowledges its right to a hearing on this matter and has waived right to a hearing in this matter and to present arguments to the Commissioner.
6. Respondent, without admitting or denying the Commissioner's findings put forth above, agrees to resolve this matter with the Office of the Securities Commissioner by this agreement, and this is evidenced by its representative's signature below.
7. The following Agreement is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS HEREBY AGREED, THAT:

1. Respondent has read this agreement and understands its full effect. Respondent enters into this agreement freely and willingly. Respondent has agreed to enter into this agreement and thereby withdraw its right to a hearing on this matter.
2. Respondent shall not transact any securities business with any person in North Dakota unless registered as a dealer or properly exempted under NDCC Chapter 10-04.
3. Respondent shall not employ any person to represent them as a securities salesman for any securities business with any person in North Dakota unless such person is registered as a salesman or properly exempted under NDCC Chapter 10-04.
4. Respondent shall not be permitted to violate provisions 2 or 3 above, even if such violations are based on reliance on any other person.
5. Respondent shall immediately, and through this agreement hereby does, withdraw its pending broker/dealer application and shall not reapply to be registered as a broker/dealer in North Dakota for a period of one year from the date of this agreement.
6. If the applicant shall re-apply to be registered as a broker/dealer in North Dakota according to the terms set forth in provision 5 above, nothing contained in this agreement shall be used as the sole grounds for denying that application for registration as a broker/dealer.
7. The commissioner's "order, notice of civil penalties, and right to request a hearing" dated February 9, 1999, as referenced above, is hereby vacated.
8. This consent agreement shall be effective upon signatures of the commissioner and the respondent.

Signed and Sealed this 24th day of May, 1999.



Syver Vinje

Syver Vinje, Securities Commissioner
Office of the Securities Commissioner
State Capitol-Fifth Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

Dated this 18th day of MAY, 1999.

Amerivet Securities, Inc.
9800 S. Sepulveda Blvd., Ste. 820
Los Angeles, CA 90045

By: ELTON JOHNSON JR
(Type or Print Name)

Signed: [Signature]
Capacity: PRESIDENT & CEO

Subscribed and Sworn before me this 18th day of MAY, 1999.

[Signature]

Notary Public
State: California County: Los Angeles
My Commission Expires: Oct 9, 1999

