

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Ashmore Family)
Foundation, a Minnesota Charitable)
Trust, Flint Ashmore, Monte R. Ashmore,)
and their Officers, Directors, Agents,)
and Employees,)
Respondents.)

CONSENT ORDER

OAH File No. 20070389

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH
DAKOTA TO: ASHMORE FAMILY FOUNDATION, a Minnesota Charitable
Trust, FLINT ASHMORE, MONTE R. ASHMORE, AND THEIR OFFICERS,
DIRECTORS, AGENTS, AND EMPLOYEES, RESPONDENTS.**

The North Dakota Securities Commissioner has advised the Respondents that the Commissioner is prepared to commence formal action pursuant to Chapter 10-04 of the North Dakota Century Code and has determined as follows:

1. Respondent, Ashmore Family Foundation, (hereinafter, "the Foundation") is a Minnesota Charitable Trust operated and controlled by Respondents, Flint Ashmore and Monte R. Ashmore, as Trustees, and is headquartered in Ulen, Minnesota. Ashmore Family Foundation is not now and has never been registered as a broker-dealer in North Dakota.
2. Respondents, Flint Ashmore and Monte R. Ashmore, are Minnesota residents who, for all times relevant to this matter, operated and controlled the Foundation, as Trustees. Respondents, Flint Ashmore and Monte R. Ashmore, are not now and have never been registered as an agent with the North Dakota Securities Department.

3. On or about March 1, 2004, Respondents engaged in the offering of an investment contract known as an "Endowment Agreement" issued by the Ashmore Family Foundation to Dan Hillman, a North Dakota resident, in Fargo, North Dakota. The securities transaction involved a total principal investment of \$10,000 together with interest to be paid as set forth in the agreement.
4. On or about March 22, 2005, Respondents engaged in the offering of an investment contract known as an "Endowment Agreement" issued by the Ashmore Family Foundation to Dan Hillman, a North Dakota resident, in Fargo, North Dakota. The securities transaction involved a total principal investment of \$10,000 together with interest to be paid as set forth in the agreement.
5. On or about March 21, 2005, Respondents engaged in the offering of an investment contract known as an "Endowment Agreement" issued by Ashmore Family Foundation, to Rodney and Karen Thompson, North Dakota residents, in West Fargo, North Dakota. The securities transaction involved a total principal investment of \$40,000 together with interest to be paid as set forth in the agreement.
6. On or about March 21, 2005, Respondents engaged in the offering of an investment contract known as an "Endowment Agreement" issued by Ashmore Family Foundation, to Nathan Thompson, a North Dakota resident, in West Fargo, North Dakota. The securities transaction involved a total

principal investment of \$12,000 together with interest to be paid as set forth in the agreement.

7. Respondents have failed to make all payments of principal and interest to the investors as agreed.
8. The Endowment Agreements issued by the Foundation have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 10-04-08, or 10-04-08.1; are not exempt securities under N.D.C.C. § 10-04-05; and have not been offered for sale or sold in exempt transactions under N.D.C.C. § 10-04-06; and are not federal covered securities or have not properly filed as federal covered securities under N.D.C.C. § 10-04-08.4. The offers and sales of the subject investments were made in violation of N.D.C.C. § 10-04-04 and Respondents engaged in four violations of N.D.C.C. § 10-04-04.
9. The transactions referenced above were conducted at a time when the Foundation was not registered as a broker-dealer with the Securities Department. The Foundation engaged in four violations of N.D.C.C. § 10-04-10(1).
10. Respondent, Flint Ashmore, was not registered as an agent with the Securities Department at the times of these transactions. The Respondent, Flint Ashmore, engaged in four violations of N.D.C.C. 10-04-10(2).
11. Respondent, Monte R. Ashmore, was not registered as an agent with the Securities Department at the times of these transactions. The Respondent, Monte R. Ashmore, engaged in four violations of N.D.C.C. 10-04-10(2).

12. 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 violations 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 \$160,000 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).
13. Respondent Ashmore Family Foundation is the beneficial owner of approximately 253 acres of land located in Clay County, Minnesota. Respondents have taken steps to enroll the property with the State of Minnesota as a Wildlife Restoration Project and agree and pledge the proceeds from any WRP payments and/or the sale of the land, after mortgage liens, to be paid to the investors pro rata as restitution as hereinafter set forth.
14. Respondents have a right to a hearing on this matter, but affirmatively waive any right to a hearing and to present arguments to the Commissioner regarding this matter.
15. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by Respondents' signatures on the Consent to Entry of Order, attached hereto and incorporated herein by reference.
16. This following Order is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS ORDERED AND AGREED as follows:

1. The Respondents shall **CEASE AND DESIST** 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; 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 broker-dealers or agents; and from using material misstatements or omissions, engaging in a scheme or artifice to defraud investors, or from engaging in any fraudulent or deceptive practices, in connection with the offer and/or sale of securities in this state.
2. Respondents shall make payment to Dan Hillman, his heirs or assigns, the principal sum of \$20,000.00, accrued interest to date of \$3,115.00, plus interest at the rate of 6% per annum until the payment is made in full. Respondents shall make payment to Rodney and Karen Thompson, their heirs or assigns, the principal sum of \$26,543.45, accrued interest to date of \$2,282.00, plus interest at the rate of 6% per annum until the payment is made in full. Respondents shall make payment to Nathan Thompson, his heirs or assigns, the principal sum of \$11,851.46, accrued interest to date of \$1,432.42, plus interest at the rate of 6% per annum until the payment is made in full.
3. Respondents agree to sell the real property described in paragraph 14 above, and the net proceeds from the sale of the property shall be deposited

into the North Dakota Investor Restitution Fund (Fund # 262) to the extent necessary to reimburse the investors in the amounts set forth in the preceding paragraph. The sale of this property shall be completed within one year from the date of entry of this Order. If the payments based on the sale of the property do not amount to the debt outstanding or if the sale is not completed within one year, the payments shall become immediately due and payable and a certified copy of this final order may be filed with the clerk of a court of competent jurisdiction as provided in §10-04-16 of the North Dakota Century Code.

4. The Commissioner hereby assesses a civil penalty of \$40,000.00 against the Respondents, jointly and severally, but that civil penalty is suspended and shall not be enforced by the Commissioner so long as the Respondents comply with the terms of this Consent Order. Any willful violation of this Consent Order shall result in a default of this Consent Order and the entire civil penalty shall be immediately due and payable.
5. Nothing in this Order shall be interpreted to preclude any individual investor from bringing any private action against the Respondents or against any other person based on the facts set forth herein, including bringing suit under N.D.C.C. §10-04-17.
6. This Order shall be effective upon signature of the Commissioner.

IN TESTIMONY WHEREOF, witness my hand and seal this 24th day of
January, 2008.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

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 Respondents.)

**CONSENT TO ENTRY
OF ORDER**
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Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the above-named Respondents state that:

1. The Respondents have read the foregoing Consent Order and know and fully understand its contents and effects.
2. The Respondents have been advised of their rights to a hearing with regard to this matter, and have specifically waived their rights to a hearing.
3. The Respondents have been advised that any willful violation of the Consent Order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1) and is punishable by a \$10,000 fine and 10 years imprisonment, with respect to a natural person, pursuant to N.D.C.C. § 12.1-32-01(3) or by a \$35,000 fine with respect to an organization, pursuant to N.D.C.C. § 12.1-32-01.1(2).
4. The foregoing Consent Order, which is attached hereto and incorporated herein by reference, constitutes the entire settlement agreement between the Respondents and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
5. The Respondents admit the jurisdiction of the Securities Department and the factual determinations set forth in the foregoing Consent Order, and they are specifically precluded from denying those determinations in any forum, public or private.

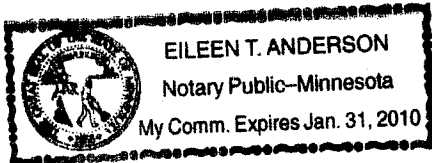
6. The Respondents consent to entry of the foregoing Consent Order by the Securities Commissioner, and do so willingly and voluntarily for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 18th day of January, 2008.

ASHMORE FAMILY FOUNDATION

Flint Ashmore (T) Monte R. Ashmore (T)
By: Ashmore Family Foundation
Its: Trustee

Subscribed and sworn to before me this 18th day of January, 2008.

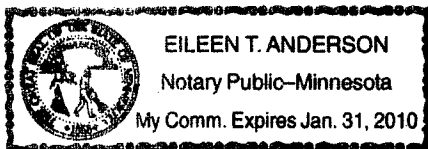


Eileen Anderson
Notary Public
My Commission Expires: 1-31-2010

Dated this 18th day of January, 2008.

Flint Ashmore
Flint Ashmore

Subscribed and sworn to before me this 18th day of January, 2008.

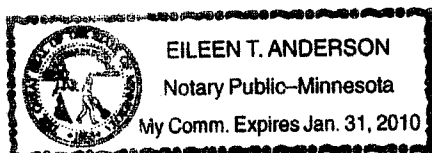


Eileen Anderson
Notary Public
My Commission Expires: 1-31-2010

Dated this 18th day of January, 2008.

Monte R. Ashmore
Monte R. Ashmore

Subscribed and sworn to before me this 18th day of January, 2008.



Eileen Anderson
Notary Public
My Commission Expires: 1-31-2010