

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of ASKAR, Corp. )  
 )  
 Respondent. )

CONSENT ORDER

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The North Dakota Securities Commissioner has advised the Respondent, ASKAR, Corp., that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, ASKAR, Corp., is a securities dealer headquartered in Bloomington, Minnesota. ASKAR, Corp. is, and for all times relevant to this matter, has been registered as a dealer with the Securities Department.
2. Gregory A. Grossman, is a resident of Minnesota who has previously been a securities agent employed by and associated with several securities dealers, including ASKAR, Corp. Grossman was also licensed as an insurance agent for several insurance companies.
3. On March 15, 2001, the North Dakota Insurance Commissioner issued a Consent Order wherein the Commissioner found that Mr. Grossman violated the insurance laws and suspended the insurance agent license of Mr. Grossman for a period of 1 year.
4. On May 16, 2001, Mr. Grossman became affiliated with ASKAR, Corp. as a securities agent. On or around that time, Mr. Grossman filled out a form U-4, the form used to disclose customer complaints and regulatory matters to regulators. Mr. Grossman did not properly disclose the Insurance Commissioner's Consent Order on that form, and specifically denied that he had been found to have violated investment-related laws, was the subject of an Order, and that he had a license suspended.
5. On or before June 18, 2001, the compliance officer of ASKAR, Corp. received information from Mr. Grossman regarding the suspension of his insurance agent licensure and Consent Order issued by the Insurance Commissioner. ASKAR did not conduct any further investigation into the information provided by Mr. Grossman.
6. On or around August 30, 2001, ASKAR, Corp. submitted an application for registration of Mr. Grossman as an agent in North Dakota. ASKAR submitted the form U-4 in the form substantially similar to the form filled out by Grossman on or around May 16, 2001. ASKAR, Corp. did not disclose the Consent Order and

Suspension of the agent license of Mr. Grossman, nor did ASKAR, Corp. correct the affirmative misstatements made by Mr. Grossman.

7. ASKAR, Corp. contends that this failure to disclose information to the Securities Department was inadvertent and therefore negligent, but not a knowing or willful attempt on the part of ASKAR, Corp. to deceive the Securities Department. Despite this contention, it is clear that ASKAR, Corp. had constructive knowledge, if not actual knowledge, of Mr. Grossman's misstatements at the time that it submitted the U-4 to the Securities Department.

8. Pursuant to Section 10-04-15(1) N.D.C.C., no person may knowingly make or cause to be made any false statement or misrepresentation in any application with the Securities Department. The facts set forth above demonstrate that Respondent engaged in one violation of this section.

9. Pursuant to Section 10-04-16 N.D.C.C., 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 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. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to Section 10-04-16(1) N.D.C.C.

10. Respondent acknowledges its right to a hearing on this matter and waive this right to a hearing and to present arguments to the Commissioner.

11. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order.

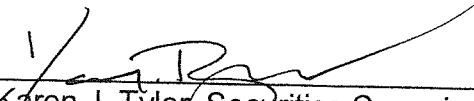
12. The following Order is necessary and appropriate in the public interest and for the protection of investors.

**NOW, THEREFORE, IT IS ORDERED, THAT:**

1. Respondent shall not submit applications to the Securities Department if they, or any of them, contain false or misleading statements or other misrepresentations.
2. Respondent shall pay a civil penalty of \$1,000, made payable to the North Dakota Securities Department, pursuant to NDCC §10-04-16(1).
3. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 9<sup>th</sup> day of February, 2004.



  
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Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

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 )  
 Respondent. )

**CONSENT TO ENTRY  
OF ORDER**

.....  
Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the undersigned person, on behalf of the Respondent, states that:

1. He or she has read the foregoing Consent Order, and knows and fully understand its contents and effects.
2. The Respondent has been advised of its right to a hearing with regard to this matter, and has specifically waived its right to a hearing.
3. The Respondent has been advised that any willful violation of this order is a Class B Felony pursuant to Section 10-04-18(1) N.D.C.C. and is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person, pursuant to Section 12.1-32-01(3) N.D.C.C. or by a \$35,000 fine with respect to an organization, pursuant to Section 12.1-32-01.1(2) N.D.C.C.
4. The foregoing Consent Order constitutes the entire settlement agreement between the Respondent and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
5. The Respondent admits the accuracy of the factual determinations of the Commissioner, as set forth in the foregoing Consent Order, except that Respondent does deny actual knowledge of the applicable misstatements at the time that the U-4 was submitted to the Securities Department. The Respondent is specifically precluded from denying the Commissioner's determinations, except as set forth above, in any forum, public or otherwise.
6. The Respondent consents to entry of the foregoing Consent Order by the Securities Commissioner, and does so willingly for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 2nd day of Feb, 2004.

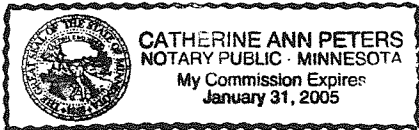
ASKAR, Corp.  
Two Appletree Square, Suite 350  
Bloomington, MN 55425-1675

[Signature]

By: V-P. Keith A. Witter

Its: Vice Pres

Subscribed and Sworn before me this 2<sup>nd</sup> day of February, 2004.



(Notary Seal)

Catherine A. Peters

Notary Public

State: MN

County: Hennepin

My Commission Expires: 1/31/05