

**STATE OF NORTH DAKOTA**

**SECURITIES DEPARTMENT**

In the Matter of CD Acquisition )  
Group, LLC; and David Mees, )  
Respondents. ) **CONSENT ORDER**

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The North Dakota Securities Commissioner has advised the Respondents, CD Acquisition Group, LLC and David Mees, 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, CD Acquisition Group, LLC, (CDAG) was a North Dakota company created by the Respondent, David Mees and other persons. CDAG is not now and has never been registered as a broker-dealer with the Securities Department.
2. Respondent, David Mees, is a North Dakota resident. Mees is not now, and has never been, registered as an agent with the Securities Department.
3. During 2000 and 2001, Respondents offered for sale and sold investments in CD Acquisition Group in fifteen separate transactions in North Dakota. The investments total \$75,500.
4. The subject securities 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 N.D.C.C.; are not exempt securities under N.D.C.C. § 10-04-05; 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 been properly filed as federal covered securities under N.D.C.C. § 10-04-08.4.
5. Pursuant to N.D.C.C. § 10-04-04, no person may sell a security in this state unless the security is registered, exempt from registration, or is a federal covered security. The facts set forth above demonstrate that Respondent violated this section.
6. Pursuant to N.D.C.C. § 10-04-10(1), no broker-dealer may offer for sale or sell any security unless registered as a broker-dealer. The facts set forth above demonstrate that respondents engaged in 15 violations of this provision.
7. Pursuant to N.D.C.C. § 10-04-10(2), no agent may offer for sale or sell any security unless registered as an agent. The facts set forth above demonstrate that respondents engaged in 15 violations of this provision.

8. Respondent, Mees, failed to disclose material information to the investors at the time that the securities were offered for sale or sold.
9. Pursuant to N.D.C.C. § 10-04-15, no person may omit to state a material fact in connection with the offer and/or sale of any security. The facts set forth above demonstrate that respondents engaged in 15 violations of this provision.
10. Pursuant to N.D.C.C. § 10-04-16(1), 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 N.D.C.C. § 10-04-16(1).
11. Based substantially on the facts set forth above, the Securities Department issued an Order for Civil Penalty; Order of Rescission; and Notice of Right to Request a Hearing in this matter on September 7, 2005.
12. Respondents acknowledge their right to a hearing on this matter and waive this right to a hearing and to present arguments to the Commissioner.
13. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order.
14. 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 offer for sale and/or sell any security in North Dakota unless that security is registered or exempt from registration under N.D.C.C. Ch. 10-04.
2. Respondent shall not engage in any fraudulent conduct in North Dakota in violation of Section 10-04-15 N.D.C.C.
3. Respondent shall comply with the requirements of the North Dakota Securities Act in all respects.
4. Respondent is hereby assessed a civil penalty of \$2,500 pursuant to N.D.C.C. § 10-04-16(1).

5. Respondent, Mees, shall pay the investor Restitution Fund the sum of \$75,500, plus 6% interest per annum, for the purpose of returning those funds to residents of North Dakota.

6. The requirements set forth in paragraph 5 is suspended and shall not be required if Respondent, Mees, makes payments to the Investor Protection Fund as follows:

a. \$200 per month due on the first day of each month, beginning March 1, 2007, until the payment is complete, or until Respondent, Mees, completes payment through one of the four options listed in paragraph 6 (b).


b. Payment is deemed complete if the Respondent, Mees, makes one of the following balloon payments:

- i. \$30,000 on or before February 1, 2009, or
- ii. \$40,000 on or before February 1, 2010, or
- iii. \$50,000 on or before February 1, 2011, or
- iv. \$60,000 on or before February 1, 2012.

7. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 3<sup>rd</sup> day of March, 2007.



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



Dated this 26 day of Feb., 2007.

David Mees

David Mees (in his personal capacity and  
on behalf of CD Acquisition Group, LLC)  
2711 Marina Rd SE  
Mandan, ND 58554

Subscribed and Sworn before me this 26 day of February, 2007.

Josie M. Palanuk

Notary Public

State: North Dakota County: Morton

My Commission Expires: February 21, 2013

(Notary Seal)

