

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Craig Brown )

Respondent )

**CONSENT ORDER**

.....

The North Dakota Securities Commissioner has advised the respondent, Craig Brown, 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 is a securities salesman associated with New England International Surety, a firm headquartered in Brussels, Belgium. New England International Surety is not now and has never been registered as a Broker Dealer in North Dakota, nor has it ever filed to register or exempt from registration any security in North Dakota. Respondent is not now and has never been registered as a securities agent in North Dakota.

2. During September of 1999, respondent solicited two persons, husband and wife, who were and are North Dakota residents to purchase promissory notes issued by New England International Surety. The solicitation did not result in a sale. The subject notes are securities under North Dakota law, and were not registered or exempt from registration under North Dakota law.

3. Pursuant to section 10-04-04 N.D.C.C., no person may lawfully offer for sale sell securities in North Dakota or to a resident of North Dakota unless the security is registered or exempt from registration under North Dakota law.

4. Pursuant to section 10-04-10 N.D.C.C., no dealer may offer for sale or sell any securities within or from this state unless registered as a Broker/Dealer, and no agent may offer for sale or sell any securities within or from this state, unless registered as an agent in North Dakota, unless the securities are sold through exempt transactions under section 10-04-06 N.D.C.C.

5. 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, 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.

6. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C.

7. Based on the violations as briefly described above, on February 16, 2000, the Commissioner issued a Cease and Desist Order against several parties, including Mr. Brown. Also based on those violations, on April 26, 2000, the Commissioner issued an order for Civil Penalty wherein the Commissioner ordered the Respondent to pay civil penalties in the amount of \$10,000. Respondent states that he has complied with the prohibitions set forth in the Cease and Desist Order, but has not made payment of any Civil Penalties issued in the Order of April 26, 2000.

8. Respondent asserts a right to a hearing on this matter, but affirmatively waives any right to a hearing and to present arguments to the Commissioner regarding this matter.

9. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by the respondents' signature on the Consent to Entry of Order, attached hereto and incorporated herein by reference.

10. The following Order is necessary and appropriate in the public interest.

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

1. Respondent shall not transact any securities business with any person in North Dakota unless respondent is registered as an agent, and conducting business through a registered broker/dealer, or properly exempted under Chapter 10-04 N.D.C.C.

2. Respondent shall pay a civil penalty of \$2,000 to the Office of the Securities Commissioner pursuant to NDCC §10-04-16.

3. The Order for Civil Penalty, as issued against Mr. Brown on April 26, 2000, is vacated by the Commissioner.

4. The resolution of this matter is between the Commissioner and the Respondent, and this Consent Order does not resolve the facts and circumstances set forth above with regard to any other person, whether or not named as a respondent in any previous Order issued by the Commissioner.

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

Signed and Sealed this 31<sup>st</sup> day of July, 2000.



*Syver Vine*

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

STATE OF NORTH DAKOTA

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COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Mr. Brown, )  
 )  
 Respondent )

**CONSENT TO ENTRY  
OF ORDER**

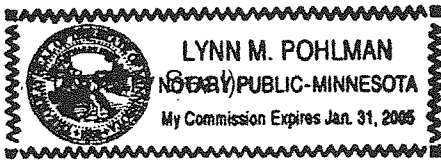
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Craig Brown, the undersigned, states that he has read the foregoing Consent Order and that he knows and fully understand its contents and effects. He further states that he is executing this Consent to Entry of Order in his personal capacity. He acknowledges that respondent he has waived his rights to a hearing with respect to this matter, and that he consents to entry of the Consent Order by the Securities Commissioner.

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 13 day of July, 2000.

Craig Brown  
Craig Brown  
102 1<sup>st</sup> Avenue SE, Box 98  
Mapleton, MN 56065

Subscribed and Sworn before me this 13<sup>th</sup> day of July, 2000.



Lynn M Pohlman  
Notary Public  
State: Minnesota County: McLeod  
My Commission Expires: 1-31-05