

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of Daniel Wood)
)
Respondent.)

**ORDER TO ASSESS CIVIL
PENALTY, AND NOTICE OF
OPPORTUNITY FOR HEARING**

.....
FINDINGS OF FACT

The North Dakota Securities Commissioner has conducted an investigation into the activities of Daniel Wood, in conjunction with Centex Securities, Incorporated f/k/a La Jolla Securities (Centex) and has made the following findings.

1. Between September of 1995 and March of 1996, Daniel Wood made sales of securities to Cindy and Terry Severson, residents of North Dakota, while he was not registered as a salesman in North Dakota.
2. On March 18, 1997, Daniel Wood and Centex entered into a Consent Order with the North Dakota Securities Commissioner because of the illegal sales activities of Daniel Wood, a salesman for Centex, who sold securities to Cindy and Terry Severson, residents of North Dakota, while he was not registered as a salesman as required by North Dakota law and that Centex failed to properly supervise its salesman as required by North Dakota law and the NASD Rules of Fair Practice. Mr. Wood was thereby ordered to make payment to the Office of the North Dakota Securities Commissioner a civil penalty of \$5,000 and was to make a rescission offer to Cindy and Terry Severson, and if the rescission offer is accepted by the Seversons, "payment shall be made within 10 days of the receipt of the acceptance".
3. Centex and Wood jointly made payment of \$5000 to this office on April 4 and prepared a rescission letter for Cindy and Terry Severson which was dated March 31, 1997. The Seversons accepted the Rescission offer and it was received by Centex Securities on April 10, 1997. Full payment to the Seversons has not been made, and Centex and Wood have been in violation of the March 18 order since April 20. On May 8, 1997, Centex made payment to the Seversons in the amount of \$7,728.67 (which was the value of her portfolio at the time of liquidation) which leaves an unpaid balance of \$22,707.46. Respondents continue to be in violation of the Consent Order of March 18, 1997.
4. Mr. Wood states that he would like to repay Cindy and Terry Severson and is willing to do so pursuant to a payment plan attached hereto and incorporated herein by reference.

CONCLUSIONS OF LAW

Based on the facts as stated above, the Commissioner makes the following conclusions of law.

1. Daniel Wood violated and continues to violate the Consent Order dated March 18, 1997 by not paying the rescission to Cindy and Terry Severson as required by that order. The Commissioner has the authority to impose a \$10,000 civil penalty on Mr. Wood for this violation.

ORDER

Now Therefore, the Commissioner hereby orders the following:

1. The Commissioner hereby orders that Daniel Wood shall make payment, within 30 days of the execution of this order of \$10,000 in civil penalties to the Office of the Securities Commissioner for their violations of the Consent Order dated March 18, 1997.
2. In the alternative to paying the Civil Penalty assessed above, Respondent may pay the rescission to Cindy and Terry Severson as required by the Order dated March 18, 1997 according to the terms expressed in the attached payment plan. Failure to comply with any part of that payment plan, however, automatically disqualifies Mr. Wood from this provision, nor does it relieve Mr. Wood from all obligations imposed in the Consent Order dated March 18, 1997.

NOTICE OF OPPORTUNITY FOR HEARING

You are notified that pursuant to NDCC §10-04-11 NDCC §10-04-12 and NDCC §10-04-16 you may request a hearing before the Securities Commissioner if such a request is made in writing within ten (10) days after the receipt of this order. Such writing must contain all specific objections to the Findings of Fact and Conclusions of Law as contained in this order. Respondents should also state, in specific detail, any legal theories upon which any objections may be based. The Respondents have the right to be represented by legal counsel at the hearing.

Dated at Bismarck, North Dakota, on May 12, 1997.



05/12/97

Cal Hoovestol

CAL HOOVESTOL
SECURITIES COMMISSIONER
State Capitol-5th Floor
Bismarck, ND 58505-0510
(701) 328-2910

Payment Plan For Daniel Wood
 Rescission of Money to Cindy and Terry Severson
 based on monthly payments of \$2186.72

The foregoing plan begins with an original due date of the entire amount, pursuant to the Consent Order dated March 18, 1997. It also acknowledges receipt of \$7,728.67 by Cindy and Terry Severson on May 8, 1997. Payments are to be made via certified or cashier's check made out to Cindy and Terry Severson delivered to the Office of the Securities Commissioner on or before the 15th of each month beginning July 15, 1997 and ending on June 15, 1998.

The payments under this plan are to be in the amount of \$2,186.67 for the first eleven payments with the payment of June 15, 1998 to be in the amount of \$561.71. This payment schedule was determined on a 12% interest which is the post-judgment interest rate in North Dakota. The balance may be prepaid at any time but if you to fall behind in the payments, the attached order demands that you make additional payments of \$10,000 in civil penalty in addition to the required payments under this plan.

Date	Former Balance	Interest Accrued	Amount Paid (Due)	Ending Balance
4/20/97	\$30,436.13	0	0	\$30,436.13
5/8/97	\$30,436.13	\$ 182.62	\$ (7,728.67)	\$22,890.08
7/15/97	\$22,890.08	\$ 511.21	\$ (2,186.72)	\$21,214.57
8/15/97	\$21,214.57	\$ 212.15	\$ (2,186.72)	\$19,239.99
9/15/97	\$19,239.99	\$ 192.40	\$ (2,186.72)	\$17,245.67
10/15/97	\$17,245.67	\$ 172.46	\$ (2,186.72)	\$15,231.41
11/15/97	\$15,231.41	\$ 152.31	\$ (2,186.72)	\$13,197.00
12/15/97	\$13,197.00	\$ 131.97	\$ (2,186.72)	\$11,142.26
1/15/98	\$11,142.26	\$ 111.42	\$ (2,186.72)	\$9,066.96
2/15/98	\$9,066.96	\$ 90.67	\$ (2,186.72)	\$6,970.91
3/15/98	\$6,970.91	\$ 69.71	\$ (2,186.72)	\$4,853.90
4/15/98	\$4,853.90	\$ 48.54	\$ (2,186.72)	\$2,715.72
5/15/98	\$2,715.72	\$ 27.16	\$ (2,186.72)	\$556.15
6/15/98	\$556.15	\$ 5.56	(\$561.71)	\$0.00

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AFFIDAVIT OF MAILING

.....
I, Diane Lillis, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On, May 16, 1997, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following documents:


**ORDER TO ASSESS CIVIL PENALTY,
AND NOTICE OF OPPORTUNITY FOR HEARING**

PAYMENT PLAN FOR DANIEL WOOD

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via certified mail, return receipt requested, and addressed to:


Daniel Wood
7621 Eads Ave. #3G
La Jolla, CA 92037

To the best of my knowledge, information, and belief, the address given above is the actual post office address of the party intended to be served.



Diane Lillis

Subscribed and sworn to before me on May 16, 1997.



Diane Kambeitz, Notary Public
Burleigh County, North Dakota
Expires March 10, 2000