

3. From 1994 to 1998, Hausauer conducted in excess of 417 unauthorized securities transactions in the accounts of his clients. These transactions were made in violation of §10-04-15 N.D.C.C.

4. From 1994 to 1998, Hausauer conducted 338 trades in the accounts of his clients which appear excessive in light of the clients' objectives and risk temperaments, and which were executed for the sole apparent purpose of generating commissions for Hausauer, and not for the benefit of the clients. These transactions were made in violation of section 10-04-15 N.D.C.C.

5. In the aggregate, Hausauer engaged in more than 750 violations of the North Dakota Securities Laws, including unauthorized and excessive trading activities in violation of section 10-04-15 N.D.C.C.

6. On March 17, 2000, the Commissioner entered into a Consent Agreement and Undertaking with Linsco which required them to repay \$200,000 to several of Hausauer's clients, based on Hausauer's violations as set forth above. The Consent Agreement included a payment of \$25,000 to the Securities Protection Fund. Linsco is not subject to any further action by the Commissioner regarding this matter.

7. Pursuant to §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.

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

9. The following Proposed Civil Penalty is necessary and appropriate in the public interest.

PROPOSED ORDER FOR CIVIL PENALTY

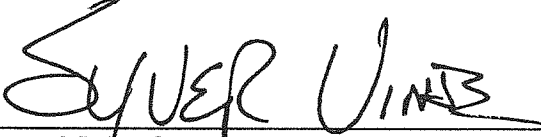
Based on the information set forth above, the Commissioner herein assesses a civil penalty in the amount of \$750,000. This civil penalty is based on the multiple violations described above, with each violation being assessed a civil penalty of no more than \$10,000, as per the authority of the Commissioner as set forth in section 10-04-16(1) N.D.C.C.

NOTICE OF RIGHT TO REQUEST HEARING

You are notified that pursuant to §10-04-12 N.D.C.C. 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. The respondents have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 24th day of August, 2000.




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

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF BURLEIGH

SOUTH CENTRAL JUDICIAL DISTRICT

In the Matter of Dirk P. Hausauer

)

AFFIDAVIT OF MAILING

Respondent

)

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.....
I, Harold P. Kocher, 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, this 24th day of August, 2000, 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 document:

**ORDER, NOTICE OF CIVIL PENLTY
AND NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above documents were securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to each of the following:

Dirk P. Hausauer
116 W. Edmonton Dr.
Bismarck, ND 58501

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

Harold P. Kocher

Harold P. Kocher

Subscribed and sworn to before me this 24th day of August, 2000.

Diane B. G. Kambeitz

Diane B. G. Kambeitz, Notary Public
Burleigh County, North Dakota
My commission expires 4/25/2006