

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

IN THE MATTER OF:

Grainline.com, Scott D. Olson,  
Kent Sortland; and their Officers,  
Directors, Agents & Employees.

CONSENT ORDER

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Pursuant to N.D.C.C. ch. 10-04, the North Dakota Securities Commissioner brought this action by service of a Cease and Desist Order on Respondent Scott D. Olson on September 11, 2003. The Cease and Desist Order seeks to restrain and enjoin actions taken by Olson, who is not a registered agent, in connection with the offer or sale of unregistered securities. The basis of the Cease and Desist Order is, as follows:

1. Grainline.com, Inc., was a North Dakota Corporation, which was formed, owned and operated by the Respondents, Kent Sortland and Scott Olson, each of whom are residents of North Dakota and operated as officers and directors of Grainline.com, Inc.
2. During August of 2000, Respondent Olson sold Grainline.com stock valued at \$15,000 to Wanda Anderson, a resident of North Dakota. Olson signed the stock certificate authorizing the purchase on August 30, 2000. This transaction occurred in North Dakota.
3. Similarly, Respondent Olson sold stock valued at \$15,000 to Jeannette Redlin, a resident of North Dakota. Olson has established a structured payment plan to repay Redlin her investment in Grainline.com. See Attachment A.
4. The subject investments 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; 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 properly filed as federal covered securities under N.D.C.C. § 10-04-08.4.
5. Respondents were not registered as either dealers or agents in North Dakota pursuant to N.D.C.C. § 10-04-10.
6. 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 Respondents, including Respondent Olson, violated this provision.

7. Pursuant to N.D.C.C. § 10-04-10, no person may offer for sale or sell any securities within or from this state unless that person is registered with the Securities Department or the securities are sold through exempt transactions under N.D.C.C. § 10-04-06. The facts described above demonstrate that the Respondents, including Respondent Olson, violated this provision.

8. Pursuant to N.D.C.C. § 10-04-16(1), the Commissioner may assess civil penalties against each Respondent in an amount not to exceed \$10,000 for each violation described above.

9. Respondent Olson has acknowledged his right to a hearing on this matter and has waived this right to a hearing.

10. Respondent Olson has signed the attached Consent to Entry of Order to resolve this matter with the Securities Commissioner.

3. 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 Scott Olson 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 Scott Olson shall not transact any securities business with any person in North Dakota unless he is registered as a dealer and/or agent or properly exempted under N.D.C.C. ch. 10-04.

3. Respondent Scott Olson shall pay \$7,500 to Wanda Anderson, which amounts to half of the investment made by Ms. Anderson.

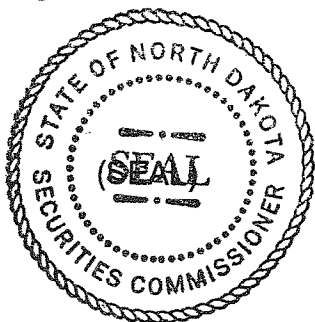
4. Respondent Scott Olson shall continue payments to Jeannette Redlin pursuant to a previously established structured payment plan to reimburse Redlin for her investment in Grainline.com, as shown on Attachment A.

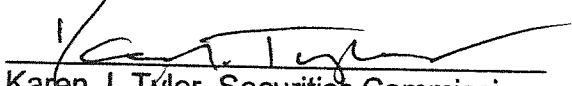
5. Respondent Scott Olson shall pay a civil penalty of \$500, made payable to the North Dakota Securities Department, pursuant to N.D.C.C. § 10-04-16(1).

6. The Cease and Desist Order issued by the Commissioner on September 11, 2003, is hereby vacated with respect to the Respondent, Scott D. Olson.

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

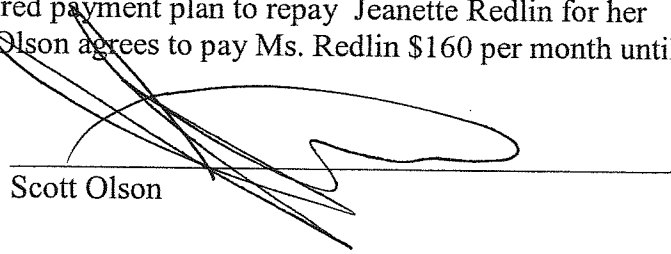
Signed and Sealed this 25 day of May, 2004.



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

**ATTACHMENT A**

Scott Olson has established a structured payment plan to repay Jeanette Redlin for her \$15,000 investment in Grainline.com. Mr. Olson agrees to pay Ms. Redlin \$160 per month until this obligation is satisfied.



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Scott Olson

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

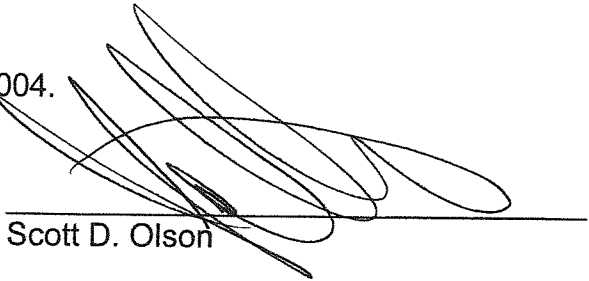
In the Matter of Kent Sortland, )  
 )  
 Grainline.com, Scott D. Olson, ) **CONSENT TO ENTRY OF ORDER**  
 Kent Sortland; and their Officers, ) **BY SCOTT D. OLSON**  
 Directors, Agents & Employees. )  
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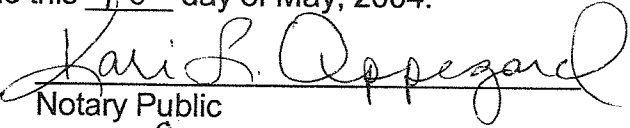
Based on mutual considerations and a desire to resolve all matters discussed in the foregoing Consent Order, the undersigned Respondent, states that:

1. He has read the foregoing Consent Order and knows and fully understands its contents and effects.
2. He has been advised of his rights to a hearing with regard to this matter and has specifically waived his rights to a hearing.
3. He admits the accuracy of the factual determinations of the Commissioner, as set forth in the foregoing Consent Order, and is specifically precluded from denying those determinations in any forum, public or otherwise.
4. He has been advised that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1) and is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person, or by a \$35,000 fine with respect to an organization.
5. He 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.
6. 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.

Dated this 18<sup>th</sup> day of May, 2004.

  
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Scott D. Olson

Subscribed and Sworn before me this 18 day of May, 2004.

  
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Notary Public

State: Cass County:

My Commission Expires:

1-16-02

