

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of James Newton Darwin, II)
Darwin, II)
Respondent)

CONSENT ORDER

.....

The North Dakota Securities Commissioner has advised the Respondent, James Newton Darwin, II, that he is prepared to commence formal action pursuant to NDCC Chapter 10-04 and has determined as follows:

1. On June 17, 1999, the North Dakota Securities Commissioner issued a Proposed Order to Revoke the Salesman Registration of James Newton Darwin, II, Summary Suspension of the Salesman Registration of James Newton Darwin, II, Notice of Civil Penalty and Notice of Right to Request a Hearing against James Newton Darwin, II.
2. On June 23, 1999, the Commissioner received a request for hearing on behalf of James Newton Darwin, II. On June 25, 1999, the Commissioner issued a Notice of Hearing, wherein the Commissioner set the hearing on this matter for Tuesday, July 6, 1999.
3. Mr. Darwin has acknowledged the truthfulness of the Commissioner's allegations as set forth in the Proposed Order to Revoke the Salesman Registration of James Newton Darwin, II, Summary Suspension of the

Salesman Registration of James Newton Darwin, II, Notice of Civil Penalty and Notice of Right to Request a Hearing dated June 17, 1999.

4. Respondent has further explained his actions by stating that he was relying on the advice of his attorney when, through the course of his application for registration as a securities salesman in North Dakota, he decided not to inform the Commissioner that he was terminated from his employment with Commercial Union Life Insurance because he submitted fraudulent annuity applications to Commercial Union Life Insurance for the purpose of earning unjustified commissions.

5. The facts set forth above and in the Commissioner's Proposed Order to Revoke the Salesman Registration of James Newton Darwin, II, Summary Suspension of the Salesman Registration of James Newton Darwin, II, Notice of Civil Penalty and Notice of Right to Request a Hearing dated June 17, 1999 demonstrate that Mr. Darwin engaged in an apparent violation of §10-04-15 N.D.C.C., which constitutes sufficient grounds for the Commissioner to assess civil penalties in an amount not to exceed \$10,000 pursuant to §10-04-16(1) N.D.C.C. and to revoke the salesman registration of James Newton Darwin, II as a securities salesman in North Dakota pursuant to §10-04-11(1) N.D.C.C.

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

NOW, THEREFORE, IT IS ORDERED, THAT:

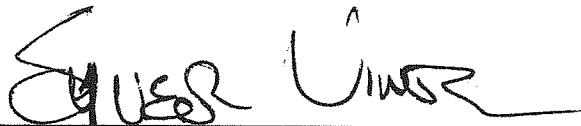
1. Respondent, James Newton Darwin, II, shall not transact any securities business with any person in North Dakota unless the securities are offered through an organization which is registered as a dealer or properly exempted under NDCC Chapter 10-04.
2. Respondent, James Newton Darwin, II, shall not act as a securities salesman for any securities business with any person in North Dakota unless he is registered as a salesman or properly exempted under NDCC Chapter 10-04.
3. Respondent, James Newton Darwin, II, shall pay a civil penalty of \$3,000 to the Office of the Securities Commissioner pursuant to §10-04-16 N.D.C.C. Such civil penalty shall be paid immediately upon execution of this Consent Order
4. Respondent, James Newton Darwin, II, shall, contemporaneously with the execution of this Consent Order, be permitted to withdraw his salesman registration in North Dakota.
5. The Commissioner's Proposed Order to Revoke the Salesman Registration of James Newton Darwin, II, Summary Suspension of the Salesman Registration of James Newton Darwin, II, Notice of Civil Penalty

and Notice of Right to Request a Hearing dated June 17, 1999 is hereby
revoked.

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

Signed and Sealed this 19th day of July, 1999.




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

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STATE OF NORTH DAKOTA

SECURITIES COMMISSIONER
STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

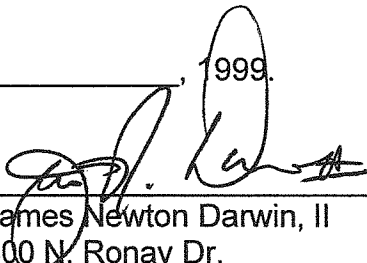
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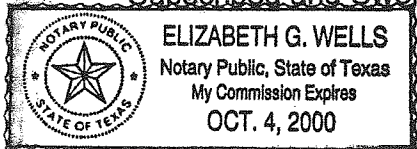
CONSENT TO ENTRY
OF ORDER

The undersigned, James Newton Darwin, II, states that he has read the foregoing Consent Order and that he knows and fully understands its contents and effects. He further acknowledges that he has waived his rights to a hearing with respect to this matter consents, upon the advise of his attorney, to entry of the Consent Order by the Securities Commissioner. Mr. Darwin further admits the truthfulness of the factual findings and legal conclusions contained in the Consent Order and in the Commissioner's Proposed Order to Revoke the Salesman Registratrion of James Newton Darwin, II, Summary Suspension of the Salesman Registration of James Newton Darwin, II, Notice of Civil Penalty and Notice of Right to Request a Hearing, dated June 17, 1999. Mr. Darwin expressly understands 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 7th day of July, 1999.


James Newton Darwin, II
400 N. Ronay Dr.
Spicewood, TX 78669

Subscribed and Sworn before me this 7th day of July, 1999



(Notary Seal)
My Commission Expires:
October 4, 1999


Notary Public
State: Texas County: Travis