

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the Matter of JOSEPHTHAL & CO.,)
INC., JAMES GUS OLIVER, and their)
Officers, Directors, Agents)
and Employees,)
)
Respondents.)

**CEASE AND DESIST ORDER,
NOTICE OF CIVIL PENALTY,
AND NOTICE OF RIGHT TO
REQUEST A HEARING**

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO
JOSEPHTHAL & CO., INC., JAMES GUS OLIVER, AND THEIR OFFICERS,
DIRECTORS, AGENTS AND EMPLOYEES:**

The Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. Respondent, Josephthal & Co., Inc. (Josephthal) is a broker/dealer with its principal place of business New York. Josephthal (CRD # 3227) is, and for all relevant times has been, a registered broker/dealer in the state of North Dakota.
2. Respondent, James Gus Oliver, was, for all times relevant to this matter, an agent of Josephthal. Oliver (CRD # 1589311) was not registered as an agent with Josephthal at the time of the offering.
3. From 1995-1998, Oliver, as an agent of Josephthal, conducted numerous securities transactions with a then resident of North Dakota. The subject transactions were not exempt transactions. Mr. Oliver engaged in several violations of §10-04-10(2) by executing transactions in North Dakota without registration.
4. Josephthal, as a broker/dealer, has the responsibility to supervise its agents to ensure that they do not violate the laws of any jurisdiction. Josephthal failed to reasonably supervise its agent in permitting this pattern of activity to occur.

NOW, THEREFORE, IT IS ORDERED, pursuant to §10-04-16 N.D.C.C., that the Respondents shall immediately **CEASE AND DESIST** From offering for sale or selling securities in North Dakota unless they are sold through registered agents. This order does not prohibit the offer or sale of securities through exempt securities transactions under §10-04-06 N.D.C.C.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to §10-04-18(1) N.D.C.C. Pursuant to §12.1-32-01 N.D.C.C., a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to §10-04-16(1) N.D.C.C. The Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

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 3rd day of March, 2000.



A handwritten signature in black ink that reads "Syver Virje".

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

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**AFFIDAVIT OF SERVICE
BY MAIL**

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I, Jacqui Ferderer, 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, March 3, 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:

**CEASE AND DESIST ORDER, NOTICE OF CIVIL
PENALTY, AND NOTICE OF RIGHT TO REQUEST A HEARING**

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

Josephthal & Co., Inc.
200 Park Avenue, 25th Floor
New York, NY 10066

James Gus Oliver
2136 Sandell Dr
Grapevine, TX 76051

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.

Jacqui Ferderer
Jacqui Ferderer

Subscribed and sworn to before me on March 3, 2000.

Harold P. Kocher
Harold P. Kocher, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2002