

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of L. H. Ross & Co., Inc.;)
 Mintz & Fraade, P.C.; Michael Assenza;)
 Kelly Chance; Shannon Norris; Dean)
 Baker; and their Officers, Directors,)
 Agents and Employees,)
)
 Respondents.)

**AMENDED 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
 L. H. ROSS & CO., INC.; MINTZ & FRAADE, P.C.; MICHAEL ASSENZA; KELLY
 CHANCE; SHANNON NORRIS; DEAN BAKER; AND THEIR OFFICERS,
 DIRECTORS, AGENTS AND EMPLOYEES,:**

The North Dakota 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. The Respondent, L. H. Ross and Company, Inc. (Ross), by and through its agents, Michael Assenza, Kelly Chance, and Dean Baker, have offered for sale and/or sold investment(s) to at least one resident of North Dakota in violation of Section 10-04-

04 N.D.C.C. The subject investment(s) are securities as defined in Section 10-04-02(15) N.D.C.C.

2. Some of the subject investment(s) have not been registered with the Securities Commissioner under Section 10-04-07; Section 10-04-07.1; Section 10-04-08; or Section 10-04-08.1 N.D.C.C.; are not exempt securities under Section 10-04-05 N.D.C.C; and have not been offered for sale or sold in exempt transactions under Section 10-04-06 N.D.C.C.; and were not properly filed as federal covered securities under Section 10-04-08.4 N.D.C.C.
3. The Respondent, Ross, was not registered as a dealer in violation of Section 10-04-10(1) N.D.C.C.
4. The Respondents, Michael Assenza, Kelly Chance, and Dean Baker, have not registered as agents in violation of Section 10-04-10(2) N.D.C.C.
5. Respondents, Ross, Assenza and Sharron Norris engaged in a scheme or artifice to defraud investors or otherwise engaged in fraudulent conduct through their securities sales activities in North Dakota, in violation of Section 10-04-15 N.D.C.C.
6. One of the offerings described above related to L. H. Ross & Co., Inc. stock. Payment by the North Dakota Resident for said stock was sent and made payable to Respondent, Mintz & Fraade, P.C., who was acting as a dealer or an agent of Ross for this offering. Respondent, Mintz & Fraade, P.C., was not registered as a dealer or an agent in North Dakota, in violation of Section 10-04-10 N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to Section 10-04-16 N.D.C.C., that the Respondent shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject investment, or any other investment interest however denominated, unless and until such investment interests have been registered with the Securities Commissioner.
2. From offering for sale or selling investments in North Dakota unless and until they have registered with the Securities Commissioner as dealers or agents.
3. From engaging in any fraudulent or deceptive practice in conducting any securities transactions in North Dakota, or otherwise engaging in a scheme or artifice to defraud investors or the public.

This order does not prohibit the offer or sale of securities through exempt securities transactions under Section 10-04-06 N.D.C.C., nor does it prohibit registered dealers and agents from offering or selling exempt securities under Section 10-04-05 N.D.C.C.

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

YOU ARE FURTHER NOTIFIED that, pursuant to Section 12.1-09-03 N.D.C.C., a person is guilty of a criminal offense if he intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to Section 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.

Though the Securities Commissioner reserves the authority to change this provision after hearing or opportunity for hearing, the Commissioner proposes civil penalties as follows:

1. Respondent, L. H. Ross & Co., Inc., shall be assessed a civil penalty of \$180,000.
2. Respondent, Mintz & Fraade, P.C., shall be assessed a civil penalty of \$15,000.
3. Respondent, Michael Assenza, shall be assessed a civil penalty of \$25,000.
4. Respondent, Kelly Chance, shall be assessed a civil penalty of \$20,000.
5. Respondent, Dean Baker, shall be assessed a civil penalty of \$10,000.
6. Respondent, Shannon Norris, shall be assessed a civil penalty of \$10,000.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to Section 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 15th day of March,

2004.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
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