

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

BEFORE THE  
SECURITIES COMMISSIONER

In the Matter of )  
La Jolla Securities Corporation and )  
Daniel Wood ) CONSENT ORDER  
)  
Respondents. )

.....

The North Dakota Securities Commissioner has advised the Respondents that he is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. That on September 15, 1995, Daniel Wood, salesman for La Jolla Securities Corporation, sold securities to Cynthia and Terry Severson, residents of North Dakota and present in the State of North Dakota at the time of the sale, while he was not registered as a salesman in North Dakota.
2. That on December 19, 1995, Daniel Wood, salesman for La Jolla Securities Corporation, sold securities to Cynthia and Terry Severson, residents of North Dakota and present in the State of North Dakota at the time of the sale, while he was not registered as a salesman in North Dakota.
3. That on February 22, 1995, Daniel Wood, salesman for La Jolla Securities Corporation, sold securities to Cynthia and Terry Severson, residents of North Dakota and present in the State of North Dakota at the time of the sale, while he was not registered as a salesman in North Dakota.
4. That on February 26, 1995, Daniel Wood, salesman for La Jolla Securities Corporation, sold securities to Cynthia and Terry Severson, residents of North Dakota and present in the State of North Dakota at the time of the sale, while he was not registered as a salesman in North Dakota.
5. That La Jolla Securities Corporation failed to properly supervise Daniel Wood by allowing him to make the sales listed in 1-4 above.
6. That Daniel Wood failed to promptly provide materials requested by the Office of the North Dakota Securities Commissioner.

Pursuant to § 10-04-16 N.D.C.C., whenever 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 Ch. 10-04 N.D.C.C., 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. The violations described above constitute sufficient grounds for the imposition of civil penalties under Ch. 10-04 N.D.C.C.

Respondent waives his right to a hearing in this matter and to present arguments to the Commissioner. Respondent acknowledges his right to be represented by

legal counsel throughout this proceeding, and have agreed to an informal disposition of this matter, without a hearing.

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

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondents shall not transact any securities business with any person in North Dakota unless registered as a dealer or properly exempted under Ch. 10-04 N.D.C.C.;
2. Respondents shall not employ any person to represent them as a securities salesman for any securities business with any person in North Dakota unless such person is registered as a salesman or properly exempted under Ch. 10-04 N.D.C.C.;
3. Respondents shall pay a civil penalty of \$5,000 to the Office of the Securities Commissioner pursuant to § 10-04-16 N.D.C.C.;
4. Respondents shall notify the Office of the Securities Commissioner within 10 days of the receipt of any written complaint from any North Dakota resident relating to the business of La Jolla Securities, or any of its salesmen; and
5. Within 10 days of the execution of this document, respondents are ordered to make an offer of rescission of all investments sold to Cynthia and Terry Severson. Respondents shall provide a copy of the rescission offer to the Office of the Securities Commissioner prior to its delivery to the Seversons, and respondents shall provide this office with proof of the offer made. Further, the offer shall contain a provision for the payment of interest pursuant to NDCC § 47-14-05. If the rescission offer is accepted by the Seversons, payment shall be made within 10 days of the receipt of the acceptance by La Jolla Securities Corporation.

This Order shall be effective upon signature of the Commissioner.

Dated at Bismarck, North Dakota, on March 18, 19 97.



Cal Hoovestol

CAL HOOVESTOL  
SECURITIES COMMISSIONER  
State Capitol-5th Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

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CONSENT TO ENTRY  
OF ORDER

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The undersigned, acting on behalf of the Respondents, states that he/she has read the foregoing Consent Order; that he/she knows and fully understands its contents and effects; that he/she is authorized to execute this Consent to Entry of Order on behalf of the Respondents; that Respondents have waived their rights to a hearing with respect to this matter; and that Respondents consent to entry of the Consent Order by the Securities Commissioner without admitting or denying the findings of fact and conclusions of law contained herein. It is further expressly understood 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 11 day of March, 1996.

La Jolla Securities Corporation  
1020 Prospect Street  
La Jolla, CA 92037  
AND  
Daniel Wood

By: Bruce A. Riddick  
(Type or Print Name)

Signed: [Signature]  
Capacity: [Signature]