

MAR 16 2000

CONSENT AGREEMENT AND UNDERTAKINGSECURITIES COMMISSIONER
STATE OF NORTH DAKOTA

Solely for the purposes of amicably resolving this matter, and in lieu of a formal administrative proceeding, Respondent Linsco Private Ledger Corp. ("Linsco") and the North Dakota Securities Commissioner ("Commissioner") do hereby agree and stipulate that:

1. Linsco is currently a licensed broker-dealer in the State of North Dakota and has been licensed as such since October 17, 1983. Linsco's current home office is located at 155 Federal Street, Boston, MA 02110.
2. From December 1994 to April 1998 ("the relevant period"), Linsco operated a branch office and office of supervisory jurisdiction at 116 West Edmonton Drive, Bismarck, ND 58501, 1929 North Washington Street, Suite UU, Bismarck, ND 58501, and 1830 North 11th Street, Bismarck, ND 58501. Linsco designated Dirk P. Hausauer as the branch manager for these locations.
3. On or about April 14, 1998, the Commissioner received a complaint from a North Dakota resident regarding her account at Linsco. The complaint contained allegations which, if true, could constitute violations of Ch. 10-04, N.D.C.C.
4. In May 1998, the Commissioner conducted an examination of Linsco's branch office at 1830 North 11th Street, Bismarck, ND 58501, pursuant to Ch. 10-04, N.D.C.C.

5. The Commissioner alleges that said examination, and subsequent requests for production of information and documents by the Commissioner, revealed alleged sales practice irregularities including unauthorized trading, short term trading of mutual funds and switching between mutual fund families without justifiable cause or net investment advantage to certain customers.
6. The Commissioner alleges that said irregularities in the Bismarck branch office constituted sales practice violations under Ch. 10-04, N.D.C.C.
7. The Commissioner also alleges that Linsco's annual inspections of its Bismarck branch office and its review of mutual fund exception reports failed to timely detect and prevent several of the alleged sales practice irregularities during the relevant time period.

WHEREAS, Linsco, without admitting or denying the Commissioner's allegations set forth in paragraphs 5, 6, or 7 above, undertakes to reasonably detect and prevent said alleged sales practice irregularities and violations from recurring in the future; and

WHEREAS, Linsco has, on an on-going basis and during the period of time relevant to this matter, enhanced its supervisory structure and procedures, including, without limitation, expanding its compliance staff, creating a new internal compliance department, and developing new branch audit procedures (including follow-up procedures); and

WHEREAS, the Commissioner and Linsco have determined to amicably resolve the above referenced matter without a formal administrative hearing; and

WHEREAS, Linsco has entered into this Consent Agreement and Undertaking (“Agreement and Undertaking”) freely and acknowledges that the Commissioner has not made any promise, representation or threat to induce its execution;

THEREFORE, based upon Linsco’s undertakings herein stated and in consideration of such, the Commissioner agrees to forgo an administrative proceeding relative to the acts that are the subject matter of this Agreement and Undertaking. The Commissioner further agrees that this Agreement and Undertaking represents the complete and final resolution and discharge with respect to all claims, demands, actions, and causes of action by the Commissioner against Linsco and its predecessors, affiliates and employees (other than Dirk P. Hausauer) for any alleged violations arising as a result of or in connection with any actions or omissions by Linsco, and/or any of its predecessors, affiliates or employees in connection with any of the allegations set forth above, including without limitation any alleged misconduct of Dirk P. Hausauer and any alleged failure by Linsco to supervise adequately Dirk P. Hausauer during the relevant period.

In consideration of the Commissioner’s above agreement, Linsco agrees to perform the following undertakings:

1. Compliance in the future with the standards of conduct and supervision set forth in Ch. 10-04, N.D.C.C.

2. Review its system of supervision specifically relating to mutual fund switching, including its switching exception report system, for purposes of detecting and preventing inappropriate and unjustified switching between fund families in customer accounts;
3. Use its best efforts to conduct its annual inspections of branch offices located in North Dakota once every 12 months;
4. Payment of \$25,000.00 to the North Dakota Securities Protection Fund.
5. Within ten (10) days of the Commissioner's written acceptance of this Agreement and Undertaking, mail a written offer to pay to customers the amounts noted in the table below representing partial refunds of net commissions earned by Mr. Hausauer and Linsco as the result of mutual fund trading activity during the relevant time period. Linsco may condition the offer on execution of a general release by each customer in favor of Linsco and its predecessors, affiliates and employees (with the exception of Dirk P. Hausauer). The customers shall be given thirty (30) days from the date of mailing of the offers to accept or reject said offers. The offers shall expire automatically if not accepted in writing within said thirty (30) days.

Customer Name	Account No.	Refund Amount
Laurie Brackett	639-559475	\$1,424.29
Elmer Brandner	639-559293	\$1,821.72
Elmer & Clarence Brandner	639-664168	\$982.49
Cheryl and Elmer Brandner	639-663533	\$9,591.06
Allen Christianson	639-529130	\$1,294.89
William & Stella Freymiller	639-666130	\$24,836.75
Stella Freymiller	639-666122	\$3,646.21
Jeanette Hausauer	639-559327	\$76,342.14
J.C. Hausauer	6AM-406312	\$23,639.83
Mark Hausauer	6AM-588005	\$329.04
Douglas Jessen	639-559772	\$4,818.17
Douglas & Charlotte Jessen	639-665769	\$1,185.83
Charlotte Jessen	639-559764	\$887.29
Julie Miller	639-664978	\$1,854.99
Thomas Moch	639-584566	\$1,567.55
Gloria Peterson	639-559491	\$15,212.42
Lyle Schultz (IRA)	639-559533	\$8,586.39
Lyle Schultz	639-663418	\$10,051.34
Lyle Schultz	639-663517	\$46.21
L. Schultz (fbo Jeremy Engel)	639-663483	\$842.93
L. Schultz (fbo Zach Boelter)	639-663491	\$1,966.83
L. Schultz (fbo Erica Engel)	639-663525	\$962.16
L. Schultz (fbo Mikaila Engel)	639-663509	\$1,089.70
Karen & Sandy Skavdahl	639-674332	\$6,095.50
Sandy Skavdahl	639-665819	924.27
Total:		\$200,000.00

IN WITNESS THEREOF, we have set our hands to this document, with this Agreement and Undertaking taking effect upon acceptance by Syver Vinje, Securities Commissioner, State of North Dakota, on the date specified below.

Executed this 9th day of March 2000.

Stephanie L Brown
(On behalf of Linsco/Private Ledger)

STEPHANIE L BROWN
MANAGING DIRECTOR
GENERAL COUNSEL

(Print Name)

State of Massachusetts

County of Suffolk:

On this 9th day of March 2000, before me personally appeared Stephanie L. Brown, to me known, who first being duly sworn by me, did depose and say that she is the Managing Director and General Counsel of Linsco/Private Ledger Corp., with full and complete authority to file and execute the foregoing document on behalf of said corporation.

[Signature]

Seal

Notary Public

My Commission Expires: 10-18-2000

Accepted this 31st day of March 2000.

Syver Vinje

Syver Vinje
Securities Commissioner