

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the matter of)
Merrill Lynch;)
John D. McCroskey;)
and their Officers, Directors,)
Agents, and Employees,)
Respondents.)

**ORDER FOR
HEARING**

.....
WHEREAS, Ronald D. Martell, a resident of North Dakota, has filed a complaint with the office of the North Dakota Securities Commissioner alleging that the Respondents violated provisions of the North Dakota Securities Act by engaging in fraudulent practices pursuant to North Dakota Century code Chapter 10-04 and

WHEREAS, Ronald D. Martell has alleged that:

1. In October 1993 John D. McCroskey of Merrill Lynch recommended two investments to Ronald D. Martell;
2. Mr. McCroskey told Mr. Martell that one investment paid 14% interest and involved risk, the other paid 7% interest, had no risk, but had a 1% withdrawal penalty;
3. Mr. Martell told Mr. McCroskey that the level of risk he wanted was very conservative, he did not take chances;
4. Mr. Martell refused the investment which paid 14% interest because of the risk involved;
5. Mr. McCroskey told Mr. Martell the second investment, the Lord Abbett Fund, was a savings account, he did not mention that this was a long term investment with risk involved;
6. On October 7, 1993 Mr. Martell invested \$20,000 in the Lord Abbett Fund;
7. Mr. Martell was not given a prospectus for the Lord Abbott Fund;
8. In April 1994 Mr. Martell sold \$8,021 of his position in the Lord Abbett Fund and at that time was informed that this fund was not a savings account and involved risk;
9. Mr. McCroskey informed Mr. Martell that the fund had decreased in value, but that it was a very stable fund and it would recover quickly;
10. The Lord Abbett Fund continued to decrease in value.

NOW, THEREFORE, IT IS ORDERED that:

1. pursuant to § 10-04-16.1 N.D.C.C. the Securities Commissioner will begin a public investigative hearing for this matter in the Missouri River Room on the ground floor of the state Capitol in Bismarck, North Dakota at 9:00 a.m., Monday July 8, 1996 and continuing until all interested parties have had an opportunity to present any relevant oral and written evidence under oath for complaints and remedies involving alleged securities violations and related material issues; and
2. to be received on or before Friday, June 7, 1996, complainant Ronald D. Martell and each of the Respondents shall provide to one another and to the Office of the Securities Commissioner copies of any documents they intend to present at the hearing for this matter with a brief description of the relevance of each of the documents to the alleged violations; and
3. to be received on or before Friday, June 7, 1996, complainant Ronald D. Martell and each of the Respondents shall provide to one another and to the Office of the Securities Commissioner a list of the name, address, telephone number, and brief summary of anticipated testimony for each witness whom they intend to present at the hearing, and the parties shall designate any witnesses who will not voluntarily appear and who should be subpoenaed by the Securities Commissioner; and
4. to be received by complainant Ronald D. Martell and the Respondents on or before Monday, June 17, 1996 the Office of the Securities Commissioner shall prepare a list of documents and witnesses for the hearing for the specific allegations of securities violations, a description of relevant fact issues that appear to be undisputed, and a description of relevant fact issues that appear to be disputed between the parties; and
5. a party who requests that a subpoena be issued for any witness at the hearing shall pay the witness fees and expenses for the witness to attend the hearing.

Dated at Bismarck, North Dakota on May 6, 1996.



Cal Hoovestol

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

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the matter of)	
Merrill Lynch;)	AFFIDAVIT
John D. McCroskey;)	OF
and their Officers, Directors,)	MAILING
Agents, and Employees,)	
Respondents.)	

.....

I, Diane Lillis, 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, May 6, 1996 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 documents:

**ORDER FOR HEARING
NOTICE OF HEARING**

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via certified mail, return receipt requested, and addressed to:

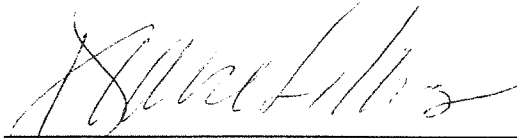
Merrill Lynch
World Financial Center, North Tower
New York, NY 10281-1323

Branch Manager
Merrill Lynch
51 Broadway
Fargo, ND 58102

McCroskey, John D.
1124 3rd St. N.
Fargo, ND 58102

Ronald D. Martell
902 3rd Ave. N
Moorhead, MN 56560

To the best of my knowledge, information, and belief, the address given above is the actual post office address of the party intended to be served.



Diane Lillis

Subscribed and sworn to before me on May 6, 1996.



Susan R. Schmidt, Notary Public

Burleigh County, North Dakota

My commission expires 9/25/2001