

STATE OF NORTH DAKOTA

COUNTY OF BURLEIGH

BEFORE THE

SECURITIES COMMISSIONER

In the Matter of Preferred Trust)
and Management, LTD. and)
Bev Elberg,)
Respondents.)

CONSENT ORDER

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The North Dakota Securities Commissioner has determined, and the Respondent, Bev Elberg, admits as follows:

1. On April 10, 2001, the North Dakota Securities Commissioner issued a Cease and Desist Order in the above captioned matter based on the fact that Bev Elberg solicited two people to invest in the Preferred Trust and Management investment scheme. Specific information regarding this matter is contained in the Affidavit of Bev Elberg, attached hereto and incorporated herein by reference.
2. Each solicitation was made in violation of section 10-04-04 N.D.C.C. because the Preferred Trust and Management program was not registered as a security in North Dakota, nor does the program qualify for any exemption from the securities registration provisions of the Securities Act.
3. Each solicitation was made in violation of section 10-04-10 N.D.C.C. because Bev Elberg was not registered as an agent in North Dakota, nor did the transaction constitute an exempt transaction under the Securities Act.
4. Each solicitation was made in violation of section 10-04-15 N.D.C.C. because the program, as a whole, is a scheme or artifice to defraud investors or potential investors. It does not appear that Bev Elberg made the solicitation with knowledge that the program was a scheme to defraud investors.

5. Pursuant to section 10-04-16 N.D.C.C., when 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 this chapter, 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.
6. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C..
7. Respondent, Bev Elberg, has admitted the factual and legal conclusions contained in this Order, and enters into this Order willingly. Respondent, Bev Elberg, acknowledges his/her right to a hearing regarding this matter to present arguments before the Commissioner, and has waived all rights to a hearing regarding this matter.
8. The following Order is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS ORDERED, THAT:

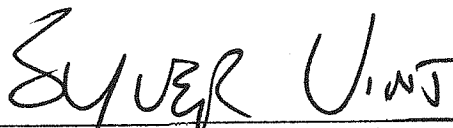
1. Respondent, Bev Elberg, shall pay to the Securities Commissioner, pursuant to section 10-04-16 N.D.C.C., a civil penalty in the amount of \$500.
2. Respondent, Bev Elberg, shall pay to the Securities Commissioner's Securities Protection Fund all funds, which have been or will be received in profits, commissions or other payments from soliciting persons to participate in the program. Any additional funds received shall, within ten (10) days of their receipt by Bev Elberg, shall be paid to the Securities Protection Fund.

3. Respondent, Bev Elberg, shall agree to cooperate with any investigation by the Securities Commissioner or any law enforcement agency, regardless of jurisdiction, and shall willingly and openly testify in any proceeding, be it administrative, civil or criminal in nature, in a truthful matter not inconsistent with the Affidavit submitted herewith (Attachment A).
4. Respondent, Bev Elberg, shall and herein does acknowledge liability, pursuant to section 10-04-17 N.D.C.C., to each of the persons he/she solicited. Respondent, Bev Elberg, shall not contest any civil claim of liability to any of those persons based on any denial of applicability of that statute, or that the facts of this case do not give rise to a claim under that statute.
5. The Cease and Desist Order, as issued on April 10, 2001, shall remain in effect, and any violations of that Order can be pursued without any regard to this Consent Order.
6. This Order shall be effective upon signature of the Commissioner.

IN TESTIMONY WHEREOF, witness my hand and seal this 8th day of May,

2001.





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

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

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CONSENT TO ENTRY
OF ORDER

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The undersigned Respondent, Bev Elberg, states that she has read the foregoing Consent Order, and that she knows and fully understands its contents and effects. Bev Elberg further acknowledges that she has waived his/her right to a hearing with respect to this matter; and that she consents to the entry of the Consent Order by the Securities Commissioner, and expressly admits the findings of fact and conclusions of law contained therein. 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 3 day of May, 2001.

Bev Elberg
Bev Elberg
3209 7th Street SW
Minot, ND 58701-7351

Sworn before me this 3 day of May, 2001.

CAROL K. LARSON
Notary Public, State of North Dakota
My Commission Expires Oct. 10, 2004

Carol K. Larson
_____, notary public
State of: Ward, County:
My Commission Expires: 10-10-04