

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In The Matter of Preferred Trust and)
Management, LTD., and)
Donald Marsh,)
)
Respondent.)

CONSENT ORDER

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The North Dakota Securities Commissioner brought this action by service of a Cease and Desist Order on April 10, 2001, on Respondent, Donald Marsh. This action seeks, under N.D.C.C. § 10-04-16, to restrain and enjoin actions taken by Marsh, who is not a registered agent, in connection with the offer or sale of unregistered securities, fraudulently issued by Preferred Trust and Management, Ltd., an offshore investment company. Marsh was cited for his involvement in the sale of Preferred Trust securities to at least two individuals in North Dakota which action, pursuant to N.D.C.C. § 10-04-16, carries a civil penalty up to \$10,000 per violation.

It is the Commissioner's position that the evidence shows that Marsh, directly or indirectly, took action in connection with an offer or sale of unregistered securities and took this action for purposes of receiving a payment as a result of a subsequent sale of such securities in violation of N.D.C.C. §§ 10-04-15(3), (4). Marsh denies that he violated any provision of N.D.C.C. ch. 10-04, denies that he had any knowledge of any fraudulent scheme when he invested in the program, denies that he referred other individuals to the program, or offered for sale or sold unregistered securities, and denies that there is sufficient evidence for the Commissioner to assess civil penalties against him under N.D.C.C. § 10-04-16. The parties wish to end their dispute, however, and to avoid the continued expense, delay, and uncertainties of further litigation, and have agreed to the entry of this Consent Order.

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

NOW, THEREFORE, IT IS ORDERED THAT:

1. Respondent Donald Marsh shall refrain from taking any action in connection with the offer for sale or sale in North Dakota of Preferred Trust and Management, LTD, securities or any other securities until such security has been registered with the Securities Department or properly exempted.

2. Respondent Donald Marsh shall refrain from taking any action in connection with the offer for sale or sale of securities in North Dakota until such time as he has registered with the Securities Department as a dealer or agent.

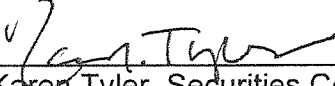
3. Respondent Donald Marsh shall pay to the Securities Department the sum of \$500 to resolve this matter. This payment is accepted as a civil penalty by the Commissioner, however, the payment is not an admission of any wrongdoing by Respondent.

4. Respondent Donald Marsh agrees to cooperate with any investigation by the Commission or any law enforcement agency and shall willingly and openly testify in any proceeding related to the subject of this action.

5. The Commissioner shall not refer Donald Marsh to any jurisdiction for criminal prosecution for any violations cited in the Cease and Desist Order issued April 10, 2001.

6. The Cease and Desist Order issued April 10, 2001, is hereby withdrawn.

Dated this 17th day of DECEMBER, 2003.



Karen Tyler, Securities Commissioner
North Dakota Securities Department

STATE OF NORTH DAKOTA

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SECURITIES COMMISSIONER

In The Matter of Preferred Trust and Management, LTD., and Donald Marsh, Respondent.

CONSENT ORDER

The undersigned Respondent Donald Marsh states that he has read the foregoing Consent Order and that he knows and fully understands its contents and effects and that he consents to the Consent Order by the Commissioner of the North Dakota Securities Department. It is further understood that the Consent Order constitutes the entire agreement between the parties, there being no other promises or agreements, either expressed or implied.

Dated this 11 day of December, 2003.

Donald Marsh signature and address: Donald Marsh, 1917 83rd Street N, Newburg, ND 58762-9503

Subscribed and sworn to before me this 11 day of December, 2003.

Notary Public signature and text: Notary Public, State of North Dakota, County of

Notary Public stamp: JAMES E. NOSTDAHL, Notary Public, State of North Dakota, My Commission Expires June 10, 2006