

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Preferred Trust)
and Management, LTD. and)
Kris & Tana Thorfinnson,)
Respondents.)

CONSENT ORDER

.....
The North Dakota Securities Commissioner has determined, and the Respondents, Kris & Tana Thorfinnson, admit 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 Kris & Tana Thorfinnson, husband and wife, solicited at least four people to invest in the Preferred Trust and Management investment scheme. The facts and circumstances regarding this matter are set forth in the affidavits of Kris Thorfinnson and Tana Thorfinnson, which are 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 Kris & Tana Thorfinnson were not registered as agents 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 either Kris or Tana Thorfinnson made the solicitations 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 respondents pursuant to section 10-04-16 N.D.C.C.
7. Respondents, Kris & Tana Thorfinnson, have admitted the factual and legal conclusions contained in this Order, and enter into this Order willingly. Respondents, Kris & Tana Thorfinnson, acknowledge their right to a hearing regarding this matter to present arguments before the Commissioner, and have 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. Respondents, Kris & Tana Thorfinnson, shall pay to the Securities Commissioner, pursuant to section 10-04-16 N.D.C.C., a civil penalty in the amount of \$2,000. The penalty shall be paid as follows:
 - a. \$500 due and payable upon execution of this agreement.

- b. \$100 per month due and payable on the first of each month beginning with October 1, 2003, until the additional \$1,500 is paid.
 - c. Respondents, Kris & Tana Thorfinnson, can prepay at any time, without penalty.
 - d. Payment can be made within fifteen days after the due date (grace period) without any penalty to the respondent. If payment is not made within that grace period, respondent shall be in default and all funds still owing are immediately due and payable.
2. Respondents, Kris & Tana Thorfinnson, 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 Kris & Tana Thorfinnson, shall be paid to the Securities Protection Fund.
3. Respondents, Kris & Tana Thorfinnson, agree to cooperate with any investigation by the Securities Commissioner or any law enforcement agency, regardless of jurisdiction, and shall willingly and openly and truthfully testify in any proceeding, be it administrative, civil or criminal in nature.
4. Respondents, Kris & Tana Thorfinnson, shall and herein do acknowledge liability, pursuant to section 10-04-17 N.D.C.C., to each of the persons they solicited. Respondents, Kris & Tana Thorfinnson, 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 20th day of

October, 2003.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

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CONSENT TO ENTRY
OF ORDER

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The undersigned Respondents, Kris & Tana Thorfinnson, state that they have read the foregoing Consent Order, and that they know and fully understand its contents and effects. Kris & Tana Thorfinnson further acknowledges that they have waived their right to a hearing with respect to this matter; and that they consent to the entry of the Consent Order by the Securities Commissioner, and expressly admit 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 01st day of OCTOBER, 2003.

Kris Thorfinnson
Kris Thorfinnson
3130 Royal Drive
Grand Forks, ND 58201-8428

Sworn before me this 1st day of October, 2003.

DIANNE M. DYBWAD
NOTARY PUBLIC
STATE OF NORTH DAKOTA
My Commission Expires: Oct. 19, 2005

Dianne M. Dybwad
, notary public
State of: ND, County: Grand Forks
My Commission Expires: 10/19/05

Dated this 1st day of October, 2003.

Tana Thorfinnson
Tana Thorfinnson
3130 Royal Drive
Grand Forks, ND 58201-8428

Sworn before me this 1st day of October, 2003.

DIANNE M. DYBWAD
NC
STATE OF NORTH DAKOTA
My Commission Expires: Oct. 19, 2005

Dianne M. Dybwad

_____, notary public
State of: ND, County: Grand Forks
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