

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Preferred Trust)
and Management, LTD. and)
Michael Morey,)
Respondents.)

CONSENT ORDER

.....
The North Dakota Securities Commissioner has determined as follows:

1. On April 10, 2001, the North Dakota Securities Commissioner (the "Commissioner") issued a Cease and Desist Order in the above captioned matter based on his determination following investigation that there are sufficient facts to conclude that Michael Morey solicited people to invest in the Preferred Trust and Management investment program. Specific information regarding this matter is contained in the Affidavit of Michael Morey, attached hereto and incorporated herein by reference.
2. The Commissioner has determined that 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. The Commissioner has determined that each solicitation was made in violation of section 10-04-10 N.D.C.C. because Michael Morey was not registered as an agent in North Dakota, nor did the transaction constitute an exempt transaction under the Securities Act.
4. The Commissioner has determined that each solicitation was been 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; Respondent Mike Morey ^{stated that he 6/5/17/01} had no knowledge of this at the time of the



transactions at issue.

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. Respondent Michael Morey has read this Order and without admitting or denying the legal conclusions contained in this Order, consents to the entry of this Order. It is understood that by consenting to the entry of this Order, Respondent neither admits nor denies engaging in any unlawful conduct. Respondent acknowledges his right to a hearing regarding this matter to present arguments before the Commissioner, and has waived all rights to a hearing regarding this matter.

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

NOW, THEREFORE, IT IS ORDERED THAT:

1. Respondent, Michael Morey, in settlement of the aforesaid allegations of the Securities Commissioner and without admitting or denying that he engaged in illegal conduct, shall pay to the Securities Commissioner the amount of \$8,000.00.

2. Respondent, Michael Morey, shall pay to the Securities Commissioner's Securities Protection Fund all funds, which have been or will be received in profits or commissions from his participation in the program within ten days of their receipt.

3. Respondent, Michael Morey, 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).

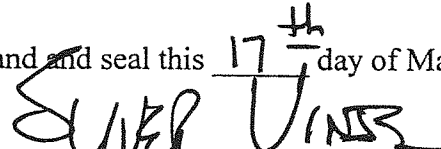
4. Respondent Michael Morey, without admitting liability or wrongdoing, shall not contest any civil claim of liability to any of the persons he is claimed to have solicited based on any denial of the applicability of N.D.C.C. § 10-04-17, or that the facts of this case do not give rise to a claim under that statute, except to the extent that any liability is based on allegations of fraud.

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 17th day of May, 2001.





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



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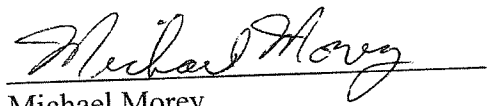
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CONSENT TO ENTRY OF ORDER

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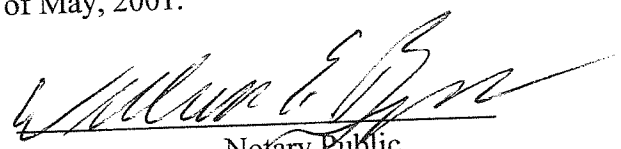
The undersigned Respondent, Michael Morey, states that he has read the foregoing Consent Order, and that he knows and fully understands its contents and effect. Michael Morey further acknowledges that he has waived his right to a hearing with respect to this matter; and that he consents to the entry of the Consent Order by the Securities Commissioner. It is understood that by consenting to the entry of this Order, Respondent Michael Morey neither admits nor denies engaging in any unlawful conduct. It is further expressly understood that the Consent Order constitutes that entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 16 day of May, 2001.



Michael Morey
5154 19th Ave. N.
Velva, ND 58790

Subscribed and sworn to before me this 16 day of May, 2001.



, Notary Public
Ward County, North Dakota
My Commission Expires:

WILLIAM E. BERGMAN
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires NOV. 13, 2001

