

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of R. T. Jones )  
Capital Equities, Inc.; and )  
Frank S. Ladner )  
)

AGREEMENT

The North Dakota Securities Commissioner has advised the Respondents, R. T. Jones Capital Equities, Inc. and Frank S. Ladner, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. R. T. Jones Capital Equities, Inc., (R. T. Jones) is a securities dealer headquartered in St. Louis, Missouri. R. T. Jones is not now and has never been registered as a dealer with the Securities Department. On July 29, 2004, R. T. Jones applied to be registered as a dealer in North Dakota. This application is pending:
2. Frank S. Ladner is a securities agent employed by and associated with R. T. Jones. Mr. Ladner is not now and has never been registered as a securities agent with the Securities Department.
3. In May of 2004, R. T. Jones and Mr. Ladner conducted a securities transaction with a resident of North Dakota. Such activity took place in North Dakota.
4. Pursuant to NDCC § 10-04-10(1), no dealer may offer for sale or sell any securities within or from this state unless registered as a dealer, unless the securities are sold through exempt transactions.
5. Pursuant to NDCC § 10-04-10(2), no agent may offer for sale or sell any securities within or from this state, unless registered as an agent in North Dakota or the securities are sold through exempt transactions under Section 10-04-06 NDCC.
6. Pursuant to NDCC § 10-04-16, 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 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.
7. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the respondents pursuant to NDCC § 10-04-16.
8. R. T. Jones and Frank S. Ladner acknowledge their right to a hearing on this matter and waive this right to a hearing and to present arguments to the Commissioner.

9. The Commissioner has determined not to issue an order in this matter, and the Commissioner and R. T. Jones and Frank S. Ladner agree to resolve this matter by this Agreement, and this is evidenced by the signatures below.

10. The following Agreement is necessary and appropriate in the public interest.

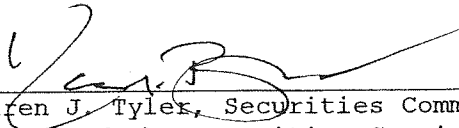
NOW, THEREFORE, IT IS AGREED, THAT:

1. R. T. Jones and Frank M. Ladner agree to pay a civil penalty of \$1,000 to the Office of the Securities Commissioner pursuant to NDCC § 10-04-16.

2. R. T. Jones agrees to make an offer of rescission to the North Dakota resident set forth above. The offer shall be extended on or before acceptance of this Agreement by the Securities Commissioner, and shall comply with NDCC § 10-04-17.

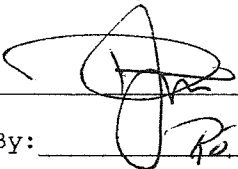
3. This Agreement shall be effective upon signatures of the Commissioner and R. T. Jones and Frank S. Ladner.

Signed and Sealed this 16<sup>th</sup> day of December, 2004.

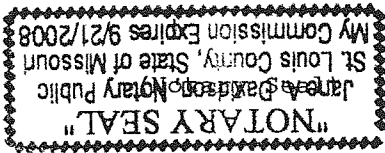
  
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Karen J. Tylek, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

Dated this 14 day of December, 2004.

R.T. Jones Capital Equities, Inc.  
8151 Clayton Road  
St. Louis, MO 63117

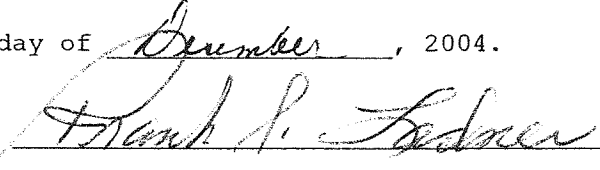
  
By: Robert T. Jones  
Its: President

Subscribed and Sworn before me this 14 day of December, 2004.

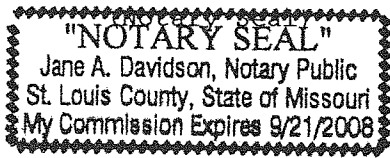


Jane A. Davidson  
Notary Public  
State: Missouri County: St. Louis  
My Commission Expires: 9/21/08

Dated this 14 day of December, 2004.

  
Frank S. Ladner  
R.T. Jones Capital Equities, Inc.  
1008 12<sup>th</sup> Street  
Lawrenceville, IL 62439

Subscribed and Sworn before me this 14 day of December, 2004.



Jane A. Davidson  
Notary Public  
State: \_\_\_\_\_ County: \_\_\_\_\_  
My Commission Expires: 9/21/08