

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of The United Methodist)
Development Fund)
Respondent.)

CONSENT ORDER

.....
The North Dakota Securities Commissioner has advised the respondent that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code (N.D.C.C.) Chapter 10-04 and has determined as follows:

1. The United Methodist Development Fund (UMDF) is a Pennsylvania nonprofit corporation that is headquartered in New York. UMDF is a corporation that was created exclusively for religious purposes.
2. From 1996 thru present, Respondent offered for sale and sold notes to more than 17 individuals or organizations in North Dakota. The notes were valued, in the aggregate, at more than \$230,000.
3. All sales made after July 1, 1999 were sold without securities registration or a valid exemption from the registration provisions of section 10-04-04 N.D.C.C.
4. The Respondent is not now and has never been registered as a dealer in North Dakota, and all transactions were made in violation of the dealer and agent registration provisions of section 10-04-10 N.D.C.C.
5. Pursuant to section 10-04-04 N.D.C.C., no person may offer or sell any security in this state unless the security is registered, is an exempt security under section 10-04-05 N.D.C.C., or is offered through an exempt transaction under section 10-04-06 N.D.C.C., or is a federal covered security and properly filed under section 10-04-08.4 N.D.C.C.
6. Pursuant to section 10-04-10 N.D.C.C., no person may offer for sale or sell any security within or from this state unless registered as a dealer or an agent in North Dakota, or the securities are offered through an exempt transaction under section 10-04-06 N.D.C.C.
7. 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.

8. 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.

9. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

10. Respondent acknowledges that this Consent Order applies only to the violations discussed above, and that the Commissioner expressly reserves the authority to take further action based on subsequent violations of the Securities Act, or any other violations of the Securities Act that the Commissioner may discover, that are not outlined above.

11. Respondent acknowledges that the transactions described above are governed by the Securities Act, and that the investors described above are entitled, pursuant to section 10-04-17 N.D.C.C., to the return of their investment plus 6% interest per annum from the date of their investment, if they should so elect.

12. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by the signature below.

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

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondent shall not offer or sell any security within or from this state unless the security is registered or exempt from registration pursuant to section 10-04-04 N.D.C.C.

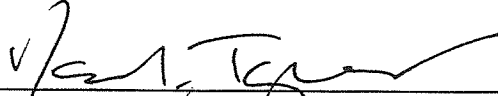
2. Respondent shall not offer or sell any security within or from this state unless respondent is registered as required by section 10-04-10 N.D.C.C.

3. Respondent shall pay the Commissioner a civil penalty in the amount of \$2,000.

4. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 26 ^{FEBRUARY} day of ~~January~~, 2002.





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

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**CONSENT TO ENTRY
OF ORDER**

.....
I, the undersigned, state that I have read the foregoing Consent Order and that I know and fully understand its contents and effects. I further state that I am authorized to enter into this Consent Order on behalf of the United Methodist Development Fund. I acknowledge that the respondent has waived its right to a hearing with respect to this matter, and that it consents to the entry of the Consent Order by the Securities Commissioner.

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 31st day of January, 2002.

United Methodist Development Fund
475 Riverside Drive, Suite 1519
New York, NY 10115

By: *Roland Fernandes*
Roland Fernandes

(print name)

Subscribed and Sworn before me this 31st day of January, 2002.

Roger M. Whitman

Notary Public

State: _____ County: _____

My Commission Expires: _____

(Notary Seal)

NOTARY SEAL
ROGER M. WHITMAN, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Oct. 20, 2003