

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Torrey Pines Securities, )  
Inc. and Harvey G. Leason A/K/A Glen )  
Leason, )  
 )  
Respondents )

**CONSENT ORDER**

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The North Dakota Securities Commissioner has advised the respondents, Torrey Pines Securities, Inc. and Harvey G. Leason A/K/A Glen Leason, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, Torrey Pines Securities, Inc. (Torrey Pines), is a securities dealer headquartered in San Diego, California, and is not now and has never been registered as a Broker Dealer in North Dakota.
2. Respondent, Harvey G. Leason A/K/A Glen Leason (Leason), is a natural person who, for all times relevant to this matter, has been an agent for Torrey Pines. Leason is not now and has never been registered as a securities agent in North Dakota.
3. During October of 1999, respondents executed two securities transactions in the account of Rex and Patricia Tottingham, residents of North Dakota. Respondents did not solicit the transactions or initiate the contact with the North Dakota residents. The transactions were not made pursuant to any exempt transaction under section 10-04-06 N.D.C.C., and the securities offered were not exempt from registration under section 10-04-05 N.D.C.C. Mr. Leason states that he believed the transactions were exempt from registration in North Dakota, based on the representation from Mr. Tottingham that they were accredited investors.
4. On October 27, 1999, respondent, Torrey Pines, applied with the commissioner to be registered as a Broker/Dealer in North Dakota. As part of that application, respondent, Torrey Pines, submitted its Affidavit of Broker/Dealer activity in North Dakota, wherein Torrey Pines stated that it "has not offered for sale or sold any securities . . . within this state." That statement was false based on the transactions discussed above. Respondents deny that they had any intent to file a false statement with the Commissioner. Instead, Respondents claim that they did not have complete information available to them from the clearing broker at the time of filing the statement with the Commissioner.

5. Pursuant to section 10-04-10 N.D.C.C., no dealer may offer for sale or sell any securities within or from this state unless registered as a Broker/Dealer, and no agent may offer for sale or sell any securities within or from this state, unless registered as an agent in North Dakota, unless the securities are sold through exempt transactions under section 10-04-06 N.D.C.C.

6. Pursuant to section 10-04-15(1), no person may make any false statement in any application submitted to the Commissioner.

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, if proven, are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C.

9. Respondents acknowledge their right to a hearing on this matter and waive their right to a hearing in this matter and to present arguments to the Commissioner.

10. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by their signatures on the Consent to Entry of Order, attached hereto.

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

**NOW, THEREFORE, IT IS ORDERED, THAT:**

1. Respondent, Torrey Pines, shall not transact any securities business with any person in North Dakota unless respondent is registered as a dealer or properly exempted under Chapter 10-04 N.D.C.C.

2. Respondent, Leason, shall not transact any securities business with any person in North Dakota unless respondent is registered as an agent or properly exempted under Chapter 10-04 N.D.C.C.

3. Respondent, Torrey Pines, shall not employ any person to represent them as a securities agent for any securities business with any person in North Dakota unless such person is registered as an agent under section 10-04-10 N.D.C.C. or properly exempted from registration under section 10-04-06 N.D.C.C.

4. Respondents shall pay a civil penalty of \$1,500 to the Office of the Securities Commissioner pursuant to NDCC §10-04-16.
5. Respondent, Torrey Pines, shall be permitted to withdraw their pending application to be registered as a broker/dealer in North Dakota.
6. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 24<sup>th</sup> day of May, 2000.



*Syver Virje*

Syver Virje, 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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**RECEIVED**

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Inc. and Harvey G. Leason A/K/A Glen )  
Leason, )  
)  
Respondents )

**CONSENT TO ENTRY  
OF ORDER**

MAY 23 2000

SECURITIES COMMISSIONER  
STATE OF NORTH DAKOTA

The undersigned persons, acting on behalf of Torrey Pines Securities, Inc., and Harvey G. Leason, state that they have read the foregoing Consent Order and that they know and fully understand its contents and effects. They further state that they are authorized to execute this Consent to Entry of Order. They acknowledge that respondents have waived their rights to a hearing with respect to this matter, and they consent to entry of the Consent Order by the Securities Commissioner without admitting or denying 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 17 day of MAY, 2000.

Torrey Pines Securities, Inc.  
12626 High Bluff Drive, Suite 400  
San Diego, CA 92130

By: JACK C SMITH  
(Type or Print Name)

Signed: [Signature]

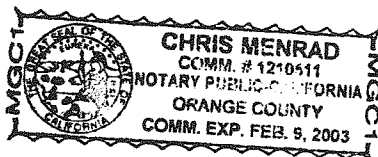
Capacity: PRESIDENT

Subscribed and Sworn before me this 17 day of MAY, 2000.

[Signature]

Notary Public  
State: California County: Orange  
My Commission Expires: 2-9-2003

(Notary Seal)



Dated this 17 day of May, 2000.

Harvey G. Leason  
Harvey G. Leason  
Torrey Pines Securities, Inc.  
12626 High Bluff Drive, Suite 400  
San Diego, CA 92130

Subscribed and Sworn before me this 17 day of May, 2000.

[Signature]

(Notary Seal)

Notary Public  
State: California County: Orange  
My Commission Expires: 2-9-2003

