

MAY 18 1998

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE SECURITIES COMMISSION
STATE OF NORTH DAKOTA
SECURITIES COMMISSIONER

In the Matter of Tradestar *14565*)
Investments, Inc.)
)
Respondent.)

CONSENT ORDER

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The North Dakota Securities Commissioner has advised the Respondent, Tradestar Investments, Inc. that he is prepared to commence formal action pursuant to N.D.C.C. Chapter 10-04 and has determined as follows:

1. That on Respondents filed an application to become registered as a Dealer in North Dakota on June 11, 1996, pursuant to N.D.C.C. §10-04-10.
2. Information obtained by the North Dakota Office of the Securities Commissioner during a review of the Respondent's application discovered that Respondent:
 - a) Maintained accounts of two North Dakota residents and conducted transactions in those accounts through unregistered sales agents while not registered as a securities dealer as required by North Dakota law.
 - b) Made a statement to the Office of the Securities Commissioner that they had not offered or sold securities to North Dakota residents.
3. Pursuant to N.D.C.C. §10-04-10, it is unlawful for any person to offer and/or sell securities in North Dakota or to a North Dakota resident or such person is registered as a dealer, unless the securities are sold in an exempt transaction under N.D.C.C. §10-04-06.

4. Pursuant to N.D.C.C. §10-04-10, it is unlawful for any person to offer and/or sell securities through a sales agent in North Dakota or to a North Dakota resident unless such sales agent is registered or the securities are sold in an exempt transaction under N.D.C.C. §10-04-06.
5. Pursuant to N.D.C.C. §10-04-15, no person is permitted to make or caused to be made any materially false statement required to be filed pursuant to this chapter.
6. Pursuant to N.D.C.C. §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, 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.
7. The information described above is sufficient grounds for the Commissioner to assess civil penalties against Respondent pursuant to N.D.C.C. §10-04-16.
8. Respondent acknowledges its right to a hearing on this matter and, upon advise of counsel, waives its right to a hearing in this matter and to present arguments to the Commissioner.
9. Respondent, without admitting or denying the Commissioner's findings put forth above, agree to resolve this matter with the Office of the Securities

Commissioner by this Consent Order, and this is evidenced by its representative's signature in the attached Consent to Entry of Order.

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

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondents shall not transact any securities business with any person in North Dakota unless registered as a dealer or properly exempted under N.D.C.C. Chapter 10-04.
2. Respondents shall not employ any person to represent them as a securities salesman for any securities business with any person in North Dakota unless such person is registered as a salesman or properly exempted under N.D.C.C. Chapter 10-04.
3. Respondents shall pay a civil penalty of \$2,000 to the Office of the Securities Commissioner pursuant to N.D.C.C. §10-04-16.
4. Upon execution of this order, Respondents application for registration as a dealer in North Dakota will be approved.
5. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 18th day of May, 1998.



Syver Vinje

Syver Vinje
North Dakota Securities Commissioner
State Capitol-5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of Tradestar)
Investments, Inc.)
)
Respondent.)

CONSENT TO ENTRY
OF ORDER

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The undersigned, acting on behalf of Tradestar Investments, Inc., states that he/she has read the foregoing Consent Order; that he/she knows and fully understands its contents and effects; that he/she is authorized to execute this Consent to Entry of Order on behalf of the Respondents; that Respondents have waived their rights to a hearing with respect to this matter; and that Respondents consent to entry of the Consent Order by the Securities Commissioner without admitting or denying the findings of fact and conclusions of law contained herein. 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 15th day of May, 1998.

Tradestar Investments, Inc.
5599 San Felipe, Suite 1400
Houston, TX 77056

By: DAVID S. TURGEVILLE
(Type or Print Name)

Signed: [Signature]
Capacity: EXECUTIVE VICE PRESIDENT

Subscribed and Sworn before me this 15th day of May, 1998

[Signature]
Notary Public
State: TEXAS County: HARRIS
My Commission Expires:

(Notary Seal)

