

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of)
USA Financial News and)
James Bartel,)
Respondents.)

CONSENT ORDER

Securities Commissioner Cal Hoovestol (hereinafter "Commissioner") has advised USA Financial News and James Bartel (hereinafter "Respondents") that he has determined as follows:

1. Information obtained by the North Dakota Office of the Securities Commissioner indicates that Respondents have been involved in securities activities with North Dakota residents. These activities consisted of offering free gifts of stock along with the purchase of a \$29.00 subscription to Respondents' newsletter. It is the position of the Commissioner that this activity, if proven, may constitute thirty-five (35) offers of unregistered securities, thirty-five (35) offers of securities while not registered as a dealer in North Dakota, and thirty-five (35) offers of securities through a person not registered as a salesman in North Dakota.

2. The transactions described above, if proven, could constitute sufficient grounds for the imposition of civil penalties under Chapter 10-04 of the North Dakota Century Code.

3. Respondents neither admit nor deny that their activities violated Chapter 10-04 of the North Dakota Century Code.

4. Respondents admit that they have waived their right to a hearing in this matter and to present arguments to the Commissioner.

5. Respondents acknowledge their right to be represented by legal counsel throughout this proceeding, and have agreed to an informal disposition of this matter, without a hearing.

6. This Consent Order is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS HEREBY AGREED AND ORDERED AS FOLLOWS:

1. Respondents acknowledge that they shall be prohibited from transacting any securities business with any person in North Dakota unless such securities, and the persons through whom they are made, are properly registered or properly exempt from registration under Chapter 10-04 of the North Dakota Century Code.

2. Respondent shall pay the amount of Five Hundred Eighty Dollars (\$580.00) to the Office of the Securities Commissioner for expenses reasonably attributed to the investigation under Chapter 10-04 of the North Dakota Century Code.

3. Respondent shall pay the amount of Two Thousand Dollars (\$2,000.00) to the Office of the Securities Commissioner as a civil penalty.

4. This Consent Order shall be effective upon the signatures of the parties hereto.

Date: February 24, 1997

Cal Hoovestol
Cal Hoovestol
Securities Commissioner
State of North Dakota

Date: 2-21-97

Mitchell Milgaten
Mitchell Milgaten
USA Financial News

Date: 2/21/97

James Bartel
James Bartel