

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Kevin D. Wanner, doing)
business under the trade name, Precision)
Financial Services; and Questar Capital)
Corporation,)
Respondents.)

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FINDINGS OF FACT, CONCLUSIONS OF LAW, ORDER TO SUMMARILY SUSPEND AGENT REGISTRATION, NOTICE OF PROPOSED ORDER TO REVOKE AGENT REGISTRATION, CEASE AND DESIST ORDER, AND NOTICE OF RIGHT TO REQUEST A HEARING

The Securities Commissioner has a reasonable basis to believe that the Respondent, Kevin D. Wanner, has engaged in acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code, and which would constitute a sufficient ground for revocation of an agent's registration under §10-04-11 of the North Dakota Century Code and therefore constitute a ground for summary suspension of Respondent's registration as an agent under §10-04-11(4) of the North Dakota Century Code.

NOW, THEREFORE, the Securities Commissioner makes the following:

FINDINGS OF FACT

The Securities Commissioner has determined as follows:

1. Respondent, Questar Capital Corporation, CRD #43100, is a Minnesota corporation headquartered in Minneapolis, Minnesota, which has been registered as a broker-dealer in North Dakota since August 4, 2000.

2. Respondent, Kevin D. Wanner, CRD #1402627, is an individual selling investment and insurance products and services to the public under the registered trade name, Precision Financial Services, with a principal place of business at 919 South Seventh Street, Suite 505, Bismarck, North Dakota.

3. Respondent Wanner has been registered as a securities agent in North Dakota with various broker-dealer firms, and has maintained a place of business in Bismarck, North Dakota, since 1990. Respondent Wanner is currently registered as a securities agent with Questar Capital Corporation, and has been since December 18, 2012.

4. On or about December 26, 2014, Respondent Wanner, a registered securities agent of Questar Capital Corporation, offered for sale and sold to North Dakota resident, I. R., a "Time Certificate of Deposit" purporting to represent an investment in an FDIC insured interest bearing account issued by "American Express Bk" for the principal sum of \$25,000. The investment was to have a return of 2.90% and a one year maturity.

5. On or about February 16, 2015, Respondent Wanner, a registered securities agent of Questar Capital Corporation, offered for sale and sold to North Dakota resident, M. J., a "Time Certificate of Deposit" purporting to represent an investment in an FDIC insured interest bearing account issued by "Goldman Sach Bk NY" for the principal sum of \$27,000. The investment was to have a return of 2.80% and a one year maturity.

6. The investments offered and sold by Respondent Wanner, as described in paragraphs 4 and 5, are securities, as defined in N.D.C.C. § 10-04-02(19).

7. Respondent Wanner misrepresented to the investors that their funds would be deposited with the FDIC member financial institutions represented and instead deposited their funds into accounts owned and controlled by Wanner for his own purposes. Pursuant

to N.D.C.C. § 10-04-15(2), it is a fraudulent practice for any person, in connection with the offer and sale of a security, to make an untrue statement of a material fact or engage in any course of business which operates as a fraud or deception upon purchasers or the public. The misrepresentations described were made in violation of N.D.C.C. § 10-04-15(2).

8. The Respondent Wanner was registered as an agent of Questar, however, he did not properly disclose the securities transactions to Questar in writing in advance of the offering as required by FINRA Rule 3280. The transactions do not appear to have been conducted on the books and records of Questar. The offerings for sale of the investments were made in violation of N.D.C.C. § 10-04-10.

9. Respondent Wanner was "selling away" from his broker-dealer, in violation of FINRA Rules, and thereby engaged in a dishonest or unethical practice as defined by N.D.A.C. § 73-02-09-03.

10. Pursuant to the facts set forth above, Respondent, Kevin D. Wanner, has violated the securities laws and engaged in dishonest, fraudulent or unethical practices in the securities industry. As such, there are sufficient grounds for the Commissioner to revoke an agent's registration under N.D.C.C. § 10-04-11 and therefore constitute a ground for summary suspension of Respondent's registration as an agent under §10-04-11(4) of the North Dakota Century Code.

CONCLUSIONS OF LAW

1. The North Dakota Securities Department has jurisdiction over the subject matter of these proceedings and the Respondents.

2. Pursuant to N.D.A.C. § 73-02-09-02(29) and § 73-02-09-03(6), it is a dishonest or unethical practice for an agent to engage in any act which is a violation of FINRA Rules.

3. Pursuant to N.D.C.C. § 10-04-11(1)(a), it is grounds for revocation of an agent's registration in this state if the agent has violated or failed to comply with the Securities Act or rules.

4. Pursuant to N.D.C.C. § 10-04-11(1)(c), it is grounds for revocation of an agent's registration in this state if the agent has engaged in dishonest, fraudulent or unethical practices in the securities business.

5. Pursuant to N.D.C.C. § 10-04-11(4), the Commissioner may by order summarily suspend the registration of an agent if the Commissioner makes written findings of fact to support the conclusion that grounds exist to revoke an agent's registration under N.D.C.C. § 10-04-11(1). The findings set forth above constitute sufficient grounds for the Commissioner to summarily suspend the agent registration of Respondent, Kevin D. Wanner.

6. Pursuant to N.D.C.C. § 10-04-16 (1), the Securities Commissioner has the authority to Order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violations of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act.

7. This order is necessary and appropriate in the public interest for the protection of investors.

**ORDER TO SUMMARILY SUSPEND THE AGENT
REGISTRATION OF KEVIN D. WANNER**

Based on the Findings of Fact set forth above and pursuant to N.D.C.C. § 10-04-11(4), the Commissioner hereby Orders that the agent registration of Kevin D. Wanner is hereby suspended pending final determination of the matter regarding the Commissioner's

proposed Order to revoke the agent registration of Kevin D. Wanner, after hearing or opportunity for hearing.

**NOTICE OF PROPOSED ORDER TO REVOKE
AGENT REGISTRATION**

YOU ARE HEREBY NOTIFIED THAT the North Dakota Securities Commissioner hereby proposes to issue an Order to Revoke the Agent Registration of Respondent, Kevin D. Wanner, based on the Findings of Fact set forth above, pending hearing or an opportunity for hearing.

CEASE AND DESIST ORDER

IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST** from offering for sale or selling in North Dakota the subject securities, or any other like securities however denominated, unless and until such securities have been registered with the Securities Department, are exempt from registration, or sold in exempt transactions. Further, Respondent Wanner shall immediately **CEASE AND DESIST** from using material misstatements or omissions, engaging in a scheme or artifice to defraud investors, or from engaging in any fraudulent or deceptive practices, in connection with the offer and/or sale of securities in this state.

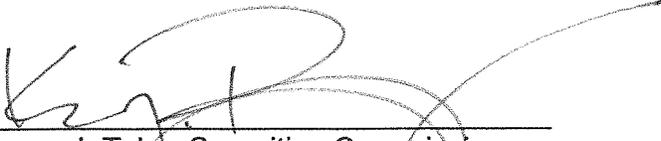
NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that, pursuant to N.D.C.C. §§ 10-04-11(4) and 10-04-12, you may request a hearing before the Securities Commissioner if such a request is made in

writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER AND NOTICE. You have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 4th day of December, 2015.





Karen J. Tyler, Securities Commissioner
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