

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Assemblies of God )  
Loan Fund; )  
 )  
Respondent. )

CONSENT AGREEMENT

.....  
The North Dakota Securities Commissioner has advised the Respondent, Assemblies of God Loan Fund, 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, Assemblies of God Loan Fund, is a 501(c)(3) company that is headquartered in Springfield, Missouri. For all times relevant to this matter, Respondent has been an issuer of debt securities, the proceeds of which are used for funding church related projects.
2. From 1995 to the present, Respondent, by and through its agents, engaged in more than fifty securities sales in North Dakota.
3. None of the Respondent's securities were registered in North Dakota at the time of their sales. All securities sold prior to July 1, 1999 were exempt from registration pursuant to Section 10-04-05(5) N.D.C.C. The securities that were sold after July 1, 1999 were not exempt from registration. Pursuant to Section 10-04-04 N.D.C.C., no securities may be sold in this state unless they are registered or exempt from registration. All sales made after July 1, 1999 were conducted in violation of this section.
4. Respondent has never been registered as a dealer, nor were any of its agents registered as agents under Section 10-04-10 N.D.C.C. None of these securities were sold through a transactional exemption. Pursuant to Section 10-04-10 N.D.C.C., no securities may be sold in this state except through a registered dealer and agent, unless it is sold through an exempt transaction. Respondents engaged in more than fifty violations of this section.
5. In January of 1995, Respondent requested that the Securities Department take a no-action enforcement position with respect to the sale of its debt securities in North Dakota. In February of 1995, the Securities Department issued a no-action letter indicating that no action would be taken with respect to securities registration. That letter, however, indicated that dealer registration was an issue with respect to these transactions. That letter was silent with respect to agent registration. The Respondent contends that it misunderstood the scope of this letter, and that it was relying on its misunderstanding of this no-action letter.

6. Pursuant to Section 10-04-16(1) 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 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. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to Section 10-04-16(1) N.D.C.C.

7. Respondent voluntarily brought this matter to the attention of the Commissioner and has cooperated thoroughly throughout the process.

8. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Agreement, and this is evidenced by the signatures below.

9. This Agreement is necessary and appropriate in the public interest.

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

1. Respondent shall make a donation of \$10,000 to the Investor Education and Technology Fund, a special fund administered by Securities Department.
2. This Agreement shall be effective upon signatures set forth below.

Signed and Sealed this 20<sup>th</sup> day of May, 2005.



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

Dated this 2<sup>nd</sup> day of MAY, 2005.

Assemblies of God Loan Fund  
1600 Boonville Avenue, Suite C  
Springfield, MO 65803-2761

By: [Signature]  
Kerry G. Prosser  
Its: 1 RESIDENT

Subscribed and Sworn before me this 2<sup>nd</sup> day of May, 2005.

[Signature]

(Notary Seal)

Notary Public  
State: Mo County: Greene  
My Commission Expires: 6/4/05

DEIDRE D. TEMPLETON  
Notary Public - Notary Seal  
State of Missouri  
County of Greene  
My Commission Expires 06/04/2005