

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Ronald Dean Bennett,)
also known as Ron Bennett, doing)
business as Ron Bennett Commercial)
Real Estate,)
Respondent.)

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**FINDINGS OF FACT, CONCLUSIONS OF LAW, CEASE AND DESIST ORDER,
ORDER FOR AND NOTICE OF CIVIL PENALTY, ORDER FOR RESCISSION, AND
NOTICE OF RIGHT TO REQUEST A HEARING**

FINDINGS OF FACT

The Securities Commissioner has determined as follows:

1. Respondent, Ronald Dean Bennett, (hereinafter, "Bennett") is a resident of the state of Washington, operating a real estate brokerage known as Ron Bennett Commercial Real Estate, with offices in Bellingham, Washington.
2. On or about October 27, 2008, Respondent engaged in the offer and sale of a Promissory Note issued by Ron Bennett Commercial Real Estate and signed by Bennett to Justine Mardikian, a resident of the state of North Dakota, in the principal sum of \$100,000, together with interest to be paid as set forth in the note. Bennett executed renewal notes for said obligation on or about October 27, 2009 and October 27, 2010.
3. On or about May 14, 2009, Respondent engaged in the offer and sale of a Promissory Note issued by Ron Bennett Commercial Real Estate and signed by Bennett to Justine Mardikian, a resident of the state of North Dakota, in the principal sum of \$50,000, together with interest to be paid as set forth in the note. Bennett executed a renewal note for said obligation on or about May 14, 2010.

4. Said Promissory Notes and renewal notes are securities as defined in N.D.C.C. §10-04-02(19). N.D.C.C. § 10-04-04 requires that securities offered for sale or sold in North Dakota be registered or exempt from registration.
5. The Promissory Notes and renewal notes issued by Bennett have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 10-04-08, or 10-04-08.1; are not exempt securities under N.D.C.C. § 10-04-05; and have not been offered for sale or sold in exempt transactions under N.D.C.C. § 10-04-06; and are not federal covered securities or have not been properly filed as federal covered securities under N.D.C.C. § 10-04-08.4.
6. The transactions referenced above were conducted at a time when the Respondent Bennett was not registered as an issuer-dealer and was not registered as an agent with the Securities Department.

CONCLUSIONS OF LAW

1. The North Dakota Securities Department has jurisdiction over the subject matter of these proceedings and the Respondent.
2. All offers and sales of the subject securities were made in violation of N.D.C.C. § 10-04-04 and the Respondent Bennett engaged in five violations of N.D.C.C. § 10-04-04.
3. All offers and sales of the subject securities were made at a time when the Respondent Bennett was not registered as an issuer-dealer and was not registered as an agent with the Securities Department. Respondent Bennett engaged in five violations of N.D.C.C. § 10-04-10(1) and five violations of N.D.C.C. § 10-04-10(2).

4. Pursuant to N.D.C.C. § 10-04-17, a securities transaction is subject to rescission if it was conducted in violation of the Securities Act or rules. The transactions described in paragraphs 2 and 3 of the Findings of Fact are subject to rescission.
5. 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 in violation of Chapter 10-04 of the North Dakota Century Code, 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 violation of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$150,000 based on the violations described above. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to N.D.C.C. § 10-04-16(1).
6. This order is necessary and appropriate in the public interest for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, that:

1. Respondent Bennett shall not offer for sale and/or sell any security in North Dakota unless that security is registered with the Securities Department or exempt from registration under N.D.C.C. Chapter 10-04.
2. Respondent Bennett shall not transact any securities business with any person in North Dakota unless the Respondent is registered as an issuer-dealer or an agent or properly exempted from registration under N.D.C.C. Chapter 10-04.
3. This Order shall be effective upon signature of the Commissioner.

ORDER FOR AND NOTICE OF CIVIL PENALTY

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1), in an amount not to exceed \$10,000 for each violation. Respondent is hereby assessed and shall pay a civil penalty of \$150,000 to the North Dakota Securities Department based on the violations discussed above. \$130,000 of the civil penalty assessed under this paragraph shall be suspended and shall not be due and payable provided the Respondent completes rescission of the transactions described in paragraphs 2 and 3 of the Findings of Fact within sixty days of the date of this Order, with the complainant's losses to be calculated pursuant to N.D.C.C. § 10-04-17. Failure to make timely payment to complainant shall result in a default of this provision and the entire civil penalty of \$150,000 shall be due and payable to the Department.

The civil penalty assessed herein is due and payable sixty days from the date of this Order, except to the extent that a hearing has been timely requested by the Respondent. If a hearing is requested, the Securities Commissioner expressly reserves the authority to modify this provision and to assess additional civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above or any other violations subsequently discovered. The Commissioner reserves the authority to direct any penalties to the North Dakota Investor Restitution Fund (Fund # 262), for the purpose of repaying aggrieved investors, as appropriate.

ORDER FOR RESCISSION

The Securities Commissioner further Orders that the Respondent shall make rescission of the transactions described in paragraphs 2 and 3 of the Findings of Fact

within sixty days of the date of this Order, for the full amount paid for the securities, plus interest at the rate stated in the notes and renewal notes, and less the amount of any income received on the securities by the complainant, pursuant to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17.

The complainant, Justine Mardikian, her heirs, successors and assigns, are intended third party beneficiaries of this provision, and may seek to enforce their interests under this paragraph.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that, pursuant to N.D.C.C. §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. You have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 21st day of December, 2011.





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

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Ronald Dean Bennett,)
also known as Ron Bennett, doing)
business as Ron Bennett Commercial) **ADMISSION OF SERVICE**
Real Estate,)
Respondent.)

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Personal service of the attached FINDINGS OF FACT, CONCLUSIONS OF LAW, CEASE AND DESIST ORDER, ORDER FOR AND NOTICE OF CIVIL PENALTY, ORDER FOR RESCISSION, AND NOTICE OF RIGHT TO REQUEST A HEARING, is hereby admitted by receipt of copies thereof at Bellingham, Washington, this ____ day of _____, 201__, by Ronald Dean Bennett, also known as Ron Bennett, Respondent.

Dated this ____ day of _____, 201__.

Ron Bennett