

**STATE OF NORTH DAKOTA**

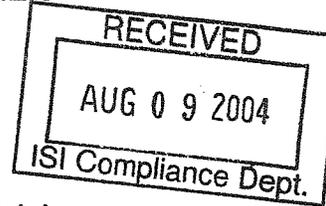
**BEFORE THE**

**COUNTY OF BURLEIGH**

**SECURITIES COMMISSIONER**

In the Matter of InterSecurities, Inc.; )  
and Richard Colling; )  
 )  
Respondents. )

**CONSENT ORDER**



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The North Dakota Securities Commissioner has advised the Respondents, InterSecurities, Inc. and Richard Colling, 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, InterSecurities, Inc., is a securities dealer headquartered in St. Petersburg, Florida. InterSecurities, Inc. is, and for all times relevant to this matter, has been registered as a dealer with the Securities Department.
2. Respondent, Richard Colling, is a securities agent employed by and associated with InterSecurities, Inc. Respondent is, and for all times relevant to this matter, has been registered as a securities agent with the Securities Department.
3. From December 1999 to March of 2000, Respondents sold a variable life insurance contract to a North Dakota couple. The subject variable life insurance contract was not suitable for the investors in light of the charges incurred by the clients in purchasing the contract, and the investments made inside the variable life insurance contract were not suitable based on the investment objectives and the risk temperament of the clients.
4. The sale of securities in North Dakota, which are not suitable to the investment needs of the client, constitutes dishonest or unethical practices.
5. InterSecurities, Inc. did not properly supervise its agent(s) with regard to the activity described above.
6. Based on the complaint of the North Dakota customers, InterSecurities, Inc. rescinded the transaction and refunded the purchase price, plus interest as allowed by Section 10-04-17, to the North Dakota customers.
7. Pursuant to Section 10-04-16 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.

8. Respondents acknowledge their rights to a hearing on this matter and waive these rights to a hearing and to present arguments to the Commissioner.

9. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order.

10. The following Order is necessary and appropriate in the public interest and for the protection of investors.

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

1. Respondent, InterSecurities, Inc., shall properly supervise the activities of its agents with regard to all securities related activity in North Dakota.

2. Respondents shall pay a civil penalty of \$2,000 made payable to the North Dakota Securities Department, pursuant to NDCC §10-04-16(1).

3. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 12 day of August, 2004.



  
\_\_\_\_\_  
Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

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**CONSENT TO ENTRY  
OF ORDER**

.....  
Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, each of the undersigned persons, on behalf of the Respondents, state that:

1. He or she has read the foregoing Consent Order, and knows and fully understand its contents and effects.
2. The Respondents have been advised of their rights to a hearing with regard to this matter, and have specifically waived their rights to a hearing.
3. The Respondents have been advised that any willful violation of this order is a Class B Felony pursuant to Section 10-04-18(1) N.D.C.C. and is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person, pursuant to Section 12.1-32-01(3) N.D.C.C. or by a \$35,000 fine with respect to an organization, pursuant to Section 12.1-32-01.1(2) N.D.C.C.
4. The foregoing Consent Order constitutes the entire settlement agreement between the Respondents and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
5. The Respondents neither admit nor deny the factual determinations of the Commissioner, as set forth in the foregoing Consent Order.
6. The Respondents consent to entry of the foregoing Consent Order by the Securities Commissioner, and do so willingly for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 9<sup>th</sup> day of August, 2004.

InterSecurities, Inc.  
570 Carillon Parkway  
St. Petersburg, FL 33716-1202

Sworn to and subscribed before me this  
9<sup>th</sup> day of August, 2004  
by Thomas R. Moriarty  
who is personally known to me.

Thomas R. Moriarty  
By: Thomas R. Moriarty  
Its: President

Subscribed and Sworn before me this 9<sup>th</sup> day of August, 2004.



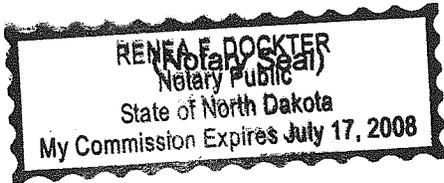
Gail L. Moore  
Commission # CC981186  
Expires Dec. 29, 2004  
Bonded Thru  
Atlantic Bonding Co., Inc.  
(Notary Seal)

Gail L. Moore  
Notary Public  
State: FL County: Pinellas  
My Commission Expires: 12/29/04

Dated this 3rd day of August, 2004.

Richard W. Colling  
Richard W. Colling  
InterSecurities, Inc.  
518 N. 14th Street  
Bismarck, ND 58501

Subscribed and Sworn before me this 3 day of August, 2004.



Renee E. Dockter  
Notary Public  
State: \_\_\_\_\_ County: \_\_\_\_\_  
My Commission Expires: 7-17-08