

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Bradley James Stroup,)	CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY, AND NOTICE OF RIGHT TO REQUEST A HEARING
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)	
Respondent.)	

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA
TO: BRADLEY JAMES STROUP, RESPONDENT.

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondent has engaged in, is engaging in, or is about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondent.

1. Respondent, Bradley James Stroup (Stroup or Respondent), CRD #4556773, is believed to be a resident of Fargo, North Dakota, formerly a resident of Broomfield, Colorado, and is not now and has never been registered as an agent with the North Dakota Securities Department.
2. On or about September 30, 2010, Respondent engaged in the offer for sale of an investment contract or profit-sharing agreement in the form of an interest in a purported mineral development for value to at least one North Dakota resident, in Fargo, North Dakota. Said investment contract or profit-sharing agreement was a "security" as defined in N.D.C.C. § 10-04-02(19).

3. The securities transaction referenced above was described by the Respondent as “a short term cash investment” with “Very limited risk for a very short period with an extremely high return.” Percentage of net profit to be distributed to the investor was 10% with the dollar amount cap depending on the amount of the investment.
4. The investment contract or profit-sharing agreement offered for sale by the Respondent has 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; is not an exempt security under N.D.C.C. § 10-04-05; and has not been offered for sale or sold in an exempt transaction under N.D.C.C. § 10-04-06; and is not a federal covered security or has not been properly filed as a federal covered security under N.D.C.C. § 10-04-08.4. The offer and sale of the subject investment was made in violation of N.D.C.C. § 10-04-04 and Respondent engaged in one violation of N.D.C.C. § 10-04-04.
5. The transaction referenced above was conducted at a time when Respondent, Bradley James Stroup, was not registered as an agent with the Securities Department. The Respondent engaged in one violation of N.D.C.C. § 10-04-10(2).
6. Respondent, Bradley James Stroup, in the offer for sale of the investment contract or profit-sharing agreement described herein, directly and indirectly employed devices, schemes and artifices to defraud the purchaser of the security, and made untrue statements and omissions of material fact in that the entire amount of the investment was at risk of loss, Respondent failed to disclose that he was not registered to sell securities in this state, and Respondent failed to disclose that he is currently the subject of criminal charges in *State of Oklahoma v.*

Bradley James Stroup, Case No. CF-2008-524, in the District Court in and for Payne County, Oklahoma, alleging securities fraud, embezzlement and racketeering. Therefore, Respondent, Bradley James Stroup, engaged in one violation of N.D.C.C. § 10-04-15(2).

7. 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 or a total of \$30,000 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).
8. This Order is issued in the public interest, and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondent shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Securities Department.
2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until he has registered with the Securities Department as a broker-dealer or agent.
3. 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.

This order does not prohibit the offer or sale of securities through exempt securities transactions under N.D.C.C. § 10-04-06, nor does it prohibit a registered broker-dealer or agent from offering or selling exempt securities under N.D.C.C. § 10-04-05 or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to N.D.C.C. § 10-04-08.4.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1). Pursuant to N.D.C.C. § 12.1-32-01(3), a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to N.D.C.C. § 12.1-32-01.1(2), a Class B Felony is punishable by a \$35,000 fine with respect to an organization.

YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

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). The Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

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. The Respondent has the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 17th day of October, 2010.





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

To the best of my knowledge, information and belief, the addresses given above are the last known addresses of the party intended to be served.



Jacquie Ferderer

Subscribed and sworn to before me this 15 day of October, 2010.



Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2014

