

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Kevin David Wells,)
CRD # 4180930,)
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)
)
Respondent)

**ORDER FOR SUMMARY SUSPENSION
OF THE AGENT REGISTRATION OF
KEVIN DAVID WELLS, PROPOSED
ORDER TO REVOKE THE AGENT
REGISTRATION OF KEVIN DAVID
WELLS, AND NOTICE OF RIGHT
TO REQUEST A HEARING**

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The North Dakota Securities Commissioner has advised the respondent, Kevin David Wells, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and finds as follows:

1. Respondent is a securities agent currently employed by and associated with Benson York Group, Inc., a firm headquartered in Melville, New York. Benson York is, and for all times relevant to this matter, has been registered as a dealer in North Dakota. Respondent is currently registered as an agent in North Dakota.
2. During December of 1998, Respondent was the subject of criminal charges for petit larceny in North Carolina. The charge was dismissed in February of 1999.
3. In November of 2002, Respondent was the subject of a customer complaint based on allegations of unauthorized trading in a customer account. The matter was settled for a payment of \$25,000, \$12,500 of which was paid by the Respondent.
4. In October of 2004, Respondent was the subject of a customer complaint surrounding losses suffered due to a stock that had halted trading. The matter was settled through a payment of \$17,400, all of which was paid by the Respondent.

5. On November 18, 2004, Respondent's application as an agent in the state of Wisconsin was denied, because Wells refused to provide information as requested by the state of Wisconsin.
6. On January 13, 2005, Respondent's application as an agent in the state of South Dakota was denied, after Respondent failed to make a request for hearing pursuant to an Order to Show Cause issued on October 4, 2004.
7. In July of 2005, Respondent was the subject of a customer complaint based on poor account performance resulting from stop-loss thresholds being exceeded. Customer settled with the Respondent and his firm for \$23,000, \$11,500 of which was paid by the Respondent.
8. On March 17, 2005, Respondent became registered as an agent in North Dakota. Well's application omitted to state that Wells had been denied registration in the state of South Dakota. Such omission was material to the application.
9. Between March and September of 2005, Respondent engaged in several transactions in the account of a North Dakota resident. The customer did not authorize at least eight of those transactions.
10. Pursuant to section 10-04-15 N.D.C.C., no person may make a materially false statement or a material omission with respect to an application filed with the Securities Department. The activities described in paragraph 8, above, constitute a violation of this section.
11. Pursuant to section 10-04-15 N.D.C.C., no person may engage in fraudulent conduct in connection with the offer for or sale of any security in North Dakota. The transactions described in paragraph 9, above, were conducted in violation of this section.

12. Pursuant to section 73-02-09-03 N.D.A.C., dishonest or unethical practices include, without limitation, the following:

- a. Engaging in securities transactions without the authorization of the client.
- b. Violating the NASD conduct rules.

The activities set forth in paragraphs 3, 4, 7, and 9, above, constitute dishonest or unethical practices under section 73-02-09-03 N.D.A.C.

13. Pursuant to section 10-04-11(1) N.D.C.C., the Commissioner may revoke the registration of an agent if the Commissioner finds that the agent has violated the provisions of the Securities Act or any Orders issued pursuant thereto, or has engaged in dishonest, fraudulent or unethical practices, or has been the subject of an order denying securities agent registration in another state. The activities set forth in paragraphs 3 thru 9 above constitute sufficient grounds for the revocation of the agent registration of Kevin David Wells.

14. Pursuant to section 10-04-11(4) N.D.C.C., the Commissioner may summarily suspend an agent registration pending a final determination on any proceeding under section 10-04-11 N.D.C.C.

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

**ORDER FOR SUMMARY SUSPENSION OF THE
AGENT REGISTRATION OF KEVIN DAVID WELLS**

Based on the information set forth above, the North Dakota Securities Commissioner hereby suspends the agent registration of Kevin David Wells pending final resolution of this matter.

**PROPOSED ORDER TO REVOKE THE AGENT
REGISTRATION OF KEVIN DAVID WELLS**

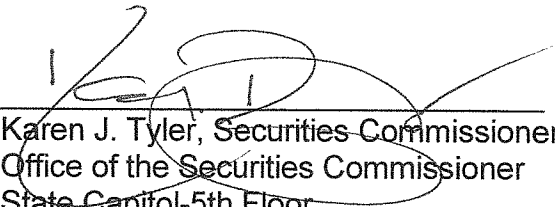
Based on the information set forth above, the North Dakota Securities Commissioner hereby proposes to revoke the agent registration of Kevin David Wells by issuing the attached Order to Revoke the Agent Registration of Kevin David Wells.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to section 10-04-12 N.D.C.C. 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 respondents have the right to be represented by legal counsel at the hearing.

Signed and Sealed this 14th day of November, 2005.





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

STATE OF NORTH DAKOTA

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SECURITIES COMMISSIONER

In the Matter of Kevin David Wells,)
CRD # 4180930,)
Respondent.)

**AFFIDAVIT OF SERVICE
BY MAIL**

.....
I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On, November 15, 2005, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following document:

**ORDER FOR SUMMARY SUSPENSION OF
THE AGENT REGISTRATION OF KEVIN DAVID
WELLS, PROPOSED ORDER TO REVOKE THE
AGENT REGISTRATION OF KEVIN DAVID WELLS,
AND NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above document was securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to each of the following:

John J. Conroy, President
Benson York Group, Inc.
535 Broad Hollow Rd, Ste B-51
Melville, NY 11747

Kevin D. Wells
Benson York Group, Inc.
535 Broad Hollow Rd, Suite 51
Melville, NY 11747

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

Jacqui Ferderer
Jacqui Ferderer

Subscribed and sworn to before me on November 15, 2005.

Harold P. Kocher
Harold P. Kocher, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2008

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CRD # 4180930,)
Respondent.)

**ORDER TO REVOKE
THE AGENT REGISTRATION
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Based on hearing or otherwise, the Securities Commissioner has found that the Respondent engaged in multiple violations of the Securities Act and that the Respondent has engaged in unethical or deceptive practices as defined by applicable administrative rules. These acts and practices are sufficient grounds to revoke the agent registration of the respondent.

NOW, THEREFORE, the North Dakota Securities Commissioner hereby orders that the agent registration of Kevin David Wells is hereby revoked.

Signed and Sealed this _____ day of November, 2005.

(SEAL)

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