

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of)	
Finance, Securities Bureau,)	Docket No. 1996-7-31
)	
Complainant,)	AGREEMENT AND ORDER
)	
vs.)	
)	
Bennie R. Harris, II, and)	
The Havilah Company,)	
)	
Respondents)	
_____)	

The Director of the Department of Finance has instituted an investigation into the conduct of Respondents Bennie R. Harris, II, and The Havilah Company. Pursuant to said investigation, it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401 *et seq.* have occurred. The Director and Respondents have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered, and the Respondents consent to the entry of this Agreement and Order.

RESPONDENTS

1. The Havilah Company ("Havilah"), a sole proprietorship, is a life and health insurance company located in Fredericksburg, Virginia.

2. Bennie R. Harris, II ("Harris") is the sole owner and qualifying officer of The Havilah Company.

3. Neither Havilah nor Harris hold any professional licenses in Idaho.

FINDINGS OF FACT

4. Harris has issued promissory notes to note holders in 22 states, the principal amounts of which total, in the aggregate, approximately \$1.7 million. The promissory note call for the payment of interest at annual rates ranging from 8.5% to 20%. The notes are generally issued in the name of The Havilah Company.

5. In 1994, Harris issued promissory notes to two Idaho investors for a total principal amount of \$23,420.

ALLEGED VIOLATIONS

6. The promissory notes issued to Idaho investors constitute securities as defined in Idaho Code §30-1402(12).

7. Idaho Code §30-1406 provides that it is unlawful for any person to transact business in this state as a salesman unless he is registered under the Idaho Securities Act, and it is unlawful for any issuer to employ a salesman unless the salesman is registered under the Act.

8. Respondents violated Idaho Code §30-1406 in that Harris transacted business in Idaho when he was not licensed to do.

9. Idaho Code §30-1416 states that it is unlawful for any person to sell or to offer to sell any security in this state, except those securities identified as exempt under §30-1434, or those sold in transactions exempt under §30-1435, Idaho Code,

unless such security is registered by notification, coordination or qualification under this Act.

10. Respondents violated Idaho Code §30-1416 in that they sold unregistered securities in Idaho.

11. Idaho Code §30-1403(2) states that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

12. Respondents violated Idaho Code §30-1403(2) in that they did not disclose to Idaho investors that promissory notes were not registered as securities in Idaho, and that Respondents were not licensed to sell securities in Idaho.

AGREEMENT

13. Solely for the purpose of these proceedings, and without admitting or denying the truth of any of the findings of fact or conclusions of law stated herein, Respondents consent to the entry of this Agreement and Order and to the undertakings set forth below.

14. Respondents agree to pay off the outstanding principal balance and accrued interest to Idaho note holders holding notes issued by the Respondents.

15. Respondents agree to certify that all Idaho note holders have been paid in full prior to May 1, 1996. Such certification

shall be provided to the Department on or before May 7, 1996.

16. Respondents agree to comply with all provisions of the Idaho Securities Act in the future.

17. Respondents acknowledge and agree that Complainant may reassert the violations of law alleged herein against Respondents in any subsequent proceeding in the event that Respondents violate this Order or the Idaho Securities Act during the twelve months following the execution of this Order.

DONE AND DATED at Boise, Idaho this _____ day of April, 1996.

THE HAVILAH COMPANY

BY: BENNIE R. HARRIS II

TITLE: OWNER

Bennie R. Harris II
BENNIE R. HARRIS, II

Marilyn T. Scanlan
MARILYN T. SCANLAN
Bureau Chief, Securities Bureau
Department of Finance
State of Idaho

IT IS SO ORDERED This 9TH day of MAY, 1996

Gavin M. Gee
GAVIN M. GEE
Acting Director
Department of Finance

