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

STATE OF IDAHO, DEPARTMENT OF)
FINANCE, SECURITIES BUREAU,)

Docket No. 2000-7-82

Complainant,)

AGREEMENT AND ORDER

vs.)

PAUL RAE CARSON, dba CARSON)
INTERNATIONAL CAPITAL)
MANAGEMENT, LLC,)

Respondent.)
_____)

The Director of the Department of Finance, State of Idaho (Director) has investigated the activities of Respondent Paul Rae Carson, dba Carson International Capital Management, LLC. Pursuant to said investigation, it appears that violations of the Idaho Securities Act (the Act), Idaho Code § 30-1401, *et seq.*, have occurred. The Director and Respondent 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. Respondent consents to the entry of this Agreement and Order.

RESPONDENT

1. On November 27, 2000, Paul Rae Carson, dba Carson International Capital Management, LLC (Respondent) submitted an application to the Department of Finance, State of Idaho (Department) seeking registration as an investment adviser in Idaho. Such application is currently pending with the Department and has not yet been approved. Respondent is not and has never been a registered investment adviser in the state of Idaho.

FINDINGS

2. As part of Respondent's investment adviser registration application, Respondent submitted a completed Form ADV. Respondent indicated in the Form ADV, and in subsequent amendments to the Form ADV, that since September of 2000 Respondent has been managing, for compensation, a pooled investment fund (the Fund). Respondent has continued to manage the Fund to the present date.

3. Respondent represents to the Department that his investment adviser activity in Idaho is limited solely to management of the Fund.

4. On October 30, 2000, Respondent submitted a notice filing for qualification of the Fund as a Regulation D, Rule 506 offering in Idaho.

5. Idaho Code § 30-1402(6) defines "investment adviser" as "any person who for compensation, engages in the business of advising others either directly or through publications or writings as to the value of securities or as to the advisability of investing in purchasing or selling securities." Respondent's act of managing the Fund constitutes engaging in investment advisory activities. Respondent was not properly registered as an investment adviser when he engaged in such investment advisory activities.

VIOLATIONS

6. Idaho Code § 30-1406(2) provides that it is unlawful to transact business as an investment adviser in Idaho without being registered as an investment adviser pursuant to Idaho Code § 30-1407.

7. Respondent violated Idaho Code § 30-1406(2) in transacting business as an investment adviser in Idaho without being registered as an investment adviser as set forth in paragraphs 1 through 6 above.

8. Respondent admits to the violation set forth in paragraph 7 above.

REMEDIES

9. Idaho Code § 30-1413(2) authorizes the Director to deny, suspend or revoke the registration of an investment adviser that has failed to comply with any provision of the Idaho Securities Act or any rule promulgated under the Act or impose an administrative penalty not to exceed ten thousand dollars (\$10,000) for each violation.

10. Respondent agrees to pay to the Department a civil penalty in the amount of \$2,500 within thirty (30) days of the date of this order for the violation set forth in paragraphs 6 through 8 above.

11. Respondent agrees to obtain appropriate registration by the Department prior to transacting any business in Idaho as an investment adviser.

12. Respondent agrees to comply with all provisions of the Act, and all rules promulgated under the Act, at all times in the future.

13. Upon full execution of this agreement and the Respondent's compliance with the terms and conditions of this agreement, Complainant agrees to register the Respondent as an investment adviser in Idaho, if all requirements for such registration have been timely met.

14. If the Respondent fails to timely meet all terms and conditions set forth in this agreement, this agreement shall be null and void, and the Department may seek all remedies allowed by law which arise from the violation referenced in paragraphs 6 through 8 above.

DATED this 29th day of May, 2001.



PAUL RAE CARSON
dba Carson International Capital
Management, LLC

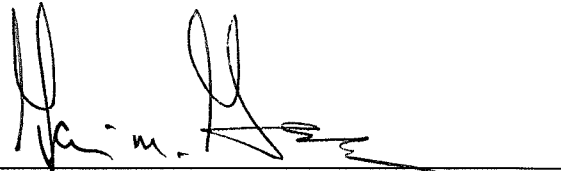
DATED this 6th day of June, 2001.

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU



MARILYN CHASTAIN
Bureau Chief, Securities Bureau

IT IS SO ORDERED.



GAVIN M. GEE
Director, Department of Finance



CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 7th day of June, 2001, I served a true and correct copy of the foregoing AGREEMENT AND ORDER upon the following by the designated means:

Paul R. Carson
dba Carson International Capital Management, LLC
P.O. Box 404
Sun Valley, Idaho 83353

U.S. Mail, Postage Prepaid
 certified mail
 hand delivered
 Facsimile

