

BrokerCheck Report

INTEGRITY FUNDS DISTRIBUTOR, LLC

CRD# 26293

| <u>Section Title</u> | <u>Page(s)</u> |
|----------------------|----------------|
| Report Summary | 1 |
| Firm Profile | 2 - 6 |
| Firm History | 7 |
| Firm Operations | 8 - 14 |
| Disclosure Events | 15 |



When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



INTEGRITY FUNDS DISTRIBUTOR, LLC

CRD# 26293

SEC# 8-42561

Main Office Location

1 NORTH MAIN STREET
MINOT, ND 58703-3189
Regulated by FINRA Kansas City Office

Mailing Address

PO BOX 500
MINOT, ND 58702-0500

Business Telephone Number

701-852-5292

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Kansas on 01/02/2010.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 41 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 1 type of business.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

| Type | Count |
|------------------|-------|
| Regulatory Event | 2 |



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Kansas on 01/02/2010.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

INTEGRITY FUNDS DISTRIBUTOR, LLC

Doing business as INTEGRITY FUNDS DISTRIBUTOR, LLC

CRD# 26293

SEC# 8-42561

Main Office Location

1 NORTH MAIN STREET
MINOT, ND 58703-3189

Regulated by FINRA Kansas City Office

Mailing Address

PO BOX 500
MINOT, ND 58702-0500

Business Telephone Number

701-852-5292



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

| | |
|---|-------------------------|
| Legal Name & CRD# (if any): | CORRIDOR INVESTORS, LLC |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Position | PARENT |
| Position Start Date | 07/2009 |
| Percentage of Ownership | 75% or more |
| Does this owner direct the management or policies of the firm? | Yes |
| Is this a public reporting company? | No |

| | |
|---|---------------------------------|
| Legal Name & CRD# (if any): | HANSON, JONATHAN RAY 5907963 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | SECRETARY |
| Position Start Date | 08/2017 |
| Percentage of Ownership | Less than 5% |
| Does this owner direct the management or policies of the firm? | No |
| Is this a public reporting company? | No |

| | |
|---|------------------------------|
| Legal Name & CRD# (if any): | KLEBE, KRAIG ERIK 3090758 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | TREASURER |
| Position Start Date | 05/2011 |

Firm Profile



Direct Owners and Executive Officers (continued)

| | |
|---|---------------------------------|
| Percentage of Ownership | Less than 5% |
| Does this owner direct the management or policies of the firm? | No |
| Is this a public reporting company? | No |
| <hr/> | |
| Legal Name & CRD# (if any): | RADKE, SHANNON DOYLE 1894150 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | PRESIDENT |
| Position Start Date | 08/2009 |
| Percentage of Ownership | Less than 5% |
| Does this owner direct the management or policies of the firm? | Yes |
| Is this a public reporting company? | No |
| <hr/> | |
| Legal Name & CRD# (if any): | TEETS, BROCK JASON 3196570 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | VICE PRESIDENT |
| Position Start Date | 08/2017 |
| Percentage of Ownership | Less than 5% |
| Does this owner direct the management or policies of the firm? | Yes |
| Is this a public reporting company? | No |
| <hr/> | |
| Legal Name & CRD# (if any): | WILLIAMS, JOHN RAY |

Firm Profile



Direct Owners and Executive Officers (continued)

| | |
|--|--------------|
| | 1865081 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | CCO |
| Position Start Date | 10/2024 |
| Percentage of Ownership | Less than 5% |
| Does this owner direct the management or policies of the firm? | No |
| Is this a public reporting company? | No |

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

No information reported.





Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

| | |
|----------------------------------|--|
| This firm was previously: | INTEGRITY FUNDS DISTRIBUTOR, INC. |
| Date of Succession: | 01/02/2010 |
| Predecessor CRD#: | 26293 |
| Description | THE NAME WAS CHANGED FROM INC TO LLC FOR TAX PURPOSES. |

| | |
|----------------------------------|--|
| This firm was previously: | INTEGRITY FUNDS DISTRIBUTOR, INC. |
| Date of Succession: | 01/02/2010 |
| Predecessor CRD#: | 26293 |
| Description | THE NAME WAS CHANGED FROM INC TO LLC FOR TAX PURPOSES. THERE IS NO CHANGE IN OWNERSHIP. INTEGRITY FUNDS DISTRIBUTOR, LLC WILL ASSUME ALL ASSETS AND LIABILITIES OF INTEGRITY FUNDS DISTRIBUTOR, INC. |



Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 41 U.S. states and territories.

| Federal Regulator | Status | Date Effective |
|-------------------|----------|----------------|
| SEC | Approved | 06/01/1990 |

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

| Self-Regulatory Organization | Status | Date Effective |
|------------------------------|----------|----------------|
| FINRA | Approved | 07/11/1990 |



Firm Operations

Registrations (continued)

| U.S. States & Territories | Status | Date Effective |
|---------------------------|-----------------------|----------------|
| Alabama | Approved | 01/06/2022 |
| Arizona | Approved | 09/02/2003 |
| Arkansas | Approved | 02/23/2024 |
| California | Approved | 06/17/2003 |
| Colorado | Approved | 06/29/1990 |
| Connecticut | Approved | 07/02/2014 |
| District of Columbia | Approved | 04/07/2025 |
| Florida | Approved | 08/28/2003 |
| Georgia | Approved | 06/17/2003 |
| Idaho | Approved | 07/12/2022 |
| Illinois | Limited | 04/23/2019 |
| Indiana | Approved | 08/21/2003 |
| Iowa | Approved | 01/27/2011 |
| Kansas | Approved | 06/26/1990 |
| Kentucky | Approved | 01/08/2024 |
| Maine | Approved | 06/14/2013 |
| Maryland | Approved | 11/04/2024 |
| Michigan | Approved | 08/26/2003 |
| Minnesota | Approved | 06/03/2003 |
| Mississippi | Termination Requested | 12/31/2019 |
| Missouri | Approved | 03/16/2020 |
| Montana | Approved | 06/16/2003 |
| Nebraska | Approved | 08/26/2011 |
| Nevada | Approved | 08/29/2003 |
| New Hampshire | Approved | 09/13/2023 |
| New Jersey | Approved | 09/09/2003 |
| New Mexico | Approved | 09/22/2003 |
| New York | Approved | 06/17/2003 |
| North Carolina | Approved | 01/11/2021 |
| North Dakota | Approved | 08/21/1996 |
| Ohio | Approved | 03/11/2009 |
| Oklahoma | Approved | 07/29/1996 |
| Oregon | Approved | 09/11/2023 |

| U.S. States & Territories | Status | Date Effective |
|---------------------------|----------|----------------|
| Pennsylvania | Approved | 03/25/2019 |
| South Carolina | Approved | 01/26/2021 |
| South Dakota | Approved | 06/13/2003 |
| Texas | Limited | 08/11/2011 |
| Utah | Approved | 04/15/2024 |
| Virginia | Approved | 11/14/2019 |
| West Virginia | Approved | 01/30/2025 |
| Wisconsin | Approved | 08/11/2003 |

Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 1 type of business.

Types of Business

Mutual fund underwriter or sponsor



Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

INTEGRITY FUND SERVICES, INC. is under common control with the firm.

| | |
|--|---|
| Business Address: | 1 MAIN STREET NORTH MINOT, ND 58703 |
| Effective Date: | 07/31/2009 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | Yes |
| Investment Advisory Activities: | No |
| Description: | INTEGRITY FUND SERVICES, INC. AND APPLICANT ARE WHOLLY OWNED SUBSIDIARIES OF CORRIDOR INVESTORS, LLC. |

VIKING FUND MANAGEMENT LLC is under common control with the firm.

| | |
|--|--|
| CRD #: | 107927 |
| Business Address: | 1 MAIN STREET NORTH MINOT, ND 58703 |
| Effective Date: | 07/31/2009 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | Yes |
| Investment Advisory Activities: | Yes |
| Description: | VIKING FUND MANAGEMENT, LLC AND APPLICANT ARE WHOLLY OWNED SUBSIDIARIES OF CORRIDOR INVESTORS, LLC |

CORRIDOR INVESTORS, LLC controls the firm.

Firm Operations



Organization Affiliates (continued)

| | |
|--|--|
| Business Address: | 1 MAIN STREET NORTH MINOT, ND 58703 |
| Effective Date: | 07/31/2009 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | Yes |
| Investment Advisory Activities: | Yes |
| Description: | INTEGRITY FUNDS DISTRIBUTOR,LLC IS A WHOLLY OWNED SUBSIDIARY OF CORRIDOR INVESTORS, LLC. |

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

| | Pending | Final | On Appeal |
|------------------|---------|-------|-----------|
| Regulatory Event | 0 | 2 | 0 |



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 2

Reporting Source: Regulator

Current Status: Final



| | |
|---|---|
| Allegations: | <p>SEC ADMINISTRATIVE PROCEEDING RELEASES 40-2027, 34-45743 AND IA 40-25523, APRIL 12, 2002; BETWEEN MAY 1, 1996 AND AT LEAST DECEMBER 31, 1998, ONE OF THE FUNDS HELD MORE THAN 5% OF ITS NET ASSETS IN CERTIFICATES OF PARTICIPATION, CONTRARY TO THE RESTRICTION SET FORTH IN THE FUND'S SAIS. BETWEEN DECEMBER 2, 1996 AND AT LEAST OCTOBER 1, 1999, THREE OF THE FUNDS, AT VARIOUS TIMES, PURCHASED UNRATED INDUSTRIAL DEVELOPMENT BONDS CONTRARY TO RESTRICTIONS SET FORTH IN THEIR PROSPECTUSES. FROM TIME TO TIME, BETWEEN MAY 1, 1996 AND AT LEAST SEPTEMBER 23, 1999, SIX OF THE FUNDS INVESTED MORE THAN 5% OF THEIR TOTAL ASSETS IN ANOTHER INVESTMENT COMPANY CONTRARY TO RESTRICTIONS SET FORTH IN THEIR SAIS. THE ORDER ALSO FOUND THAT, EFFECTIVE JANUARY 1, 1997, RESPONDENTS AND THE FUNDS ALL ADOPTED THE SAME CODE OF ETHICS AND STATEMENT ON INSIDER TRADING (CODE). THE CODE REQUIRED, AMONG OTHER THINGS, THAT CERTAIN EMPLOYEES PRE-CLEAR ALL PERSONAL SECURITIES TRANSACTIONS, HAVE DUPLICATE CONFIRMATIONS SENT TO THE COMPLIANCE OFFICER BY THEIR BROKERS AND REPORT THEIR SECURITIES POSITIONS ON A QUARTERLY AND ANNUAL BASIS. IT ALSO REQUIRED THE FUNDS AND THEIR ADVISERS TO INFORM THE AFFECTED EMPLOYEES OF THESE DUTIES. PRIOR TO AUGUST 1998, NO REQUIRED EMPLOYEE HAD DUPLICATE CONFIRMATIONS SENT TO THE COMPLIANCE OFFICER, NOR DID THEY PRE-CLEAR SECURITIES TRANSACTIONS. SEVERAL REQUIRED EMPLOYEES DID NOT REPORT THEIR SECURITIES TRANSACTIONS ON A QUARTERLY BASIS PRIOR TO AUGUST 1998.</p> |
| Initiated By: | UNITED STATES SECURITIES AND EXCHANGE COMMISSION |
| Date Initiated: | 04/12/2002 |
| Docket/Case Number: | FILE NO. 3-10757 |
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Cease and Desist |
| Other Sanction(s)/Relief Sought: | CENSURE, CIVIL PENALTIES AND UNDERTAKINGS |
| Resolution: | Order |
| Resolution Date: | 04/12/2002 |



| | |
|---------------------------------|---|
| Sanctions Ordered: | Censure Monetary/Fine \$10,000.00 Cease and Desist/Injunction |
| Other Sanctions Ordered: | UNDERTAKINGS |
| Sanction Details: | PURSUANT TO SECTION 203(E) OF THE ADVISERS ACT AND SECTION 15(B) OF THE EXCHANGE ACT, THAT RANSON CAPITAL BE CENSURED; PURSUANT TO SECTION 203(K) OF THE ADVISERS ACT AND SECTION 9(F) OF THE INVESTMENT COMPANY ACT, THAT RANSON CAPITAL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATION AND ANY FUTURE VIOLATION OF SECTIONS 204 AND 206(2) OF THE ADVISERS ACT AND RULE 204-2(A)(12) THEREUNDER AND SECTIONS 17(J) AND 34(B) OF THE INVESTMENT COMPANY ACT AND RULES 17J-1(C) AND (D) THEREUNDER, AND FROM CAUSING ANY VIOLATION AND ANY FUTURE VIOLATION OF SECTION 12(D)(1)(A) OF THE INVESTMENT COMPANY ACT; PURSUANT TO SECTION 203(I) OF THE ADVISERS ACT, SECTION 9(D) OF THE INVESTMENT COMPANY ACT AND SECTION 21B OF THE EXCHANGE ACT, THAT RANSON CAPITAL SHALL, WITHIN THIRTY (30) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$10,000 ; |
| Regulator Statement | RESPONDENTS WILLFULLY AIDED AND ABETTED AND CAUSED THEIR VIOLATIONS OF SECTION 206(2) OF THE INVESTMENT ADVISERS ACT OF 1940 (ADVISERS ACT) BY PERMITTING THE FUNDS TO MAKE INVESTMENTS WHICH MATERIALLY DEVIATED FROM INVESTMENT RESTRICTIONS SET FORTH IN THE FUNDS' RESPECTIVE PROSPECTUSES AND SAIS. THE COMMISSION ALSO FOUND THAT RESPONDENTS WILLFULLY VIOLATED AND CAUSED THEIR VIOLATIONS OF SECTION 34(B) OF THE INVESTMENT COMPANY ACT BY FILING FALSE AND MISLEADING REGISTRATION STATEMENTS WITH THE COMMISSION. THE COMMISSION ALSO FOUND THAT RESPONDENTS WILLFULLY AIDED AND ABETTED AND CAUSED THE FUNDS' VIOLATIONS OF SECTION 12(D)(1)(A)(1) OF THE INVESTMENT COMPANY ACT BY ACQUIRING FOR THE FUNDS THE SECURITIES OF ANOTHER INVESTMENT COMPANY, THE VALUE OF WHICH EXCEEDED 5% OF THE FUNDS' NET ASSETS. |
| <hr/> | |
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | IN SEC ADMINISTRATIVE PROCEEDING RELEASES 40-2027, 34-45743 AND IA 40-25523, SEC ALLEGED THAT CONTRARY TO RESTRICTIONS IN MANAGED FUNDS' STATEMENTS OF ADDITIONAL INFORMATION ("SAIS") AND THEIR |



PROSPECTUSES, WHICH WERE INCORPORATED IN THE REGISTRATION STATEMENTS FILED BY THE FUNDS, ONE OF THE FUNDS MANAGED BY ND MONEY MANAGEMENT, INC. ("ND") AND/OR RANSON CAPITAL CORPORATION ("RANSON") HELD MORE THAN 5% OF ITS NET ASSETS IN CERTIFICATES OF PARTICIPATION BETWEEN MAY 1, 1996 AND AT LEAST DECEMBER 31, 1998; 3 FUNDS MANAGED BY ND AND/OR RANSON PURCHASED UNRATED INDUSTRIAL DEVELOPMENT BONDS BETWEEN DECEMBER 2, 1996 AND AT LEAST OCTOBER 1, 1999; AND 6 FUNDS MANAGED BY ND AND/OR RANSON INVESTED MORE THAN 5% OF THEIR TOTAL ASSETS IN ANOTHER INVESTMENT COMPANY AND MORE THAN 10% OF THEIR TOTAL ASSETS IN TWO OR MORE INVESTMENT COMPANIES. CONTRARY TO THE CODE OF ETHICS AND STATEMENT ON INSIDER TRADING ("CODE") ADOPTED BY ND AND RANSON AND THE FUNDS MANAGED BY THEM, CERTAIN EMPLOYEES FAILED TO PRE-CLEAR PERSONAL SECURITIES TRANSACTIONS OR SEND DUPLICATE CONFIRMATIONS TO COMPLIANCE OFFICERS BY THEIR BROKERS AND REPORT THEIR SECURITIES POSITIONS ON A QUARTERLY AND ANNUAL BASIS IN VIOLATION OF SECTION 17(J) OF THE INVESTMENT COMPANY ACT OF 1940 ("INVESTMENT COMPANY ACT") AND SECTION 204 OF THE ADVISERS ACT OF 1940 ("ADVISERS ACT"). THESE REGISTRATION STATEMENTS AS SUCH WERE OR SUBSEQUENTLY BECAME FALSE AND MISLEADING IN VIOLATION OF SECTION 206(2) OF THE ADVISERS ACT AND SECTION 34(B) OF THE INVESTMENT COMPANY ACT AND VIOLATED SECTION 12(D)(1)(A) OF THE INVESTMENT COMPANY ACT.

| | |
|---|---|
| Initiated By: | SEC |
| Date Initiated: | 04/12/2002 |
| Docket/Case Number: | 3-10757 |
| Principal Product Type: | Mutual Fund(s) |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Civil and Administrative Penalt(ies) /Fine(s) |
| Other Sanction(s)/Relief Sought: | CEASE & DESIST CENSURE |
| Resolution: | Order |
| Resolution Date: | 04/12/2002 |
| Sanctions Ordered: | Censure Monetary/Fine \$10,000.00 Cease and Desist/Injunction |
| Other Sanctions Ordered: | UNDERTAKINGS |

**Sanction Details:**

PURSUANT TO SECTION 203(E) OF THE ADVISERS ACT AND SECTION 15(B) OF THE EXCHANGE ACT, THAT RANSON CAPITAL BE CENSURED; PURSUANT TO SECTION 203(K) OF THE ADVISERS ACT AND SECTION 9(F) OF THE INVESTMENT COMPANY ACT, THAT RANSON CAPITAL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATION AND ANY FUTURE VIOLATION OF SECTIONS 204 AND 206(2) OF THE ADVISERS ACT AND RULE 204-2(A)(12) THEREUNDER AND SECTIONS 17(J) AND 34(B) OF THE INVESTMENT COMPANY ACT AND RULES 17J-1(C) AND (D) THEREUNDER, AND FROM CAUSING ANY VIOLATION AND ANY FUTURE VIOLATION OF SECTION 12(D)(1)(A) OF THE INVESTMENT COMPANY ACT; PURSUANT TO SECTION 203(I) OF THE ADVISERS ACT, SECTION 9(D) OF THE INVESTMENT COMPANY ACT AND SECTION 21B OF THE EXCHANGE ACT, THAT RANSON CAPITAL SHALL, WITHIN THIRTY (30) DAYS OF THE ENTRY OF THE ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$10,000. CONT IN COMMENT SECTION.

Firm Statement

RESPONDENTS WILLFULLY AIDED AND ABETTED AND CAUSED THEIR VIOLATIONS OF SECTION 206(2) OF THE INVESTMENT ADVISERS ACT OF 1940 (ADVISERS ACT) BY PERMITTING THE FUNDS TO MAKE INVESTMENTS WHICH MATERIALLY DEVIATED FROM INVESTMENT RESTRICTIONS SET FORTH IN THE FUNDS' RESPECTIVE PROSPECTUSES AND SAIS. THE COMMISSION ALSO FOUND THAT RESPONDENTS WILLFULLY VIOLATED AND CAUSED THEIR VIOLATIONS OF SECTION 34(B) OF THE INVESTMENT COMPANY ACT BY FILING FALSE AND MISLEADING REGISTRATION STATEMENTS WITH THE COMMISSION. THE COMMISSION ALSO FOUND THAT RESPONDENTS WILLFULLY AIDED AND ABETTED AND CAUSED THE FUNDS' VIOLATIONS OF SECTION 12(D)(1)(A)(1) OF THE INVESTMENT COMPANY ACT BY ACQUIRING FOR THE FUNDS THE SECURITIES OF ANOTHER INVESTMENT COMPANY, THE VALUE OF WHICH EXCEEDED 5% OF THE FUNDS' NET ASSETS.

Disclosure 2 of 2

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 06/16/1997

Docket/Case Number: C04970026

Principal Product Type:

Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/16/1997

Sanctions Ordered: Censure
Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement ON JUNE 16, 1997, DISTRICT NO. 4 NOTIFIED RESPONDENT RANSON CAPITAL CORPORATION THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C04970026 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$250 - (MSRB RULE G-37 - RESPONDENT MEMBER FAILED TO MAKE REQUIRED FILING FORM G-37/G-38 WITHIN THE DAYS ALLOWED BY THE RULE).

\$250.00 PAID ON 7/14/97, INVOICE #97-04-580

Reporting Source: Firm

Current Status: Final

Allegations: RANSON FAILED TO FILE FORM'S G-37/G-38 FOR CALENDAR QUARTER ENDING JUNE 30, 1994, SEPTEMBER 30, 1995 AND DECEMBER 31, 1995 WITHIN THE REQUIRED 30 DAY PERIOD FOLLOWING THE END OF THE CALANDER QUARTER. WE ACQUIRED RANSON CAPITAL CORPORATION IN JANUARY 5, 1996.

Initiated By: FINRA, FORMERLY NASD

Date Initiated: 06/16/1997

Docket/Case Number: C04970026

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



| | |
|---|--|
| Other Sanction(s)/Relief Sought: | A FINE OF \$250.00 |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 06/16/1997 |
| Sanctions Ordered: | Censure Monetary/Fine \$250.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | CENSURE AND \$250.00 PENALTY |
| Firm Statement | RANSON FAILED TO FILE FORM'S G-37/G-38 FOR CALENDAR QUARTER ENDING JUNE 30, 1994, SEPTEMBER 30, 1995 AND DECEMBER 31, 1995 WITHIN THE REQUIRED 30 DAY PERIOD FOLLOWING THE END OF THE CALANDER QUARTER. WE ACQUIRED RANSON CAPITAL CORPORATION IN JANUARY 5, 1996 AND THIS VIOLATION WAS PRIOR TO BEING ACQUIRED BY ND HOLDINGS. |

End of Report



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