

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF DELAWARE

IN THE MATTER OF:)
)
HARRY DOW MORRIS, ALAN)
RASMUSSEN, and EDDIE G.)
STEVENSON, T/A MORRIS AND)
RASMUSSEN, INC., and D/B/A)
TAMPA BAY AUTO AUCTION) CASE NO. 90-09-02
and/or GREATER BAY AUTO)
AUCTION and/or 40TH STREET)
AUTO AUCTION,)
)
Respondents.)

CEASE AND DESIST ORDER

Legal Authority

WHEREAS, the Delaware Division of Securities ("Division") is a unit within the Department of Justice directed by the Securities Commissioner ("Commissioner") under the auspices of the Attorney General pursuant to the Delaware Securities Act ("Act"), Chapter 73, Title 6 of the Delaware Code;

WHEREAS, the Commissioner is charged under 6 Del. C. sec. 7325 with enforcement of the provisions of the Act and is authorized under subsection (c) to summarily issue a cease and desist order against any person who has violated this Act by failing to register or engaging in fraud or other prohibited conduct;

WHEREAS, section 7313 of the Act states that it is unlawful for any person to transact business in this State as an agent unless he is registered under the Act;

WHEREAS, section 7304 of the Delaware Securities Act provides that it is unlawful for any person to offer or sell any security in this State unless it is registered under the Act or the security or transaction is exempted under 6 Del. C. sec. 7309;

WHEREAS, section 7303 of the Delaware Securities Act provides that it is unlawful for any person in connection with the offer, sale, or purchase of any security, directly or indirectly to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, to make any untrue statement of a 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 are made, not misleading;

WHEREAS, the Division staff has conducted an investigation of Respondents' activities in Delaware, and as a result of said investigation the Division staff alleges as follows:

Notice of Allegations

1. On or about September 12, 1990, _____, a Delaware resident, with a home address of _____, paid to Harry Dow Morris t/a Morris and Rasmussen, Inc., and d/b/a Tampa Bay Auto Auction and/or Greater Bay Auto Auction of Tampa, Inc. and/or 40th Street Auto Auction the sum of \$12,000 for a 2% ownership interest in Tampa Bay Auto Auction.

2. In or about September 1990, Harry Dow Morris told [redacted] that he would receive dividends each month and guaranteed him 15% interest each month and 2% of the profits from the auto auction which he estimated his share to be between \$1200 and \$1400 a month.

3. In or about September 1990, Harry Dow Morris showed [redacted] a "Basis for Income Projections" for Tampa Bay Auto Auction and told [redacted] that Tampa Bay Auto Auction would profit \$80,238.65 per month and \$962,863.80 per year. The "Basis for Income Projections" included signature lines for Eddie G. Stevenson and Harry D. Morris.

4. In or about September 1990, [redacted] received a receipt/note payable signed by Harry Dow Morris which stated that his \$12,000 investment in Tampa Bay Auto Auction would be held in escrow until settlement September 17, 1990.

5. In or about September 1990, Harry Dow Morris told [redacted] that he would give him a written guarantee that he would receive 15% interest on his \$12,000 investment in Tampa Bay Auto Auction and that his first interest payment would begin on October 15, 1990. Despite repeated requests, [redacted] never received the written guarantee.

6. In or about September 1990, Harry Dow Morris told [redacted] that his investment was secured by the Tampa Bay Auto Auction's property appraised at \$2,200,000 although the property had not yet been appraised and was not expected to be appraised until after the September 17, 1990 settlement.

never received a copy of a deed of trust indicating that his ownership interest in Tampa Bay Auto Auction had been recorded with the Recorder of Deeds Office in Hillsborough County, Tampa, Florida.

7. The transaction described in Paragraphs (1) and (4) above constitutes a "sale" of a "security" as those terms are defined in 6 Del. C. section 7302 of the Act.

8. The sale of the security described in paragraph (1) and (4) above took place in the State of Delaware.

9. No application for registration or claim of an exemption was filed in connection with the sale of said security.

10. The security described in Paragraphs (1) and (4) was not exempt from the registration requirements under 6 Del. C. section 7309 of the Act, nor was the transaction exempt under subsection 7309(b) of the Act.

11. Respondents were not licensed as broker-dealers, broker-dealer agents, issuers, or issuer-agents to sell securities in Delaware pursuant to the provisions of Chapter 73 of the Delaware Code at the time of the above-described sale of the security.

12. Based on Paragraphs (1) through (11) above, the Division staff alleges that Respondents have willfully violated 6 Del. C. sections 7303, 7304, 7313, and 7316 of the Act.

13. Continued illegal and fraudulent sales of securities by Respondents would threaten great harm to Delaware investors, and it is in the public interest that Respondents,

their employees, agents, and/or confederates be summarily ordered by the Delaware Securities Commissioner to cease and desist from further violations of the Delaware Securities Act.



Denise A. Salvatore
Senior Securities Investigator

Dated: November 15, 1990

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)
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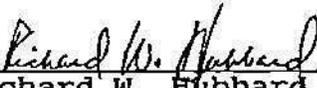
O R D E R

Based upon the foregoing Notice of Allegations and investigation by the Delaware Securities Division staff, I hereby find that it is in the public interest to order Respondents and their employees, agents, and confederates to cease and desist from engaging in any violations of the Delaware Securities Act, from offering or selling any security to any Delaware resident, and from offering investment advice or otherwise engaging in any securities-related activity in the State of Delaware.

Respondents may request a hearing by written request submitted to the office of the Delaware Securities Commissioner, State Office Building, 820 N. French Street, 8th Floor, Wilmington, Delaware, 19801, if such request is received within 30 days of the date of this order. Upon receipt of a hearing request, a hearing shall be scheduled within 15 days of the date of the request.

If any Respondent fails to request a hearing within 30 days of the date of this order, this order shall be deemed final with respect to that individual or entity.

Any violation of this order is punishable by criminal sanctions pursuant to 6 Del. C. section 7325(c).



Richard W. Hubbard
Securities Commissioner

Date: November 15, 1990