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STATE OF NEW JERSEY
OFFICE OF ADMIN LAW

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Attorney for Franklin L. Widmann, Chief
New Jersey Bureau of Securities

By: Isabella T. Stempler
Deputy Attorney General
(973) 648-2893

OFFICE OF ADMINISTRATIVE LAW
Docket No. BOS-05873-2004N

IN THE MATTER OF BRIAN CLARK, LAWRENCE LASALA, CHRISTOPHER LESTER, LOUIS FARKAS	**CONSENT ORDER**

WHEREAS, this matter was opened by Franklin L. Widmann, Chief of the New Jersey Bureau of Securities ("Bureau Chief"), by issuing the Administrative Complaint on February 5, 2004 against respondent Christopher Lester. Respondent Lester answered and contested the Administrative Complaint. On August 31, 2004 Petitioner filed an Amended Administrative Complaint. On February 1, 2005 respondent Christopher Lester answered the Amended Administrative Complaint;

WHEREAS, the Bureau Chief, represented by Zulima V. Farber, Attorney General of New Jersey (Deputy Attorney General Isabella Trifilio Stempler, appearing) and Respondent Lester, represented by Richard A. Potter, Esq., have agreed to resolve any and all issues in controversy in this action on the terms set forth in this Consent Order, which terms have been reviewed and approved by the Bureau Chief as confirmed by his entering this Consent Order.

WHEREAS, the Bureau Chief finds that:

i. Christopher Lester ("Lester"), Central Registration Depository ("CRD") No. 2875370, at all relevant times was registered with the New Jersey Bureau of Securities ("Bureau") as an agent of Horner, Townsend & Kent, Inc. ("HTK"), a New Jersey broker-dealer.

ii. From June 1998 to July 1999, Respondent Lester acted as an agent of US Capital by selling US Capital Notes ("Notes").

iii. The Notes are securities as defined in N.J.S.A. 49:3-49(m).

iv. Respondent Lester has never been registered with the Bureau as an agent of US Capital.

v. The Notes and the offers to sell and the sale of the Notes do not qualify for any exemptions from registration and should have been registered with the Bureau in accordance with the Securities Law.

vi. At all relevant times, Lester as a registered agent of HTK, was required by industry rules and standards to annually disclose all outside business activity.

vii. Respondent Lester failed to disclose his outside business activity relating to the Notes for the years 1997 and 1998.

viii. Brochures regarding the Notes were distributed to investors by Lester. The aforementioned brochures included materially false and misleading statements and omitted material facts to investors, in violation of N.J.S.A. 49:3-52(b) including, but not limited to:

(a) the failure to advise investors that the securities were sold by unregistered individuals in violation of the New Jersey Uniform Securities Law;

(b) First Capital Services, Inc. will only finance receivables that are underwritten and insured by Continental Insurance Company;

(c) all funds would be held in segregated accounts to be used only for the purchasing of

receivables; and

(d) that there was no sales charge for the notes;

WHEREAS, Lester and the Bureau are desirous of resolving the issues raised in the Amended Administrative Complaint, without the expense and delay that administrative proceedings would involve;

WHEREAS, Lester consents to the terms and conditions of this Consent Order and neither admits nor denies the Bureau Chief's findings;

WHEREAS, Lester consents to the entry of this Consent Order and voluntarily waives, for the purposes of this proceeding only, an opportunity for hearing after reasonable notice within the meaning of N.J.S.A. 49:3-58(c)(2);

WHEREAS, for purposes of enforcing this consent order or any future proceeding regarding this Consent Order the Bureau Chief's findings of fact in this Consent Order will have the same force and effect as if proven at hearing.

WHEREAS, the Bureau finds that the sanctions imposed herein are in the public interest, for the protection of investors and consistent with the policy and purposes intended by the Securities Law;

WHEREAS, this Consent Order concludes this matter against Lester relating to the conduct alleged in the Amended Administrative Complaint. Now, for good cause shown,

IT IS, on this 30th day of May, 2006, **ORDERED AND AGREED:**

1. Respondent Lester shall pay the Bureau of Securities, a civil monetary penalty in the amount of $40,000. Payment shall be made as follows:

   (a) Upon the entering of this Consent Order by the Office of Administrative Law, Respondent Lester shall immediately tender $2,000;

(b) Respondent Lester shall pay $11,333.33 on the first day of the twelfth month following the date this Consent Order is entered by the Office of Administrative Law;

(c) Respondent Lester shall pay $13,333.33 on the first day of the twenty-fourth month following the date this Consent Order is entered by the Court;

(d) Respondent Lester shall pay $13,333.34 on the first day of the thirty-sixth month following the date this Consent Order is entered by the Court;

(e) All payments shall be made by attorney trust fund account check, certified check or other guaranteed funds, made payable to the "Bureau of Securities, State of New Jersey" and delivered to the attention of the Bureau Chief, at the following address: State of New Jersey, Department of Law and Public Safety, Division of Consumer Affairs, Bureau of Securities, 153 Halsey Street, 6th Floor, Newark, New Jersey 07101;

(f) Default will be deemed to have occurred if the Bureau does not receive an installment payment within fifteen (15) days of the date that the installment is due; and

(g) Should a default occur, the entire balance due of the civil monetary penalty shall become immediately due and owing.

2. Lester's agent registration with the Bureau is hereby suspended for two (2) years, effective as of the date this Consent Order is entered.

3. Lester shall cease and desist from issuing, selling, offering for sale, purchasing, offering to purchase, promoting, negotiating, advertising or distributing any securities from or within the

State of New Jersey in violation of the Securities Law.

4. Upon the violation of any term of this Consent Order or default, petitioners may move the New Jersey Superior Court by Order to Show Cause to enforce this Consent Order into a judgment which will be docketed as a judgment against Lester.

5. The parties to this agreement acknowledge that for the purpose of enforcement of this Consent Order, New Jersey law shall govern the terms and provisions herein.

6. The parties to this Consent Order represent that an authorized representative of each has signed this Consent Order with full knowledge, understanding and acceptance of its terms, and that each person has done so with authority to legally bind the respective party.

7. This Consent Order constitutes the entire agreement among the parties with respect to its subject matter. Any addition, deletion or change to this Consent Order must be in writing and signed by all the parties in order to be binding.

8. The parties to this agreement acknowledge that if, after the signing of this Consent Order, Lester engages in any act or practice which constitutes a violation of the Securities Law, or if any material representation made by Lester is subsequently discovered to be untrue, this Consent Order shall not be a waiver of any of the Bureau Chief's or the Bureau's rights, nor shall the entire controversy doctrine be deemed applicable to any action taken by the Bureau as a result of Lester's actions.

9. Nothing contained herein shall bind or affect the rights of any person not a party hereto, nor the rights of the parties against any person not a party hereto.

10. This Consent Order may be signed in counterparts, each of which shall be deemed original.

11. This Consent Order shall become final when executed by the Bureau Chief.

Dated: May 30, 2006

Franklin L. Widmann
Chief, New Jersey Bureau of Securities

The undersigned has read this Consent Order, has been advised of his right to review it with counsel before signing it, understands it, and agrees to be bound by its terms.

Christopher Lester

Dated: 5/17/06

Consent to the Form
and Entry of this Order:

ZULIMA V. FARBER
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Franklin Widmann, Chief of
the New Jersey Bureau of Securities

By: Isabella Trifilio Stempler
Isabella Trifilio Stempler
Deputy Attorney General

Dated: 5/30/06

RICHARD POTTER, ESQ.
Attorney for Christopher Lester

By: Richard Potter, Esq.

Dated: 5/17/06