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KENNETH W. ANDERSON, JR.
MEMBER

DOCKET NO. 01-30

IN THE MATTER OF
JAMES GILBERT PAYNE

§
§
§

ORDER NO. CDO-1443

TO: James Gilbert Payne
7750 Culebra Rd. Apt #3306
San Antonio, Texas 78251-1485

CEASE AND DESIST ORDER

Be it remembered that James Gilbert Payne ("Respondent"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN., art. 581-1 et seq. (Vernon 1964 & Supp. 2001)("The Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §2001.001 et seq. (Vernon Supp. 2001)("Administrative Procedure Act").
2. Respondent at all times relevant to this Order, acted as an agent for Magnetite, Inc., and NAPD, Inc; both companies were incorporated in the State of Nevada on September 2, 1993, and October 27, 1998, respectively.
3. Respondent, offered for sale and sold stock in Magnetite, Inc., and NAPD, Inc., representing that the investors' principal investment would be used to establish and operate a pilot plant designed to extract "precious metals produced from 'magnetic' ore" located at Magnetite's various mill sites. Respondent represented that there was a probability of high return of profit to the investors.
4. The stock certificates issued by Magnetite, Inc., and NAPD, Inc., are securities as

defined in Section 4.A of the Texas Securities Act.

5. Respondent offered for sale and sold the securities which were not registered with the Securities Commissioner in violation of Section 7 of the Texas Securities Act.
6. Respondent was not registered as a dealer with the Securities Commissioner to sell the securities, as required by Section 12 of the Texas Securities Act.

CONCLUSIONS OF LAW

Pursuant to Section 23.A of the Texas Securities Act, the foregoing violations constitute a basis for the issuance of a Cease and Desist Order.

UNDERTAKING

1. Respondent agrees that for a period of two years from the date of this Order, he will deliver written notification to the Director of Enforcement of the State Securities Board of an intent to rely upon any exemption from the securities registration or dealer/agent registration provisions of the Texas Securities Act, in connection with the offer or sale of any security in or from the State of Texas, at least 30 days prior to the date of the first offer of any security. Such notice shall in detail, describe the securities intended to be offered, specify the specific securities registration and dealer/agent registration exemption(s) that will be relied upon, all facts surrounding such assertion, the name(s) of all person(s) to be offering or selling the securities, and the dollar amount of securities to be offered in reliance upon the exemption.

ORDER

1. It is therefore ORDERED that Respondent CEASE AND DESIST from the offer and sale of the above described securities until said securities are registered or an available exemption is utilized.
2. It is further ORDERED that Respondent CEASE AND DESIST from acting as a dealer until he is registered or an available exemption is utilized.
3. It is further ORDERED that Respondent SHALL COMPLY with the terms of the Undertaking as set forth herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 26th day of November 2001.



Denise Voigt Crawford

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:

James Gilbert Payne
James Gilbert Payne
7 Nov '01

Approved as to Form:

Rhonda Rogers, Assistant Director
for David Grauer
Director, Enforcement Division

[Signature]
Dan Carabin
Attorney for Respondent

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03785000

DAN CARABIN
Attorney at Law
409 South Presa Street
San Antonio TX 78205

JP

ACKNOWLEDGMENT

On the 7 day of September, 2001, James Gilbert Payne("Respondent"), personally appeared before me, executed the foregoing order and acknowledged that:

1. Respondent has read the foregoing order;
2. Respondent has been fully advised of his rights under The Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent, by consenting to the entry of the foregoing order, has knowingly and voluntarily waived his rights as set forth therein.

Mary Louise Oravits
Notary Public in and for
the State of Texas

[Notary Seal]

My commission expires on: 1-16-05

