

1 DEPARTMENT OF INSURANCE AND FINANCE  
2 DIVISION OF FINANCE AND CORPORATE SECURITIES  
3 SECURITIES SECTION  
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCE  
5 STATE OF OREGON

6 In the Matter of: ) O-93-0013  
7 SCHIELD MANAGEMENT COMPANY )  
8 ) CEASE AND DESIST ORDER  
9 ) ORDER ASSESSING CIVIL PENALTY  
10 ) AND  
11 ) CONSENT TO ORDER

12 WHEREAS the Director of the Department of Insurance and Finance has  
13 conducted an investigation of SCHIELD MANAGEMENT COMPANY, and has determined  
14 that SCHIELD MANAGEMENT COMPANY transacted investment adviser business while  
15 unlicensed and allowed an unlicensed salesperson to transact business in the  
16 State of Oregon in violation of the Oregon Securities Law; and

17 NOW THEREFORE, as evidenced by the authorized signature subscribed on this  
18 Order, SCHIELD MANAGEMENT COMPANY hereby CONSENTS to entry of this Order to  
19 Cease and Desist upon the Director's Findings of Fact and Conclusions of Law as  
20 stated hereinafter:

21 FINDINGS OF FACT

22 The Director FINDS that:

23 1. SCHIELD MANAGEMENT COMPANY (hereinafter "SCHIELD") is a Colorado  
24 corporation, currently located at 390 Union Boulevard, Suite 410, Denver,  
25 Colorado 80228.

26 2. SCHIELD employed Robert Allen Pierce through the execution of a  
General Solicitor's Agreement on September 25, 1986.

3. Robert Allen Pierce has lived at 14010 SW High Tor Drive, Tigard,  
Oregon 97224 at all times material to this matter.

4. Robert Allen Pierce was not licensed to SHIELD as an investment

ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, CONSENT TO ORDER  
5338-ENF

PAGE 1

1 adviser salesperson in Oregon from September 25, 1986 until October 5, 1992.

2 5. SCHIELD licensed as an investment adviser with Oregon effective  
3 December 11, 1987.

4 6. SHIELD licensed Marshall Lew Schield, a Colorado resident, as its  
5 only salesperson on December 11, 1987 and renewed that license annually.

6 7. SHIELD licensed John Arrant, an Oregon resident, as a salesperson on  
7 December 24, 1991.

8 8. SCHIELD failed to renew its investment adviser and associated  
9 salesperson licenses on December 11, 1992 during the investigation of its  
10 unlicensed activity.

11 9. SCHIELD filed an application to reinstate the investment adviser  
12 license in March, 1993.

13 10. Between September 25, 1986 and December 11, 1992, SCHIELD was in the  
14 business of offering advice to Oregon clients regarding investments in  
15 securities.

16 11. Between September 25, 1986 and December 11, 1992, SCHIELD was  
17 compensated for rendering investment advice to Oregon clients.

18 12. SCHIELD has been cooperative with the Director's investigation.

19 **CONCLUSIONS OF LAW**

20 The Director **CONCLUDES** that:

21 1. SCHIELD acted as an investment adviser as defined in ORS 59.015(6) by  
22 rendering investment advice to clients and receiving compensation based on that  
23 advice.

24 2. SCHIELD transacted business as an investment adviser in the State of  
25 Oregon while unlicensed in violation of ORS 59.165(4) during the period of  
26 September 25, 1986 to December 11, 1987.

**ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, CONSENT TO ORDER  
5338-ENF**

**PAGE 2**

1 3. SHIELD transacted business as an investment adviser through an  
2 unlicensed salesperson in the State of Oregon in violation of ORS 59.165(3)  
3 during the period of September 25, 1986 to October 5, 1992.

4 **ORDER**

5 The Director, pursuant to ORS 59.245 hereby **ORDERS** that respondent **SCHIELD**  
6 shall **CEASE and DESIST** from:

7 1. Transacting investment adviser business in the State of Oregon in  
8 violation of ORS 59.165.

9 2. Violating any of the provisions of Chapter 59.

10 The Director, pursuant to ORS 59.995, **HEREBY ORDERS** respondent to pay a **CIVIL**  
11 **PENALTY** as follows:

12 1. SCHIELD is ORDERED TO PAY the sum of \$5000 for violations stated  
13 herein.

14 Dated this 7<sup>th</sup> day of July, 1993, at Salem, Oregon.

15  
16   
17 GARY WEEKS, DIRECTOR  
18 DEPARTMENT OF INSURANCE AND FINANCE

19  
20 **CONSENT TO ENTRY OF ORDER**  
**ADMISSION OF FACTS**

21 I, Marshall L. Schield state that I am the Managing Director of Respondent  
22 Schield Management Company and I am authorized to act on its behalf; that I have  
23 read the foregoing Order and that I know and fully understand the contents  
24 thereof; that Respondent admits that the factual allegations contained herein  
25 are true and correct; that Respondent has been advised of its right to a  
26 hearing, and that Respondent consents to the entry of this Order voluntarily

**ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, CONSENT TO ORDER**  
5338-ENF PAGE 3

OREGON DEPARTMENT OF INSURANCE AND FINANCE  
Corporate Securities Section  
21 Labor and Industries Building  
Salem, OR 97310  
(503) 378-4387

1 without any force or duress; that Respondent understands that the Director  
2 reserves the right to take further action to entry of this Order, or, upon  
3 discovery, to enforce other violations of the Oregon Securities Law by  
4 Respondent; that Respondent will fully comply with the terms and conditions  
5 stated herein.

6 Respondent Schield Management Company further assures the Director that it  
7 will not transact any business in the State of Oregon unless such transactions  
8 are in full compliance with Chapter 59 of the Oregon Revised Statutes.  
9 I understand that this Consent Order is a public document.

10 **CORPORATE ACKNOWLEDGEMENT**

11 There appeared before me this 2 day of July, 1993,  
12 Marshall L. Schield, who was first duly sworn on oath, and stated that he was  
13 and is in the Managing Director of Schield Management Company and that he is  
14 authorized and empowered to sign this Consent to Entry of Order on behalf of  
15 Schield Management Company, and to bind Schield Management Company to the terms  
16 hereof.

17 DATED this 2nd day of July, 1993.

18  
19 

20 Marshall L. Schield, Director  
21 Schield Management Company

22 SUBSCRIBED AND SWORN to before me this 2nd day of July, 1993.

23 

24 NOTARY PUBLIC  
25 State of Hawaii  
26 Third Circuit

My commission expires: 6-1-97

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