



19, 2013. Stephen H. Landolt is not now and has never been registered as a securities agent with the North Dakota Securities Department.

5. Between April 21, 2008, and March 27, 2013, Respondent, Landolt Securities, Inc., through its agents, Schoenrock, Leslie and Landolt, engaged in 32 securities transactions (affecting six clients) in North Dakota, while neither the firm nor its agents were registered to transact securities business in this state. Such conduct was a violation of N.D.C.C. § 10-04-10(1) and (2).

6. Respondent, Landolt Securities, Inc., failed to supervise its agents, Schoenrock, Leslie and Landolt, with respect to these transactions in that it allowed them to do business in a state in which they were not properly registered. Pursuant to N.D.C.C. § 10-04-11(1)(m), a broker-dealer is required to properly supervise its agents.

7. Pursuant to N.D.C.C. § 10-04-16, when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is prohibited by Chapter 10-04 of the North Dakota Century Code, the Securities Commissioner may issue any order and assess civil penalties in an amount not to exceed \$10,000 for each violation. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to N.D.C.C. § 10-04-16(1).

8. Respondent acknowledges its right to a hearing on this matter and waives its right to a hearing and to present arguments to the Commissioner.

9. Respondent agrees to resolve this matter with the Commissioner by this Consent Order.

10. The following Order is necessary and appropriate in the public interest for the protection of investors.

**NOW, THEREFORE, IT IS ORDERED**, that:

1. Respondent, Landolt Securities, Inc., shall not transact any securities business with any person in North Dakota until it is properly registered as a broker-dealer or properly exempted under N.D.C.C. Chapter 10-04.
2. Respondent, Landolt Securities, Inc., shall pay a civil penalty of \$20,000, made payable to the North Dakota Securities Department, pursuant to N.D.C.C. §10-04-16(1).
3. This Order shall be effective upon signature of the Commissioner.

**IN TESTIMONY WHEREOF**, witness my hand and seal this 7<sup>th</sup> day of

[Signature], 2014.



[Signature]  
Karen J. Tyler, Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Ave.  
State Capitol – Fifth Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

**STATE OF NORTH DAKOTA**

**SECURITIES DEPARTMENT**

In the Matter of Landolt Securities, Inc., )  
  )                   **CONSENT TO ENTRY**  
  )                   **OF ORDER**  
  )                     
Respondent.                                        )                     
  )

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Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the undersigned, on behalf of the Respondent, states that:

1. He has read the foregoing Consent Order, and knows and fully understands its contents and effects.
2. The Respondent has been advised of its right to a hearing with regard to this matter, and has specifically waived its right to a hearing.
3. The foregoing Consent Order constitutes the entire settlement agreement between the Respondent and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
4. The Respondent admits the accuracy of the factual determinations of the Commissioner, as set forth in the foregoing Consent Order, and is specifically precluded from denying those determinations in any forum, public or otherwise.
5. The Respondent consents to entry of the foregoing Consent Order by the Securities Commissioner, and does so willingly for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 18<sup>TH</sup> day of JULY, 2014.

LANDOLT SECURITIES, INC.

By: *Paul J. Pawelski*  
Its: PRESIDENT

Subscribed and Sworn before me this 18<sup>th</sup> day of July, 2014.



(Notary Seal)

*Robert L. Haire*  
Notary Public  
State: \_\_\_\_\_ County: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_