

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Preferred Trust )  
and Management, LTD. and )  
Dick Schultz, )  
Respondents. )

**CONSENT ORDER**

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The North Dakota Securities Commissioner has determined, and the Respondents, Dick Schultz, admit as follows:

1. Dick Schultz solicited at least one person to invest in the Preferred Trust and Management investment scheme.
2. Each solicitation was made in violation of section 10-04-04 N.D.C.C. because the Preferred Trust and Management program was not registered as a security in North Dakota, nor does the program qualify for any exemption from the securities registration provisions of the Securities Act.
3. Each solicitation was made in violation of section 10-04-10 N.D.C.C. because Dick Schultz were not registered as an agent in North Dakota, nor did the transaction constitute an exempt transaction under the Securities Act.
4. Each solicitation was made in violation of section 10-04-15 N.D.C.C. because the program, as a whole, is a scheme or artifice to defraud investors or potential investors. It does not appear that either Dick Schultz made the solicitations with knowledge that the program was a scheme to defraud investors.
5. Pursuant to section 10-04-16 N.D.C.C., 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 declared illegal in this chapter, the Commissioner may, in her

discretion, issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.

6. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondents pursuant to section 10-04-16 N.D.C.C.
7. Respondent, Dick Schultz, has admitted the factual and legal conclusions contained in this Order, and enter into this Order willingly. Respondent, Dick Schultz, acknowledges their right to a hearing regarding this matter to present arguments before the Commissioner, and has waived all rights to a hearing regarding this matter.
8. The following Order is necessary and appropriate in the public interest.

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


1. Respondent, Dick Schultz, shall pay to the Securities Commissioner, pursuant to section 10-04-16 N.D.C.C., a civil penalty in the amount of \$500.
2. Respondent, Dick Schultz, shall pay to the Securities Commissioner's Securities Protection Fund all funds, which have been or will be received in profits, commissions or other payments from soliciting persons to participate in the program. Any additional funds received shall, within ten (10) days of their receipt by Dick Schultz, shall be paid to the Investor Education & Technology Fund.
3. Respondent, Dick Schultz, agrees to cooperate with any investigation by the Securities Commissioner or any law enforcement agency, regardless of jurisdiction,

and shall willingly and openly and truthfully testify in any proceeding, be it administrative, civil or criminal in nature.

4. Respondent, Dick Schultz, shall and herein does acknowledge liability, pursuant to section 10-04-17 N.D.C.C., to each of the persons he solicited. Respondent, Dick Schultz, shall not contest any civil claim of liability to any of those persons based on any denial of applicability of that statute, or that the facts of this case do not give rise to a claim under that statute.
5. This Order shall be effective upon signature of the Commissioner.

IN TESTIMONY WHEREOF, witness my hand and seal this 18<sup>th</sup> day of March, 2004.



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

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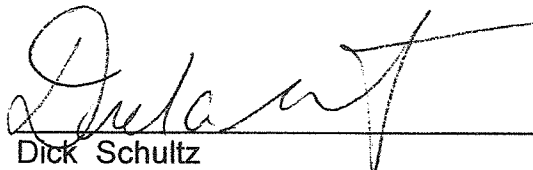
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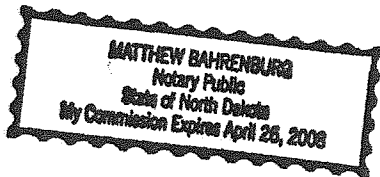
CONSENT TO ENTRY  
OF ORDER


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The undersigned Respondent, Dick Schultz, states that he has read the foregoing Consent Order, and that he knows and fully understands its contents and effects. Dick Schultz further acknowledges that he has waived his right to a hearing with respect to this matter; and that he consents to the entry of the Consent Order by the Securities Commissioner, and expressly admits the findings of fact and conclusions of law contained therein. It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 18 day of March, 2004.

  
\_\_\_\_\_  
Dick Schultz  
3516 Norkota Ct  
Grand Forks, ND 58201

Sworn before me this 18th day of March, 2004.



  
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, notary public  
State of: \_\_\_\_\_, County:  
My Commission Expires: