

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Schwartz)
Investment Management Company,)
Inc.; and James Schwartz;)
Respondents.)

CONSENT ORDER

.....
The North Dakota Securities Commissioner has advised the Respondents, Schwartz Investment Management Company, Inc., and James Schwartz, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, Schwartz Investment Management Company, Inc., (SIMCO) is an investment adviser headquartered in Dickinson, North Dakota. SIMCO is, and for all times relevant to this matter, has been registered as an investment adviser with the Securities Department.
2. Respondent, James Schwartz, is the owner of SIMCO and serves as an investment adviser representative of SIMCO. Schwartz has never been registered as an investment adviser representative of SIMCO, but such registration is not required as Schwartz is the sole proprietor of SIMCO and is also its sole investment adviser representative. Schwartz has been the sole proprietor of SIMCO since its inception, and for all times relevant to this matter.
3. Respondents improperly allocated the holdings of an account holder, investing those holdings too aggressively based on the investment objectives and risk temperament of the account holder. Such activity took place in North Dakota. This constitutes an unethical practice.
4. Pursuant to Section 10-04-10.1 N.D.C.C., it is a violation of the securities act for a provider of investment advisory services to engage in an unethical practice.
5. Pursuant to Section 10-04-16(1) 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 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. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to Section 10-04-16(1) N.D.C.C.

6. Respondents acknowledge their rights to a hearing on this matter and waive these rights to a hearing and to present arguments to the Commissioner.

7. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order.

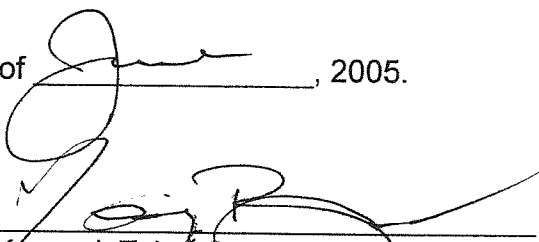
8. The following Order is necessary and appropriate in the public interest and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondents are hereby assessed, jointly and severally, a civil penalty in the amount of \$3,000. The penalty shall be paid upon the entry of this Order.
2. Respondents shall not engage in any violations of the Securities Act.
3. Respondents shall not engage in any unethical practices, and shall not make recommendations or conduct transactions which are unsuitable for the investor based on that investor's investment objectives and risk temperament.
4. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 3rd day of June, 2005.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
State Capitol-5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Schwartz)
Investment Management Company,)
Inc.; and James Schwartz;)
)
Respondents.)

**CONSENT TO ENTRY
OF ORDER**

.....
Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, each of the undersigned persons, on behalf of the Respondents, state that:

1. He or she has read the foregoing Consent Order, and knows and fully understand its contents and effects.
2. The Respondents have been advised of their rights to a hearing with regard to this matter, and have specifically waived their rights to a hearing.
3. The Respondents have been advised that any willful violation of this order is a Class B Felony pursuant to Section 10-04-18(1) N.D.C.C. and is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person, pursuant to Section 12.1-32-01(3) N.D.C.C. or by a \$35,000 fine with respect to an organization, pursuant to Section 12.1-32-01.1(2) N.D.C.C.
4. The foregoing Consent Order constitutes the entire settlement agreement between the Respondents and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
5. The Respondents admit the accuracy of the factual determinations of the Commissioner, as set forth in the foregoing Consent Order, and they are specifically precluded from denying those determinations in any forum, public or otherwise.
6. The Respondents consent to entry of the foregoing Consent Order by the Securities Commissioner, and do so willingly for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 27 day of May, 2005.

[Signature]
JAMES SCHWARTZ (in his personal capacity and for Schwartz Investment Management Company, Inc.)

Schwartz Investment Management Co., Inc.
232 1st Avenue E.
Dickinson, ND 58601

Subscribed and Sworn before me this 27 day of May, 2005.

(Notary Seal)

[Signature]
Notary Public
State: ND County: Stark
My Commission Expires:

7/5/08

JANEL R. VOLESKY
NOTARY PUBLIC, STATE OF NORTH DAKOTA
MY COMMISSION EXPIRES JULY 5, 2008