

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
December 1, 2004

ADMINISTRATIVE PROCEEDING
File No. 3-11762

In the Matter of

**Schild Management Company and
Marshall L. Schild,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTIONS
203(e) AND 203(f) OF THE INVESTMENT
ADVISERS ACT OF 1940 AND SECTION
15(b)(6) OF THE SECURITIES EXCHANGE
ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Schild Management Company and pursuant to Section 203(f) of the Advisers Act and Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) against Marshall L. Schild.

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Respondent Schild Management Company is an investment adviser registered with the Commission since 1972 and based in Littleton, Colorado.

2. Respondent Marshall L. Schild, a resident of Littleton, Colorado, was the president, founder and majority owner of Schild Management Company, and at all relevant times was an associated person of Schild Securities, LLC, a broker-dealer registered with the Commission.

B. ENTRY OF PERMANENT INJUNCTION AGAINST RESPONDENTS

1. On August 26, 2004, a final judgment was entered by consent against Schild Management Company and Marshall L. Schild permanently enjoining them from future violations of Section 204 of the Advisers Act and Rule 204-2 thereunder, in the civil action

entitled Securities and Exchange Commission v. Schield Management Company and Marshall L. Schield, Civil Action Number 03-B-1332, in the United States District Court for the District of Colorado. The judgment included orders that Schield Management Company and Marshall L. Schield pay civil money penalties pursuant to Section 209(e) of the Advisers Act.

2. The Commission's complaint alleged that Schield Management Company, at the direction of Marshall L. Schield, destroyed and altered documents it was required to produce during the course of a statutorily authorized Commission examination of Schield Management Company. Specifically, Marshall L. Schield directed Schield Management personnel to destroy e-mails, tamper with logs reflecting losses suffered by clients due to trading errors, and destroy Personal Identification Numbers (PINs) used in trading.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondents Schield Management Company and Marshall L. Schield an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent Schield Management Company pursuant to Section 203(e) of the Advisers Act; and
- C. What, if any, remedial action is appropriate in the public interest against Respondent Marshall L. Schield pursuant to Section 203(f) of the Advisers Act and Section 15(b)(6) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that each Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If any Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him or it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jonathan G. Katz
Secretary