

STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of:)	
)	
Shields Capital Corporation,)	FINDINGS OF FACT
d/b/a Shields & Company,)	CONCLUSIONS OF LAW
140 Broadway,)	AND
New York, New York,)	CONSENT ORDER
)	
RESPONDENT.)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“DEPARTMENT”), by and through its Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1124 (Reissue 2007, Supp. 2009) (“Act”). Pursuant to Neb. Rev. Stat. § 8-1115 (Reissue 2007), the DEPARTMENT has investigated the acts of Shields Capital Corporation, d/b/a Shields & Company, 140 Broadway, New York, New York. As a result of such investigation, and being fully advised and informed in the matter, the Director and Shields & Company enter into the following Findings of Fact, Conclusions of Law and Consent Order (“Order”):

FINDINGS OF FACT

1. Shields Capital Corporation, d/b/a Shields & Company (“SHIELDS”) is a corporation organized under the laws of the State of New York, with its principal place of business at 140 Broadway, New York, New York.
2. On or about April 16, 2006, SHIELDS filed an application with the DEPARTMENT for registration as a broker-dealer in the State of Nebraska.
3. In connection with such application, SHIELDS filed an “Affidavit of Broker Dealer Activity in Nebraska” on April 13, 2006, stating that SHIELDS had not

sold or entered into any agreements to sell any securities to any Nebraska residents, and would not until registered.

4. On or about March 3, 2007, SHIELDS filed a revised "Affidavit of Broker Dealer Activity in Nebraska" ("2007 Affidavit"), stating that SHIELDS had sold or entered into agreements to sell securities to Nebraska residents and that all pertinent information relating to said sales or agreements was attached to the 2007 Affidavit.

5. According to the information provided in conjunction with the original application, as well as the information provided with the 2007 Affidavit, from 2002 to the March 2007, SHIELDS had several retail clients and one institutional client in Nebraska.

6. The DEPARTMENT alleges that SHIELDS was required to be registered in Nebraska as a broker-dealer.

CONCLUSIONS OF LAW

1. Neb. Rev. Stat. § 8-1101(2) (Reissue 2007) defines a broker-dealer as a person engaged in the business of effecting transactions in securities for the account of others or for his or her own account.

2. SHIELDS is a broker-dealer within the meaning of Neb. Rev. Stat. § 8-1101(2) (Reissue 2007).

3. Neb. Rev. Stat. § 8-1113 (Reissue 2007) prohibits any person from making or causing to be made, in any document filed with the DEPARTMENT, any statement which is, at the time and in the light of the circumstances which it is made, false or misleading in any material aspect.

4. Neb. Rev. Stat. § 8-1103 (Reissue 2007) prohibits any person from transacting business as a broker-dealer without having been registered with the DEPARTMENT under the Act.

5. Neb. Rev. Stat. § 8-1103(9)(a)(i) and (ii) (Reissue 2007) provide, in part, that the Director may by order deny, suspend, or revoke the registration of any registrant, or bar, censure, or impose a fine pursuant to Neb. Rev. Stat. § 8-1108.01(4) on a registrant if the Director finds that (a) the order is in the public interest and (b) the registrant has filed an application for registration which contained a statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material factor or the registrant has willfully violated or willfully failed to comply with any provision of the Act.

6. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.

7. It is in the best interest of SHIELDS, and it is in the public's best interest, for SHIELDS and the Director to resolve the issues included herein.

CONSENT ORDER

NOW THEREFORE, the parties to this Order agree as follows:

Stipulations: In connection with this Order, SHIELDS and the Director stipulate to the following:

- a. The DEPARTMENT has jurisdiction as to all matters herein.
- b. An Order should be entered in this matter, which shall be in lieu of all other proceedings by the DEPARTMENT, except as specifically referenced in this Order.

SHIELDS further represents as follows:

1. SHIELDS hereby voluntary agrees to this resolution.

2. SHIELDS is aware that it may request a hearing in this matter at which it is entitled to be represented by counsel, present evidence, and cross-examine witnesses. SHIELDS hereby waives its rights to such a hearing on this Order and to contest any findings contained herein.

3. SHIELDS is acting free from any duress or coercion of any kind or nature.

4. This Order is executed to avoid further proceedings.

FURTHER, SHIELDS agrees to take whatever action is necessary to ensure compliance with all provisions of the Act in the future. If, at any time, the DEPARTMENT determines that SHIELDS has committed any other violations of the Act, the DEPARTMENT may take any action available to it under the Act.

IT IS THEREFORE ORDERED as follows:

1. Shields Capital Corporation, d/b/a Shields & Company, shall pay back-registration fees for itself and two agents for a period from 2002 to the present, in the amount of one thousand six hundred eight dollars (\$1,680.00).

3. Shields Capital Corporation, d/b/a Shields & Company, shall reimburse the DEPARTMENT for the costs of the investigation in the amount of three thousand five hundred dollars (\$3,500.00).

4. Shields Capital Corporation, d/b/a Shields & Company, shall pay the total amount of five thousand one hundred eighty dollars (\$5,180.00), assessed pursuant to this Order, by one check payable to the Nebraska Department of Banking and Finance, within thirty (30) days of the effective date of this Order.

In the event that Shields Capital Corporation, d/b/a Shields & Company, fails to comply with any of the provisions of this Order, the DEPARTMENT may commence such action as it deems necessary and appropriate in the public interest.

The effective date of this Order will be the date of the Director's signature.

DATED this _____ day of _____, 2010.

**SHIELDS CAPITAL CORPORATION,
D/B/A SHIELDS & COMPANY**

By: Christopher F. Meyer
Christopher F. Meyer
Vice President, Compliance
140 Broadway
New York, New York 10006

DATED this 31st day of August, 2010.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

By: John Munn
John Munn, Director
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68508
(402) 471-2171

DATED this 2nd day of September, 2010.

