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PA DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES, BUREAU OF SECURITIES  
COMPLIANCE AND EXAMINATIONS

Docket No. : 19 0087 (SEC-OSC) <sup>CAO</sup>

v.

KEITZ INVESTMENT MANAGEMENT LTD.  
MICHAEL KEITZ

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Compliance and Examinations ("Bureau") has conducted an investigation of the business practices of Keitz Investment Management Ltd. ("Keitz") and Michael Keitz ("M Keitz") Based on the results of its investigation, the Bureau has concluded that Keitz and M Keitz operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et seq. ("1972 Act") Keitz and M Keitz, in lieu of litigation, and without admitting or denying the allegations contained herein, and intending to be legally bound, hereby agrees to the entry of this Consent Agreement and Order ("CAO")

BACKGROUND

1 The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.

2 The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department

3. The Bureau operates from the Department's main office located at 17North Second

Street, Suite 1300, Harrisburg, Pennsylvania 17101

- 4 Respondent Keitz (CRD # 123770) was, at all times material herein, a Pennsylvania limited liability corporation. On the Uniform Application for Investment Adviser Registration ("Form ADV"), Respondent Keitz lists its principal place of business at 100 West Avenue, Suite 100, Jenkintown, Pennsylvania 19046. ("ADV Address").

5. Respondent M. Keitz was, at all times material herein, the vice president of Respondent Keitz. On the Form ADV, Respondent M Keitz (CRD # 2253807) lists his business address as the ADV Address.

#### FACTUAL ALLEGATIONS

- 6 From in or about February 10, 1995 until the present, Respondent Keitz has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser.

7. From in or about February 10, 1995 until the present, Respondent M. Keitz has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser representative of Respondent Keitz.

8. As the Vice-President of Respondent Keitz, Respondent M Keitz acted as an "affiliate" of Respondent Keitz within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b), and, as such, caused Respondent Keitz to commit the herein stated acts which violated the 1972 Act.

9. At all times material herein, Respondent Keitz has had discretionary authority over client funds or securities.

10. Pursuant to Regulation 304.022(b), an investment adviser who has discretionary authority over client funds or securities shall file with the Department a balance sheet as of the end of its fiscal year. 10 Pa. Code § 304.022(b) The balance sheet shall be filed within 120 days of the investment adviser's fiscal year end 10 Pa. Code § 304.022(d).

11. Respondent Keitz's fiscal year ended on December 31, 2018.

12. Keitz failed to timely file a balance sheet with the Department for the fiscal year ending on December 31, 2018, as required by Regulation 304.022 (b), (d), 10 Pa. Code § 304.022 (b), (d).

### **VIOLATION**

13. By engaging in the acts and conduct set forth in paragraphs 1 through 12 above, Respondent Keitz and Respondent M. Keitz have failed to file with the Department a balance sheet, prepared in accordance with generally accepted accounting principles, within 120 days of Respondent Keitz's fiscal year end, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Respondent Keitz and Respondent M. Keitz or censure Respondent Keitz and Respondent M. Keitz pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 304.022(b), (d), 10 Pa. Code § 304.022(b), (d).

### **RELIEF**

14. Within 30 days of the Effective Date of this Order, as defined in paragraph 22, Keitz and M. Keitz shall pay the Department an administrative assessment in the amount of \$500.00. Payment shall be made by certified check or money order that is made payable to the Department of Banking and Securities and shall be mailed or delivered in person, to the Bureau of Securities Compliance and Examinations located at 17 North Second Street, Suite 1300, Harrisburg, PA 17101.

15 Keitz and M. Keitz are ORDERED to comply with the 1972 Act and Regulations adopted by the Department and in particular Regulation 304.022 (b), (d), 10 Pa. Code § 304.022 (b), (d).

16. Should Keitz and M. Keitz fail to pay the assessment as set forth in Paragraph 13 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until payment is made. However, this provision shall not be construed as affording Keitz and M. Keitz the option of either paying the assessment or being indefinitely subject to the sanctions.

17. Should Keitz and M. Keitz fail to comply with any or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to the right to a hearing pursuant to the 1972 Act

#### **FURTHER PROVISIONS**

18 Consent Keitz and M. Keitz hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agree that they understand all of the terms and conditions contained herein. Keitz and M. Keitz, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

19 Entire Agreement. This Order contains the entire agreement among the Department, Keitz and M. Keitz. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department, Keitz and M. Keitz.

20 Binding Nature. The Department, Keitz and M. Keitz, and all officers, owners, directors, employees, heirs and assigns of Keitz and M. Keitz intend to be and are legally bound by the terms of this Order

21 Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel

22 Effectiveness. Keitz and M. Keitz hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

23. Other Enforcement Action.

a. The Department reserves all of its rights, duties and authority to enforce all statutes, rules and regulations under its jurisdiction against Keitz and M. Keitz in the future regarding all matters not resolved by this Order.

b. Keitz and M. Keitz acknowledge and agree that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

c. Keitz and M. Keitz acknowledge and agree that this Order does not preclude any other agency from instituting administrative, civil or criminal proceedings that may be related to matters addressed by this Order.

24 Authorization The parties below are authorized to execute this Order and legally bind their respective parties.

25 Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

26 Titles The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document

27. Findings. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

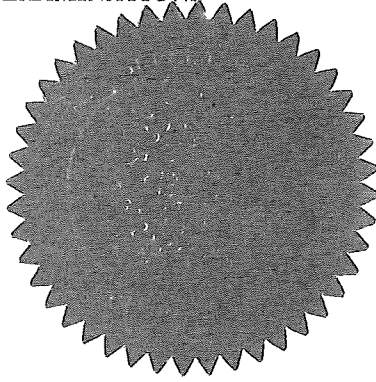
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations, Keitz Investment Management Ltd and Michael Keitz, intending to be legally bound, do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES,  
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS

Redacted

~~\_\_\_\_\_~~  
Joseph J. Minisi, Deputy Secretary of Securities

Date: 12/4/19



Keitz Investment Management Ltd.

Redacted

(Signature) ~~\_\_\_\_\_~~

Michael L. Keitz  
(Print Name)

V.P.  
(Title)

Date: 11/22/19

Michael Keitz, \_\_\_\_\_

Redacted

(Signature) ~~\_\_\_\_\_~~

Michael L. Keitz.  
(Print Name)

V.P.  
(Title)

Date: 11/22/19