

BEFORE THE STATE AUDITOR AND THE COMMISSIONER OF SECURITIES,  
HELENA, MONTANA

IN THE MATTER OF: )  
 )  
ROTHSCHILD INVESTMENT CORP. ) CASE NO.:SEC-2008-5  
311 S. Wacker Drive, Suite 6500 ) (02-04-08-262 I)  
Chicago, IL 60606, )  
 ) CONSENT AGREEMENT AND ORDER  
 )  
DONALD ROSEEN, individually and in his )  
capacity acting as a broker-dealer )  
salesperson and investment advisor )  
representative, JOHN B. WELCH, )  
individually and in his capacity acting as a )  
broker-dealer salesperson and investment )  
advisor representative, DALE R. BONGA, )  
individually and in his capacity acting as a )  
broker-dealer salesperson and investment )  
advisor representative, and )  
BART R. BONGA, individually and in his )  
capacity acting as a broker-dealer )  
salesperson and investment advisor )  
representative, )  
 )  
Respondents. )

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Consent Agreement dated this 28<sup>th</sup> day of April 2008, by the Montana Securities Department ("Department"), acting pursuant to the authority of Securities Act of Montana, § 30-10-101 et seq. Montana Code Annotated (the "Act") and Rothschild Investment Corporation (Rothschild).

**RECITALS**

WHEREAS, the Department issued a Notice of Proposed Agency Action ("Action") dated February 7, 2008, alleging violations of the Act by Rothschild, and its agents or employees

Donald Rosen, John B. Welch, Dale R. Bonga, and Bart R. Bonga (“Respondents”) with respect to transactions effected in certain customer accounts without proper registration; and

WHEREAS, the Department has engaged in extensive investigation of the allegations contained within the Action; and

WHEREAS, the Department and Rothschild have agreed that the best interests of the public would be served by dismissing the Action with respect to the Respondents and entering into the agreements and undertakings specified herein.

NOW THEREFORE, in consideration of the mutual undertakings herein contained the Department and Rothschild hereby agree to resolve their differences and settle this matter pursuant to the following terms and conditions:

#### **SUMMARY OF ALLEGATIONS**

A. The Action includes allegations that Rothschild and the Respondents engaged in securities transactions in certain Montana customer accounts without proper registration to conduct such business in Montana.<sup>1</sup>

#### **STIPULATIONS AND CONSENTS**

A. Without admitting or denying any of the allegations contained within the Action, Rothschild stipulates and consents to the following:

1. To refund fees and commissions to its Montana customers who are the basis of the Action and which refunds result in a total restitution amount of \$22,741.65.

2. To pay an administrative fine of \$2,500 pursuant to M.C.A. § 30-10-305(3).

3. To make a contribution to the Investor Protection Fund for the benefit of Montana investors in the amount of \$2,500.

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<sup>1</sup> A copy of the Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing is attached to this Consent Agreement as Exhibit A.

4. To comply with the terms and conditions of this Consent Agreement and with the securities laws and regulations and the insurance code and regulations of Montana.

5. The applicable Statute of Limitation, § 30-10-305, MCA, is tolled for two (2) years from the date of execution of this Consent Agreement with regard to the allegations set forth above. In the event Rothschild is alleged to violate the terms of this Consent Agreement at any time during the two-year tolling period the State Auditor's Office reserves the right to seek an additional fine of up to \$25,000 and to seek a permanent ban on registration or filings by Rothschild. Rothschild reserves the right to a hearing on such allegations. prior to any imposition of a fine or any additional disciplinary action related to the allegations of a violation of this Consent Agreement.

B. Pursuant to the stipulations, agreements and consents of Rothschild, the Department, under the authority of the Act and § 2-4-603, Montana Code Annotated, hereby agrees that:

1. The Department has determined and shall execute contemporaneous with the Consent Agreement such documents and take such actions as are required to dismiss the Action with prejudice with respect to Rothschild and the Respondents which shall prevent the Department from further pursuit of the same matter in any court or administrative proceeding.

C. All parties to this Consent Agreement agree and acknowledge:

1. This Consent Agreement is a consent prior to trial or hearing pursuant to M.C.A. Section 30-10-305(2) and constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Under authority of the Act, the Department hereby agrees that it will not initiate any civil or administrative action against Rothschild regarding the allegations contained in the Action. Rothschild fully and forever

releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Consent Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

2. The Department agrees to promptly process the applications of Rothschild and Respondents to register as a broker-dealer and salespersons respectively within the State of Montana and to consent to the withdrawal of the Respondents applications to register as Investment Adviser Representatives since they do not maintain a place of business within the state and such applications are not required pursuant to M.C.A. Sections 30-10-103(12) and 30-10-201(3).

DATED this 23<sup>rd</sup> day of April, 2008.

MONTANA SECURITIES DEPARTMENT

By: Roberta Cross Guns  
Roberta Cross Guns  
Special Assistant Attorney General

SUBSCRIBED AND SWORN to before me this 23<sup>rd</sup> day of April, 2008.

Michelle Maize Huftel  
Michelle Huftel  
Notary Public for the State of Montana  
Residing at Helena, Montana  
My commission expires March 29, 2012.

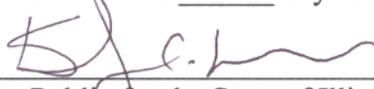
DATED this 17<sup>th</sup> day of April, 2008.

ROTHSCHILD INVESTMENT CORPORATION

By: Budley C. Duke

Bradley Drake

SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day of April, 2008.



Notary Public for the State of Illinois  
Residing at 750 N. Dearborn Chicago, IL  
My commission expires 8-10-08.

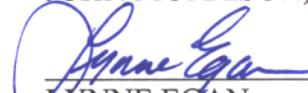


**ORDER**

On the basis of the Findings of Fact, Conclusions of Law found in the Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing filed in this matter and Rothschild's consent to the entry of this order, for the purpose of settling this matter prior to a hearing, and without admitting or denying any of the Findings of Fact or Conclusions of Law, the Commissioner orders Rothschild to pay restitution to the Montana customer accounts in the amount of \$22,741.65, pay a fine of \$2,500 and make a contribution of \$2,500 to the Investor Protection Fund for the benefit of Montana investors. The Commissioner further orders Rothschild, its agents and employees to comply with the Securities Act of Montana and the rules promulgated thereunder.

Dated this 23<sup>rd</sup> day of April, 2008.

JOHN MORRISON, STATE AUDITOR



By: LYNNE EGAN  
Title: DEPUTY SECURITIES COMMISSIONER