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

IN THE MATTER OF:	)	
	)	CASE NO.:SEC-2008-5
ROTHSCHILD INVESTMENT CORP.	)	(02-04-08-262 I)
311 S. Wacker Drive, Suite 6500	)	
Chicago, IL 60606,	)	TEMPORARY CEASE AND DESIST
	)	ORDER AND NOTICE OF
DONALD ROSEEN, individually and in his	)	OPPORTUNITY FOR HEARING
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.	)	

The Commissioner of Securities for the State of Montana (Commissioner), pursuant to the authority of the Securities Act of Montana, §§ 30-10-101, *et seq.*, Montana Code Annotated (2007)(MCA), hereby issues the following ORDER AND NOTICE OF OPPORTUNITY FOR HEARING for Respondents Rothschild Investment Corporation (Rothschild), Donald Roseen (Roseen), John Welch (Welch), Dale R. Bonga (D. Bonga), and Bart R. Bonga (B. Bonga),. This Order is based upon the good cause shown in Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing in this case. To wit:

ALLEGATIONS

1. Rothschild is an investment advisor firm and broker-dealer firm domiciled in Chicago, Illinois. Rothschild is currently notice filed in Montana as a federal covered adviser. Rothschild is not now nor has it ever been registered with the Montana Securities Department as a broker/dealer firm. On or about January 14, 2008 the firm submitted its application to register as a broker/dealer for the first time in Montana.

2. Rothschild has been sanctioned by numerous states for registration violations and has also been the subject of FINRA disciplinary action as disclosed on FINRA's Central Registration Depository (CRD). Rothschild has been sanctioned for failure to properly register prior to conducting securities business in the following states: Massachusetts, Maryland, Wisconsin, Oregon, and Missouri.

3. Roseen (CRD #3184246) is an investment adviser representative and salesperson for Rothschild. Roseen works at Rothschild's corporate office location. Roseen has never been registered with the Montana Securities Department in any capacity while associated with Rothschild. On or about January 14, 2008 Rothschild submitted applications to the Department to register Roseen as an investment adviser representative and as a salesperson.

4. Welch (CRD #847226) is an investment adviser representative and salesperson for Rothschild. Welch works at Rothschild's corporate office location. Welch has never been registered with the Montana Securities Department in any capacity. On or about January 14, 2008 Rothschild submitted applications to the Department to register Welch as an investment adviser representative and as a salesperson.

5. D. Bonga (CRD #825608) is an investment adviser representative and salesperson for Rothschild. D. Bonga is also an executive vice president for Rothschild. D. Bonga works at

Rothschild's corporate office location. D. Bonga has never been registered with the Montana Securities Department in any capacity. On or about January 14, 2008 Rothschild submitted applications to the Department to register D. Bonga as an investment adviser representative and as a salesperson.

6. B. Bonga (CRD #2798234) is an investment adviser representative and salesperson for Rothschild. B. Bonga works at Rothschild's corporate office location. B. Bonga has never been registered with the Montana Securities Department in any capacity. On or about January 14, 2008 Rothschild submitted applications to the Department to register B. Bonga as an investment adviser representative and as a salesperson.

7. A review of the information provided by Rothschild in its application for registration indicates Roseen transacted at least 115 trades in accounts owned by Montana investors while he was not registered to conduct securities business in Montana. Roseen collected fees and commissions from Montana investors totaling at least $4,770.79 for the trading he conducted in these accounts without proper registration to conduct securities business in Montana.

8. A review of the information provided by Rothschild in its application for registration indicates Welch transacted at least 272 trades in accounts owned by Montana investors while he was not registered to conduct securities business in Montana. Welch collected fees and commissions from Montana investors totaling at least $18,635.89 for the trading he conducted in these accounts without proper registration to conduct securities business in Montana.

9. A review of the information provided by Rothschild in its application for registration indicates D. Bonga and B. Bonga, acting as partners, transacted at least 52 trades in

accounts owned by Montana investors while they were not registered to conduct securities business in Montana. D. and B. Bonga collected fees and commissions from Montana investors totaling at least $14,723.06 for the trading they conducted in these accounts without proper registration to conduct securities business in Montana.

10. Additionally, after Rothschild submitted its Form BD to register as a broker-dealer firm, it continued transacting business in Montana clients' accounts. Roseen transacted at least 11 trades, D. & B. Bonga transacted at least 1 trade and Welch transacted at least 3 trades in Montana clients' accounts after January 14, 2008 and are likely continuing to transact business in these accounts without registration to conduct securities business in Montana.

11. Rothschild, through its representatives Roseen, Welch, D. and B. Bonga executed at least 439 transactions in thirteen Montana customer accounts over the past two years charging commissions and fees totaling at least $38,129.74 without being registered to conduct securities business as a broker-dealer in Montana.

Based on the foregoing allegations, the Department submits the following:

CONCLUSIONS OF LAW

1. The State Auditor is the Commissioner of Securities (Commissioner) pursuant to § 30-10-107, MCA.

2. The administration of the Securities Act of Montana, Title 30, Chapter 10, Parts 1 through 3, MCA, is under the supervision and control of the Securities Commissioner, pursuant to § 30-10-107, MCA.

3. The Securities Act of Montana shall be construed to protect investors, persons engaged in securities transactions, and the public interest, pursuant to § 30-10-102, MCA.

4. Rothschild transacted through its agents and employees at least 439 trades in accounts owned by Montana investors without proper registration to conduct securities broker-dealer business in Montana in violation of § 30-10-201, MCA.

5. Rothschild unjustly earned at least $38,129.74 in fees and commissions by conducting securities broker-dealer business without proper registration to conduct such business in Montana in violation of § 30-10-201, MCA.

6. Roseen transacted at least 115 securities transactions in accounts owned by Montana investors without proper registration or benefit of an exemption as a securities salesperson to conduct such business in Montana in violation of § 30-10-201, MCA.

7. . Roseen collected commissions and fees from Montana investors totaling at least $4,770.79 without proper registration or the benefit of an exemption to conduct business as a securities salesperson in Montana in violation of § 30-10-201, MCA.

8. Welch transacted at least 272 securities transactions in accounts owned by Montana investors without proper registration or benefit of an exemption as a securities salesperson to conduct such business in Montana in violation of § 30-10-201, MCA.

9. Welch collected commissions and fees from Montana investors totaling at least $18,635.89 without proper registration or the benefit of an exemption to conduct business as a securities salesperson in Montana in violation of § 30-10-201, MCA.

10. D. and B. Bonga transacted at least 52 securities transactions in accounts owned by Montana investors without proper registration or benefit of an exemption as a securities salesperson to conduct such business in Montana in violation of § 30-10-201, MCA.

11. D. and B. Bonga collected commissions and fees from Montana investors totaling at least $14,723.06 without proper registration or the benefit of an exemption to conduct business as a securities salesperson in Montana in violation of § 30-10-201, MCA.

12. Rothschild, Donald Roseen, John Welch, Dale Bonga and Bart Bonga executed 439 securities transactions in thirteen accounts of Montana investors and collected commissions and fees totaling at least $38,129.74 without disclosing the facts that neither the firm nor the salesperson were properly registered in Montana to transact securities business in violation of § 30-10-301(1)(b) and (c), MCA.

Based on these Allegations and Conclusions of Law, the Commissioner hereby enters the following:

ORDER

Pursuant to § 30-10-305(1)(a), MCA, it appears to the Commissioner that the above named Respondents, Rothschild, Roseen, Welch, D. Bonga, and B. Bonga have engaged in or are about to engage in an act or practice constituting a violation of the Securities Act of Montana, and pursuant to § 30-10-102, MCA, it is in the public interest to ORDER Resondents to CEASE AND DESIST from engaging in the following actions:

1. Making untrue statements or omissions of material facts that would make the statements made, in the light of the circumstances under which they are made, misleading in violation of § 30-10-301 (1) (b), MCA;
2. Any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person in violation of § 30-10-301 (1) (c), MCA;
3. Any act that constitutes conducting or transacting securities business in Montana without proper registration or licenses to do so in violation of § 30-10-201, MCA.

Section 30-10-306(1), MCA, provides that any willful violation of this cease and desist order, upon conviction, may be punished by imprisonment for not more than 10 years and/or a fine not exceeding five thousand dollars ($5,000).

NOTICE

Respondents are notified that the Commissioner has issued this temporary cease and desist order. If Respondents wish to contest the allegations herein, they should make a written request for a hearing to Roberta Cross Guns, Special Assistant Attorney General, State Auditor's Office, 840 Helena Avenue, Helena, MT 59601 within 15 days of receipt of this order. The hearing shall then be held within 30 days of the Commissioner's receipt of the hearing request unless otherwise agreed by the parties. If no hearing is requested within 15 days of receipt of this order by Respondents, and the Commissioner orders none, this order shall become permanent.

Should you request a hearing, you have the right to be accompanied, represented and advised by counsel. If the counsel you choose has not been admitted to the practice of law in the State of Montana, he or she must comply with the requirements of Application of American Smelting and Refining , Co., 164 Mont. 139, 520 P.2d 103 (1973) and ***Montana Supreme Court Commission on the Unauthorized Practice of Law v. Jerry O'Neil*** (2006), 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

SO ORDERED this 7th day of February, 2008.

LYNNE EGAN
Deputy Securities Commissioner

Copies to: Rothschild Investment Corporation, Donald Roseen, John Welch, Dale R. Bonga, Bart R. Bonga