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Helena, MT 59601  
406-444-2040

Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,  
MONTANA STATE AUDITOR**

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IN THE MATTER OF:	)	CASE NO.	SEC-2013-115
	)		
JOSEPH J. BIONDOLILLO,	)	<b>CONSENT AGREEMENT AND FINAL</b>	
	)	<b>ORDER</b>	
Individually and in his capacity as a	)		
salesperson,	)		
	)		
Respondent.	)		
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	)		

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This Consent Agreement and Final Order (Agreement) is entered into by the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), acting pursuant to the authority of the Securities Act of Montana, Mont. Code Ann. § 30-10-101 et seq. (Act), and Joseph J. Biondolillo, CRD #3082625, Respondent.

**RECITALS**

WHEREAS, after conducting an investigation into the affairs of Chelsea Financial Services (CFS), the CSI filed a Notice of Agency Action against Respondent on June 6, 2013;

WHEREAS, the CSI's investigation revealed excessive trading and excessive commissions in certain Montana CFS accounts;

WHEREAS, during the course of its investigation, the CSI alleged that certain investor New Account information memorialized by Respondent included inaccurate entries;

WHEREAS, Respondent charged and received commissions on these accounts;

WHEREAS, CFS previously entered into an agreement with the CSI wherein all Montana investors received full restitution. Respondent contributed a majority of the restitution to that agreement as reported on the Central Registration Depository; and

WHEREAS, the CSI's Notice of Agency Action alleged that Respondent violated Mont. Code Ann. §§ 30-10-201(13)(i), 30-10-201(13)(g), 30-10-301, and Admin. R. Mont. 6.10.401.

NOW, THEREFORE, in consideration of the following mutual undertakings, the CSI and Respondent enter into the following:

#### **STIPULATIONS AND CONSENTS**

1. Without admitting or denying any of the CSI's allegations, Respondent stipulates and agrees to the following:
  - A. Within ten business days from the execution of this Agreement, Respondent shall pay a fine of \$10,000.00. The fine must be made payable to the State of Montana and sent to the Office of the Commissioner of Securities and Insurance, Montana State Auditor, c/o Lisa Monroe, Legal Assistant, 840 Helena Avenue, Helena, MT 59601.
  - B. Respondent's securities license as a salesperson, CRD #3082625, is revoked;
  - C. Respondent is permanently barred from any future attempt to apply for securities licensing or registration in Montana.

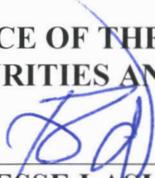
- D. With respect to the Recitals, Respondent specifically and affirmatively waives a contested case hearing and his right to appeal under the Montana Administrative Procedures Act, including Title 2, chapter 4, part 7, and elects to resolve this matter on the terms and conditions set forth therein.
  - E. Respondent fully and forever releases and discharges the CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or not asserted, known or unknown, foreseen or unforeseen, arising out of the Recitals.
  - F. Respondent acknowledges that it and/or its authorized representative have read and understand each term of this Agreement and that they enter into this Agreement voluntarily and without reservation.
2. Both parties to this Agreement stipulate and agree as follows:
- A. This Agreement resolves the alleged violations set forth in the Recitals and the CSI's Notice of Agency Action dated June 6, 2013.
  - B. The CSI warrants and represents that it does not now have any intent to bring any further action against Respondent based upon the conduct alleged in the Recitals.
  - C. This Agreement is entered without adjudication of any issue, law or fact. It is entered solely for the purpose of resolving the CSI's investigation and allegations, and is not intended to be used for any other purpose.
  - D. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by

the CSI or by any member, officer, agent, or representative of the CSI to induce Respondent to enter into this Agreement.

- E. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.
- F. This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner) herein.
- G. Upon the signing of the Final Order by the Commissioner, this Agreement and Final Order will be an order of the CSI. The CSI has jurisdiction over the enforcement of the Final Order, and failure to comply with it may constitute separate violations of the Act, as provided in Mont. Code Ann. § 30-10-305, and may result in subsequent legal action by the CSI.
- H. This Agreement shall be effective upon signing of the Final Order.
- I. This Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 5<sup>th</sup> day of June, 2014

**OFFICE OF THE COMMISSIONER OF  
SECURITIES AND INSURANCE**

By:   
\_\_\_\_\_  
**JESSE LASLOVICH  
BRETT O'NEIL**

DATED this 30<sup>th</sup> day of May, 2014

**JOSEPH J. BIONDOLILLO**  
  
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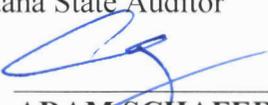
**FINAL ORDER**

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and §§ 30-10-101 et seq., and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Office of the Commissioner of Securities and Insurance, Montana State Auditor, and the Respondent, Joseph J. Biondolillo, is adopted as set forth fully herein. Furthermore, the June 6, 2013, Notice of Agency Action is hereby dismissed.

DATED this 5<sup>th</sup> day of ~~May~~ <sup>June</sup>, 2014.

**MONICA J. LINDEEN**  
Commissioner of Securities and Insurance,  
Montana State Auditor

By: 

**ADAM SCHAFFER**  
Deputy State Auditor

cc. Jesse Laslovich, Esq.  
Martin H. Kaplan, Esq.