## STATE OF NORTH DAKOTA SECURITIES DEPARTMENT

In the Matter of Dorothy K. Schlabsz, )	ORDER FOR CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING
Respondent. )	)

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA
TO: DOROTHY K. SCHLABSZ, RESPONDENT.

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondent has engaged in acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondent.

- Questar Capital Corporation, (hereinafter, "QCC") is, and for all times relevant to this matter has been, a company headquartered in Minneapolis, Minnesota, and registered as a broker-dealer in North Dakota.
- 2. Respondent, Dorothy K. Schlabsz, is, and for all times relevant to this matter has been, registered as an agent in North Dakota with QCC, doing business as Schlabsz Financial, LLC, in Dickinson, North Dakota.
- In January, 2008, the North Dakota Securities Department initiated an investigation into securities related advertising and signage issues at Becker Financial & Associates in Beulah, North Dakota. The advertising did not

comply with FINRA (NASD) Conduct Rule 2210 as to content and firm approval procedure. As a result of the investigation, it was determined that Respondent had a business relationship with Becker Financial & Associates which was not properly disclosed to QCC as an outside business activity in violation of FINRA (NASD) Conduct Rule 3030 and that Respondent therefore failed to maintain the proper disclosure on the CRD system.

- 4. Becker Financial securities advertising using Respondent's name failed to meet minimum standards of compliance by failing to identify QCC as the broker-dealer, nor was the advertising submitted to QCC for review and approval, all in violation of FINRA (NASD) Conduct Rule 2210.
- 5. Pursuant to §§73-02-09-02(29) and 73-02-09-03(6) of the North Dakota Administrative Code, it is an unethical practice and violation of the Securities Act for any agent to fail to comply with the rules of the NASD or other self-regulatory organization approved by the SEC.
- 6. Pursuant to N.D.C.C. §10-04-16(1), the Securities Commissioner has the authority to assess a civil penalty in an amount not to exceed \$10,000 for each violation of the Securities Act or rule.
- 7. This Order is issued in the public interest, and for the protection of investors.

  NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that:
  - 1. Respondent is hereby assessed a civil penalty of Five Hundred (\$500.00) Dollars based on the violations described above.

## NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER.

The Respondent has the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 3 day of June, 2008.

Karen J. Tyler, Securities Commissioner North Dakota Securities Department 600 East Boulevard Ave. State Capitol – Fifth Floor Bismarck, ND 58505-0510 (701) 328-2910

## STATE OF NORTH DAKOTA SECURITIES DEPARTMENT

In the Matter of Dorothy K. Schlabsz,	) AFFIDAVIT OF SERVICE BY MAIL
Respondent.	)

I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On this 5<sup>th</sup> day of June, 2008, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

## ORDER FOR CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING

A copy of the above document was securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

Dorothy K. Schlabsz 915 4<sup>th</sup> Ave. East Dickinson, ND 58601-4006

Barry L. Seale
Compliance Officer
Questar Capital Corporation
5701 Golden Hills Drive
Minneapolis, MN 55416-1297

To the best of my knowledge, information, and belief, the address given above is the actual mailing address for the party intended to be served or of the attorney representing that party.

Jacqui Ferderer

Subscribed and sworn to before me this <u>5</u>

\_day of June, 2008.

DIANE B G KAMBEITZ Notary Public State of North Dakota My Commission Expires April 25, 2012 Diane B. G. Kambeitz, Notary Public Burleigh County, North Dakota My commission expires 4/25/2012