

BEFORE THE  
DIVISION OF SECURITIES  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
STATE OF WISCONSIN

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In the Matter of  
WELHOUSE & ASSOCIATES, INC  
Respondent.

PETITION FOR ORDER

File No. S- 05210(LX)

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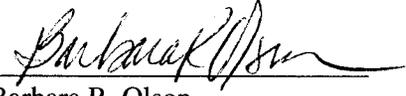
The staffs of the Licensing & Compliance Bureau and the Enforcement Unit, Registration & Enforcement Bureau, of the Division of Securities, Department of Financial Institutions, State of Wisconsin have conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof allege as follows:

1. Welhouse & Associates, Inc. ("Welhouse") is an investment adviser (IARD #111752) with a last known address of 3601 Commerce Court, Suite 4, Appleton WI 54911;
2. On October 25, 2005 Welhouse faxed 14 letters of authorization ("LOAs") to his custodian, TD Waterhouse Institutional Services ("TD Waterhouse"), requesting checks be issued from client accounts to Appleton Land Company, LLC;
3. TD Waterhouse noted differences in the client signatures and notified the Division of Securities of its concerns with the authenticity of the signatures;
4. At least one client contacted by the Division stated they had not signed an LOA for Appleton Land Company, LLC transaction from their TD Waterhouse account;
5. On November 29, 2005, while neither admitting nor denying responsibility for, Welhouse responded to the staff that the LOAs that were faxed on October 25, 2005 to TD Waterhouse contained "improper" signatures as well as "improper" instructions, the checks were to be sent to Fox Valley Land Company, LLC;
6. Upon information and belief, Welhouse previously obtained permission from the investors to make the investment in Fox Valley Land Company, LLC, however, the necessary paperwork was not correctly completed;
7. Welhouse's actions of attaching improper signatures not belonging to clients on letter of authorization forms may be deemed a "dishonest or unethical business practice" or "taking unfair advantage of a customer" and provides a basis, pursuant to 551.34(1)(g), Wis. Stats., for the censure of the licensee.

THEREFORE, the staffs of the Bureau of Licensing & Compliance and the Bureau of Registration & Enforcement petition the Administrator for the issuance of the attached Order.

DATED this 23<sup>rd</sup> day of March, 2006.

  
David A. Cohen  
Supervising Attorney  
Bureau of Registration & Enforcement

  
Barbara R. Olson  
Licensing Examiner  
Bureau of Licensing and Compliance