

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: CHARLES FOSTER, CRD # 1984870

) File No. 1600067  
)

CONSENT ORDER

TO THE RESPONDENT: Charles Foster  
Northwestern Mutual Investment Services, LLC  
377 E. Butterfield Rd., Ste. 400  
Lombard, IL 60148

Northwestern Mutual Investment Services, LLC  
Attn: Jacquelyn Diener, Regulatory Reporting Specialist  
611 E. Wisconsin Ave.  
Milwaukee, WI 53202-4797

WHEREAS, the Respondent, Charles Foster, on April 11, 2016 executed a certain Stipulation to Entry of Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State, service of the Notice of Hearing in this matter, and consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph VII of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. At all relevant times, Respondent was registered with the Secretary of State as a salesperson and investment adviser representative in the State of Illinois pursuant to Section 8 of the Act.

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2. Respondent is currently a registered representative and investment adviser representative at Northwestern Mutual Investment Services, LLC, a dealer registered in the State of Illinois and an investment adviser notice-filed in the State of Illinois pursuant to Section 8 of the Act.
3. On or about October 8, 2015, the Illinois Department of Revenue sent a Collection Action Notice of Intent letter to Respondent's home address. The letter advised that, if Respondent did not resolve his debt owed to the Department of Revenue, his salesperson and investment adviser representative license would be suspended and provided contact information for the Department of Revenue.
4. On or about February 4, 2016, the Office of the Secretary of State, Illinois Securities Department sent a letter to Respondent via certified mail notifying him that he had failed to effectively respond to the Department of Revenue and warning of the possible negative effect on his registration. Respondent was required to explain the situation, and Respondent's efforts to resolve it, in a notarized affidavit to the Securities Department within 10 business days of the date on which the letter was delivered.
5. On February 8, 2016, the certified letter was delivered to Respondent's office.
6. On February 25, 2016, the Securities Department contacted a representative of Northwestern Mutual Investment Services, informing the firm that Respondent had failed to respond to the Securities Department letter within 10 business days of receipt of the letter and warning that enforcement action would be taken if his affidavit was not delivered to the Securities Department by March 1, 2016.
7. At least as of March 2, 2016, the Securities Department had not received the affidavit.
8. At least as of March 2, 2016, Respondent owed the Department of Revenue a balance for his 2011 individual income taxes. Also, Respondent was required by the Department of Revenue to file his individual income tax returns for the years 2013 and 2014. Respondent would be required to pay any amounts owed for those years or to establish a payment plan to pay any amounts owed for those years.
9. Respondent disclosed three tax liens as part of his U-4 application. The liens were filed in 2008 and released in 2009 by the State of Indiana. They were not disclosed until 2015.
10. At least as of March 2, 2016, Respondent failed to disclose other tax liens filed in Lake County by the State of Indiana, including, but not necessarily limited to, # 05861145 filed on March 26, 2007 and released on April 12, 2007, # 059370002 filed on April 5, 2007 and released on April 12, 2007, # 05948809 filed on April 9, 2007

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and released on April 12, 2007, # 6505371 filed on October 17, 2007, and # 06962870 filed on July 21, 2008 and released on February 17, 2009.

11. Respondent's U-4 application for registration with the Securities Department, which was executed, verified, or authenticated by Respondent, did not disclose all the liens entered against him, due to Respondent's failure to provide adequate information to his firm.
12. On or about March 14, 2016, the Department of Revenue issued a release from collection action.
13. On March 16, 2016, the Securities Department received Respondent's affidavit.
14. On March 25, 2016, Respondent updated his U-4 application with the missing tax lien disclosures.
15. Section 8.C(8) provides, *inter alia*, that any change which renders no longer accurate any information contained in any application for registration or re-registration as a salesperson shall be reported to the Secretary of State within 10 business days after the occurrence of such change.
16. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report, or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
17. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the salesperson or investment adviser representative has violated any of the provisions of this Act.
18. Section 8.E(1)(h) provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the Secretary of State finds that there has been made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's or investment adviser representative's business repute or qualifications or has refused to furnish any such information requested by the Secretary of State.
19. Section 8.E(1)(o) provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the Secretary of State finds that such salesperson or investment adviser representative has failed to file a return, or to pay the tax, penalty, or interest shown in a filed return, or to pay any final assessment of tax, penalty, or interest, as required by any Act

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administered by the Illinois Department of Revenue, until such time as the requirements of that Act are satisfied.

20. Section 11.E(4) of the Act provides, *inter alia*, that the Secretary of State, after finding that any provision of the Act has been violated, may issue an order of censure, charge costs of investigation, and impose a fine not to exceed \$10,000 for each violation of the Act.
21. Section 11.F(1) of the Act provides, *inter alia*, that the Secretary of State may suspend or revoke the registration of a salesperson or investment adviser representative and impose a fine for violation of the Act after an opportunity for hearing upon not less than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph VIII of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

22. By virtue of the foregoing, the Respondent is subject to a fine of up to \$10,000 per violation, an order of censure, and an order that suspends or revokes his registration in the State of Illinois pursuant to Sections 8 and 11 of the Act.

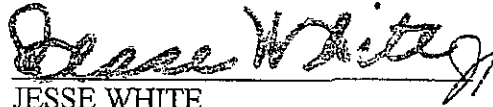
NOW THEREFORE IT IS HEREBY ORDERED THAT:

23. Respondent will make a monetary payment, within ten business days from the entry of the Consent Order, in the total amount of five hundred dollars (\$500) to the Illinois Secretary of State for deposit in the Securities Audit and Enforcement Fund. The payment will be mailed to the Illinois Securities Department, 421 E. Capitol Ave., 2<sup>nd</sup> Fl., Springfield, Illinois 62701 and include a cover letter referencing File No. 1600067.
24. Respondent is Censured.
25. The Securities Department will retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions stated herein.
26. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

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ENTERED: This 12<sup>th</sup> day of April, 2016.



JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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