

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES
Before the Commissioner of Financial and Insurance Services**

In the matter of:

Office of Financial and Insurance Services,

Enforcement Case No. 06-4217

Petitioner,

v

Phillips Securities, Inc.

Respondent.

**Issued and entered
on July 24, 2006
by Richard D. Lavolette,
Chief Deputy Commissioner**

CONSENT ORDER AND STIPULATION

A. Findings of fact and conclusions of law

1. Contrary to Section 203(d) of the Michigan Uniform Securities Act, MCL 451.603(d), Respondent failed to timely respond to the Commissioner's February 9, 2006, Registered Investment Advisers' Annual Questionnaire (Questionnaire).
2. Respondent has violated Section 203(d) of the Michigan Uniform Securities Act, MCL 451.603(d), by failing to promptly reply to the Commissioner's Questionnaire.

B. Order

Based on the findings of fact and conclusions of law above and Respondent's stipulation, the Chief Deputy Commissioner ORDERS that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Section 203(d) of the Michigan Uniform Securities Act, MCL 451.603(d).
2. Respondent shall pay to the state of Michigan, through the Office of Financial and Insurance Services, a market conduct fee in the amount of \$1,000. The fine shall be paid within 30 days of the date of entry of this Order.

A handwritten signature in black ink, appearing to read "R. D. Lavolette". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Richard D. Lavolette,
Chief Deputy Commissioner