

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of Financial and Insurance Regulation

In the matter of:

Office of Financial and Insurance Regulation

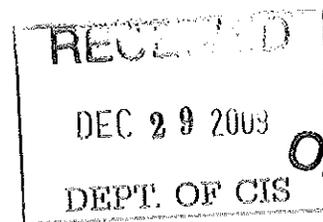
Petitioner

v

Allen P. Mecham  
CRD No. 1929783

Respondent

Enforcement Case No. 08-6950  
Agency No. 09-729-SR



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DEC 29 2009  
OFIR/OGC

CONSENT ORDER AND STIPULATION

Issued and entered  
on January 11, 2009  
by Stephen R. Hilker  
Chief Deputy Commissioner

I.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all times pertinent to the matter herein, Allen P. Mecham ("Respondent") was a registered representative in the state of Michigan under the Michigan Uniform Securities Act ("the MUSA").
2. As a registered representative, Respondent knew or had reason to know that Section 204(a)(1)(g) of the MUSA, MCL 451.604(a)(1)(g), states:
  - (a) The administrator may by order, if it finds the order in the public interest, deny, suspend, or revoke any registration, or censure a registrant, if it finds that 1 or more of the following apply:
    - (1) The applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar

functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

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(G) Has engaged in dishonest or unethical business practices.

3. Respondent has failed to uphold the standards as described below.

#### COUNT I

4. On or about July 03, 2008, Securities Service Network, Inc. (hereafter "SSN") terminated Respondent's employment due to Respondent's violation of the firm's policy regarding custody of clients' funds.
5. On or about March 9, 2008, clients of Respondent mailed checks in the amount of \$15,000.00 directly to the Respondent to pay for the purchase of the shares in the Donald Brown Real Estate Investment Trust ("REIT"). Respondent subsequently mailed a personal check to Donald Brown for \$10,000.00 to cover a portion of the clients' purchase of the REIT.
6. At time of the above-described conduct, Respondent was employed by SSN and knew that it was against the firm's policy to accept custody of clients' funds.
7. Respondent has engaged in dishonest or unethical business practice by taking custody of his clients' funds, in violation of 204(a)(1)(g), MCL 451.604(a)(1)(g).

#### COUNT II

8. On or about December 31, 2007, Respondent accepted and deposited into his personal checking account a check from one of his client's in the amount of \$2,917.41. Respondent was remunerated by the client because of the above average performance of the client's portfolio managed by the Respondent. SSN had no knowledge that the Respondent had received remuneration from the client due to the performance of the client's portfolio.
9. At time of the above-described conduct, Respondent was employed by SSN and knew that it was against the firm's policy for representatives to accept performance based fees from clients.
10. Respondent has engaged in dishonest or unethical business practices by accepting a performance based fee from a client without his broker-dealer's knowledge, in violation of 204(a)(1)(g) of MCL 451.604(a)(1)(g).

**II.  
ORDER**

Based upon the Findings of Fact and Conclusions of Law above and Respondent's stipulation, the Commissioner ORDERS that:

1. Respondent shall CEASE and DESIST from violating MCL 451.604(a)(1)(g).
2. Forthwith, Respondent's registration in the state of Michigan as a registered representative pursuant to the MUSA is hereby suspended for two (2) months.
3. Respondent shall CEASE and DESIST from engaging in any activity requiring registration under the MUSA.

**IT IS SO ORDERED.**

Dated: 1/11/09

  
Stephen R. Hilker  
Chief Deputy Commissioner

**III.  
STIPULATION**

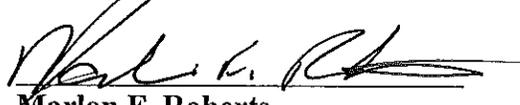
Respondent has read and understands the Consent Order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Uniform Securities Act. Respondent waives the right to a hearing in this matter if this Consent Order is issued. Respondent understands that the Consent Order and Stipulation will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this Consent Order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. Respondent admits to the Findings of Fact and Conclusions of Law set forth in the above Consent Order, and agrees to the entry of the Consent Order.

Dated: 12/18/09

  
Allen P. Mecham

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

Dated: 1/6/2010

  
Marlon F. Roberts  
Staff Attorney