

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: LARRY M. PHILLIPS

FILE NO. 0500301

CONSENT ORDER OF DISMISSAL

**TO THE RESPONDENT:**

Larry M. Phillips  
(CRD #: 32671)  
4655 Tam O'Shanter Drive  
Westlake Village, CA 91367

RBC Dain Rauscher, Inc.  
21700 Oxnard Street  
Suite 150  
Woodland Hills, CA 91367

Paul Roshka, Esq.  
ROSHKA DE WULF & PATTEN, PLC  
One Arizona Center  
400 E. Van Buren Street, Suite 800  
Phoenix, AZ 85004

WHEREAS, Respondent on the 5<sup>th</sup> day of October 2006 executed a certain Stipulation to Enter Consent Order of Dismissal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated August 30, 2006 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

The grounds for such proposed action are as follows:

1. At all times relevant hereto Respondent was registered with NASD as a Salesperson and as a general securities sales supervisor. Respondent is currently registered as a Salesperson and Investment Adviser Representative.
2. On April 13, 2005, Respondent's Letter of Acceptance, Waiver and Consent was accepted by NASD's National Adjudicatory Council ("NAC") Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the NAC, which imposed the following sanctions:
  - a. A fine of \$20,000; and
  - b. A suspension from associating with any NASD member firm in any and all capacities for a period of ten business days;
3. The decision in pertinent parts found:
  - a. During the period of May 25, 2001, through April 12, 2002, Wachovia, acting through Respondent, created and distributed a total of 26 written communications that failed to disclose adequately material facts regarding investment products and strategies, or made exaggerated, unwarranted or misleading statements or claims regarding those products, or both.
  - b. That by virtue of the foregoing, Respondent violated NASD Conduct Rules 2110, 2210(d)(1)(A), 2210(d)(1)(B), and IM-2210-2.
4. Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a Salesperson or an Investment Adviser Representative may be revoked if the Secretary of State finds that such Salesperson or Investment Adviser Representative has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
5. The NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That by virtue of the foregoing, the Respondent's registrations as a Salesperson and Investment Adviser Representative in the State of Illinois are subject to revocation pursuant to Section 8.E(1)(j) of the Act.

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WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

Respondent's registrations as a Salesperson and Investment Advisor Representative in the State of Illinois are subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he will not serve his dealer ("RBC Dain Rauscher, Inc".) in the capacity of Designated Principal for the offer or sale of securities in the State of Illinois for a period of Two (2) Years from the date of this Consent Order

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of One Thousand dollars (\$1,000.00). Said amount is has been paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of One Thousand dollars (\$1,000.00) to cover costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:


1. The Notice of Hearing dated August 30, 2006 is dismissed.
2. The Respondent, Larry M. Phillips shall not serve his dealer ("RBC Dain Rauscher, Inc.") in the capacity of Designated Principal for the offer or sale of securities in the State of Illinois., for a period of Two (2) Years from the entry of this Consent Order.
3. The Respondent is levied costs of investigation in this matter in the amount of One Thousand dollars (\$1,000.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on the 13<sup>th</sup> of October has submitted One Thousand dollars (\$1,000.00) in payment thereof.

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4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

DATED: This 13<sup>th</sup> day of October 2006.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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