
*
IN THE MATTER OF: *
*
PHILLIPS & COMPANY *
SECURITIES INC. *
*
CRD NO. 35800 *
*
*
(“Respondent”) *
*

**NOTICE OF INTENT TO REVOKE
REGISTRATION AS A
BROKER-DEALER**

AND

NOTICE OF RIGHT TO HEARING

MATTER NO. NRC-24-202410-S

I. PRELIMINARY STATEMENT

1. The Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act.

2. Pursuant to Section 36b-26(a) of the Act, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, has conducted an investigation into the activities of Respondent to determine if Respondent violated, is violating or is about to violate provisions of the Act or Regulations (“Investigation”).

3. As a result of the Investigation by the Division, the Commissioner brings this administrative action pursuant to Section 4-182(c) of the General Statutes of Connecticut and subsection (a) of Section 36b-15 of the Act to revoke Respondent’s registration as a broker-dealer in Connecticut.

II. RESPONDENT

4. Respondent is a corporation formed under the laws of Oregon on March 1, 1992. Respondent maintains or has maintained its principal office at 521 SW 11th, Suite 200, Portland, Oregon 97205. Respondent has been registered as a broker-dealer under the Act since May 15, 2000.

III. STATEMENT OF FACTS

5. Central Registration Depository (“CRD”) records indicate that none of Respondent’s direct owners and executive officers are currently registered in Connecticut as an agent of Respondent under the Act.

6. According to CRD records, Respondent no longer has any broker-dealer agents registered under the Act. Section 36b-31-6a(a) of the Regulations provides, in part, that: “No corporation . . . shall be registered as a broker-dealer without the registration of at least one agent.”

7. On March 23, 2023, the Division notified the firm via email that the firm needed to have an agent registered in Connecticut. The Division did not receive a response from the firm.

8. On April 26, 2023, acting pursuant to Section 4-182(c) of the General Statutes of Connecticut, the Division provided Respondent with an opportunity to show compliance with the provisions of the Act and to demonstrate why Respondent’s registration as a broker-dealer should not be suspended or revoked based on failure to have a broker-dealer agent registered in Connecticut. The Division’s April 26, 2023, correspondence (“Compliance Letter”) requested that Respondent respond in writing by May 18, 2023. The Compliance Letter was sent and delivered via certified mail. The certified mail receipt returned to the Division on May 2, 2023, indicated that the Compliance Letter was received by the firm.

9. To date, Respondent has not submitted a written response to any of the Division’s correspondence nor requested an extension of time within which to file a written response.

**IV. STATUTORY BASIS FOR REVOCATION
OF REGISTRATION AS A BROKER-DEALER**

Failure to Maintain the Registration of at least One Agent

10. Paragraphs 1 through 9, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

11. Respondent's failure to register at least one broker-dealer agent under the Act, as more fully described in paragraphs 5 through 9, constitutes a violation of Section 36b-31-6a(a) of the Regulations. Such conduct forms the basis for the revocation of Respondent's broker-dealer registration under Section 36b-15(a)(2)(B) of the Act.

**V. NOTICE OF INTENT TO REVOKE REGISTRATION
AS A BROKER-DEALER AND NOTICE OF RIGHT TO HEARING**

WHEREAS, the Commissioner has reason to believe that grounds exist to revoke Respondent's registration as a broker-dealer in Connecticut pursuant to Section 36b-15(a) of the Act;

WHEREAS, Section 36b-15(f) of the Act provides, in pertinent part, that "[n]o order may be entered under this section except as provided in subsection (c) of this section without (1) appropriate prior notice to the . . . registrant . . . (2) opportunity for hearing, and (3) written findings of fact and conclusions of law";

AND WHEREAS, the Commissioner believes that the issuance of an order revoking Respondent's registration as a broker-dealer in Connecticut would be in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act.

NOW THEREFORE, notice is hereby given to Respondent that Respondent's registration as a broker-dealer shall be revoked, subject to Respondent's right to request a hearing on the allegations set forth above.

THE COMMISSIONER FURTHER ORDERS THAT, pursuant to Section 36b-15 of the Act, Respondent will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received by the Department of Banking, Securities and Business Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to

DOB.hearingsupport@ct.gov within fourteen (14) days following Respondent's receipt of this Notice. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to the above address. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se" to one of the above referenced addresses.

If a hearing is requested, it will be held in person at the Department's offices. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. At the discretion of the Hearing Officer, for good cause shown, the Hearing Officer may approve requests for remote participation in the hearing by a Respondent, witness, or attorney. If such requests are approved by the Hearing Officer, such remote participation will be conducted via videoconference. If a hearing is requested, the hearing will be held on May 15, 2024, at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Remote participation in a hearing will be held in accordance with Section 1-225a of the Connecticut General Statutes, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against Respondent will be deemed admitted and the Commissioner shall issue an order revoking Respondent's registration as a broker-dealer in Connecticut.

Dated at Hartford, Connecticut,
this 24th day of April 2024.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 26 day of April 2024, I caused to be mailed by certified mail, return receipt requested, the foregoing Notice of Intent to Revoke Registration as a Broker-dealer and Notice of Right to Hearing to Phillips and Company Securities Inc. at 521 SW 11th, Suite 200, Portland, Oregon 97205, certified mail no. 9589 0710 5270 0567 2693 12.

_____/s/_____
Myrta E. Feliciano
Administrative Clerk