

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:     )  
                                      )  
T. PHILLIP WEBB         )  
                                      )  
RESPONDENT             )

ADMINISTRATIVE ORDER  
NO. CO-2003-0030

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. T. PHILLIP WEBB ("WEBB") is a registered securities agent in Alabama beginning February 9, 1989 to the present day. During all times relevant to this complaint and or allegation WEBB was employed by LSA SECURITIES, INC., (February 1999 to December 1999) GREAT AMERICAN ADVISORS, INC., (February 2000 to February 2001) and PARK AVENUE SECURITIES LLC, (February 2001 to Present). WEBB'S listed address is 219 South Drive, Fairhope, Alabama 36532.

STATEMENT OF FACTS

2. The Commission is in receipt of information that Webb, while acting as an agent of LSA Securities, borrowed money from an Alabama resident, who was also a client. Webb obtained \$4,000.00, which was described as a personal loan, and promised to repay the money within a year at an agreed upon interest rate.

3. On August 22, 2000, the complainant issued check #2916 to T. Phillip Webb from an account held at Colonial Bank in the amount of \$4,000. Indications on the memo line of the check states "@ 6% loan, 1/1/01".

4. A review of WEBB'S checking account at Union Planters Bank revealed the deposit of the check referenced above on September 1, 2000. The deposit was split between WEBB'S business account (\$1,200), his personal account (\$1,300) and cash out (\$1,500).

5. A review of WEBB'S checking account held at Bay Bank revealed two checks written to the complainant in the amounts of \$2,000 (7/11/01, #1057) and \$2,500 (10/5/01, #1090) [memo line states "pd. in full"].

6. Furthermore, the complainant stated that WEBB failed to execute trades in the accounts held at GREAT AMERICAN ADVISORS, INC., on September 10, 2001, as the complainant specifically instructed him to do on September 6, 2001.

7. A review of WEBB'S hand written office journal notes revealed that on September 6, 2001, the complainant directed that WEBB cash out all of the accounts on Monday and send the complainant the proceeds. A review of the complainant's account statements and WEBB'S handwritten office journal notes revealed that the accounts were not cashed out until September 26, 2001.

8. On September 30, 2003, a Show Cause Order was issued to RESPONDENT alleging the violation of Section 8-6-3(j)(7), Code of Alabama 1975 by engaging in dishonest or unethical practices, to wit: borrowing money from a client and by failing to execute securities transactions as specifically directed by the account holder.

9. On November 13, 2003, an informal hearing was held at the Commission during which time the RESPONDENT admitted borrowing money from his client and failing to execute transactions as directed by the client. Furthermore, the RESPONDENT agreed to pay to the victim Four Thousand Seven Hundred Ninety Six Dollars (\$4,796) which represents the calculated losses of the client for the RESPONDENT'S failure to execute the transactions in a timely manner and the calculated losses in an insurance policy which the RESPONDENT had established as part the client's financial plan.

### CONCLUSIONS OF LAW

10. WEBB has violated the provisions of Section 8-6-3(j)(7), Code of Alabama 1975 by engaging in dishonest or unethical practices, to wit: borrowing money from a client and by failing to execute transactions as specifically directed by the account holder.

**WHEREAS**, RESPONDENT admitted that he borrowed money from a client, that he failed to execute transactions as directed by the client, that the information and assertions presented to the Commission during its investigation of this matter are true and correct; that RESPONDENT understands the Commission's relief upon such information and assertions in its determination to accept this Order, and that should information or assertions prove to be incorrect or misrepresented, the Commission may seek such other administrative, civil or criminal remedies that may be available to it under the provisions of the Act.

**WHEREAS**, RESPONDENT has voluntarily waived all rights to a hearing upon entry of this Order, and has consented to the entry of this Order, and

**WHEREAS**, the Commission finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act, and

**WHEREAS**, the Commission and RESPONDENT are desirous of settling this matter as hereafter set forth and agree to the entry of this Order.

**ACCORDINGLY, IT IS HEREBY ORDERED:**

1. That RESPONDENT will pay to the victim/client the sum of Four Thousand Seven Hundred Ninety Six Dollars (\$4,796) within 90 days of this order.

2. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, RESPONDENT shall pay to the **state of Alabama** an administrative assessment in the total sum Five Hundred Dollars (\$500), said funds to be tendered in certified funds contemporaneously with the entry of this Order.

3. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, RESPONDENT shall pay to the **Alabama Securities Commission**, as partial reimbursement for the Commission's cost for investigating this matter, the sum of Five Hundred Dollars (\$500), said funds to be tendered in certified funds contemporaneously with the entry of this Order.

4. That the entry of this Order resolves the Show Cause Order, Administrative Order No. SC-2003-0030, issued September 30, 2003 to the RESPONDENT.

**AGREED AND CONSENTED** to on dates indicated:

RESPONDENT:

T. PHILLIP WEBB

BY: 

TITLE: \_\_\_\_\_

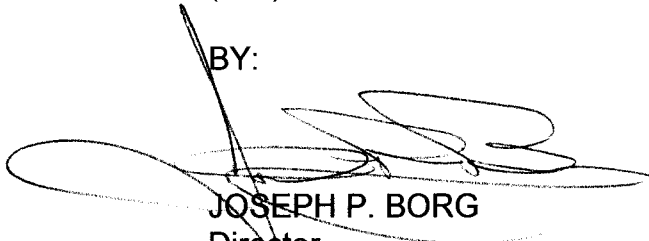
DATE: 8/10/04

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APPROVED AND ORDERED this 26 day of August, 2004

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:



JOSEPH P. BORG  
Director

