

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
MARK A. PHILLIPS,

PETITION FOR ORDER

Respondent.

File No. S-07124(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities (hereinafter "the Division"), has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Mark A. Phillips ("Phillips") is an individual with a date of birth of January 6, 1949, who at all times material hereto was a lawyer licensed to practice law in the State of Wisconsin, with a last known business address at 333 Bishops Way, Brookfield, Wisconsin, and home address of 14525 Thomas Jefferson Court, Elm Grove, Wisconsin 53122;
2. An opinion of the Supreme Court of Wisconsin in the matter of the Disciplinary Proceedings Against Mark A. Phillips, Attorney at Law: Office of Lawyer Regulation, Complainant-Respondent, v. Mark A. Phillips, Respondent-Appellant, Case No. 2004AP1914-D was filed on May 12, 2006;
3. According to references in the opinion, during the period of 1999, Phillips offered and sold to at least one person in Wisconsin a promissory note as evidence of two loans, of \$20,000 and \$125,000, the former occurring in February 1998 and the latter in March 1999;
4. According to references in the opinion, referred to in Paragraph 2 above, the terms of the promissory note, referred to in Paragraph 3 above, Phillips was to make 60 payments of \$845.83 per month to the investor "payable together with interest to date of payment at the rate of seven (7%) percent per annum until fully paid.";
5. According to references in the opinion, referred to in Paragraph 2 above, although the note provided for interest payments, the note did not specifically state when the principal was to be repaid;
6. The promissory note as described in Paragraph 3 above is a transaction involving "securities" as that term is defined by sec. 551.02(13(a), Wis. Stats., and has never been registered under Ch. 551, Wis. Stats., for its offer and sale in Wisconsin;
7. According to references in the opinion, referred to in Paragraph 2 above, In connection with the offer and sale of the securities described in Paragraph 3, Phillips omitted to disclose the tax warrants issued against Phillips and/or his law office by the State of Wisconsin Department of Revenue before the issuance of the promissory note;
8. According to references in the opinion, referred to in Paragraph 2 above, in connection with the offer and sale of the securities describe in Paragraph 3 above, Phillips omitted to disclose the liens and judgments against Phillips and the two pieces of real estate that he owns, before the issuance of the promissory note;

9. Phillips has violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin;

10. According to the opinion, referred to in Paragraph 2 above, In connection with the offer and sale of the securities described in Paragraph 3, Phillips told the investor that the loan would make Phillips debt-free;

11. At the time of the loan, referred to in Paragraph 3 above, Phillips had tax warrants, liens and judgments against him and his law office, referred to in Paragraphs 7 and 8 above, that exceeded the amount of the loan;

12. Phillips has violated sec. 551.41(2), Wis. Stats., by making an untrue statement of a material fact in connection with the offer and sale of securities to persons in Wisconsin.

13. According to the opinion, referred to in Paragraph 2 above, Phillips has defaulted on repayment of the promissory note, referred to in Paragraphs 3 above, and the person in Wisconsin has sued and obtained a judgment against Phillips in the amount of \$148,511.37, which was docketed in January 2001;

14. On May 12, 2006, the Wisconsin Supreme Court suspended the license of Phillips to practice law for one year and ordered Phillips to pay restitution to the person in Wisconsin for the transaction referred to in Paragraphs 2 and 3 above for seven instances of misconduct in two separate matters, including the transaction referred to in Paragraphs 2 and 3 above;

15. Phillips was convicted of one count of federal income tax evasion and on October 14, 2005, and was sentenced to prison for five months;

16. An opinion of the Supreme Court of Wisconsin in the matter of the Disciplinary Proceedings Against Mark A. Phillips, Attorney at Law: Office of Lawyer Regulation, Complainant, v. Mark A. Philips, Respondent, Case No. 2006AP334-D was filed on May 30, 2007; and

17. According to the opinion, referred to in Paragraph 16 above, the Wisconsin Supreme Court suspended the license of Phillips to practice law for three years for engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, for willfully attempting to evade the payment of taxes, relating to his conviction referred to in Paragraph 15 above.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.


Mark E. Dorman
Examiner
Date 10-18-07


David A. Cohen
Supervising Attorney
Date 10/18/07