

~~BEFORE~~ COMMISSIONER OF COMMERCE AND INSURANCE  
OF THE STATE OF TENNESSEE AT NASHVILLE

TENNESSEE SECURITIES DIVISION )

Petitioner, )

VS. )

DOUGLAS EUGENE PHILLIPS D/B/A )  
THE OXFORD CAPITAL GROUPE )

Respondent. )

Docket No.: 12.06-002384A

File No.: 98-002

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**CONSENT ORDER**

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The Tennessee Securities Division (the "Division" and Douglas Eugene Phillips d/b/a The Oxford Capital Groupe agree to the entry of this Consent Order in accordance with T.C.A. §48-2-116 of the Tennessee Securities Act of 1980, as amended, T.C.A. §§48-2-101, et seq. (The "Act"), which states that the Commissioner from time to time may make such orders as are necessary to carry out the provisions of the Act

**FINDINGS OF FACT**

The Tennessee Securities Act of 1980, as amended, T.C.A. §48-2-101, et seq. (the "Act" places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance "Commissioner"). The Division is the lawful agent through which the Commissioner discharges this responsibility. T.C.A. §48-2-115

2. Douglas Eugene Phillips ("Phillips") (CRD# 806738) applied for registration as an investment adviser pursuant to the Act on March 3, 1997. His investment adviser registration with the Division became effective on December 6, 1997. On December 12, 1997, Phillips filed a 1998 renewal application for the investment adviser registration.

3. Phillips has transacted business as an investment adviser, either from or in the state of Tennessee, under the name of The Oxford Capital Groupe (SEC# 801-45882) since June 20, 1990.

4. Phillips' business address is 222 Second Avenue North, #417, Nashville, Tennessee 37201. Phillips is a citizen of Tennessee, residing at 2836 Woodlawn Drive, Nashville, Davidson County, Tennessee 37215.

5. Prior to becoming registered with the Division as an investment adviser on December 6, 1997, Phillips was registered as an agent of Sunpoint Securities, Inc. from May 1992 through July 23, 1996.

6. Sunpoint Securities, Inc. (CRD #25442) has been registered as a broker-dealer with the Division since August 22, 1991.

7. Phillips was registered with the Securities Exchange Commission as an investment adviser pursuant to the Investment Advisers Act of 1940 from March 23, 1994 to July 8, 1997.

8. On January 2, 1998, the Division filed its Complaint and Notice in this matter and therein alleged, in part, that Phillips provided investment advice for a fee without benefit of registration with the Division from June 20, 1990 through December 6, 1997.

9. Were the Division to pursue the administrative proceeding currently pending against Phillips d/b/a The Oxford Capital Groupe, evidence would be introduced to establish that

while transacting business as an investment adviser within and from the State of Tennessee,

Phillips d/b/a/ The Oxford Capital Group:

Was not registered pursuant to the Tennessee Securities Act of 1980 during the period between June 20, 1990 and July 7, 1997. Moreover, during that period of time, Phillips' clients in the State of Tennessee were not limited to insurance companies;

Between July 8, 1997 and December 6, 1997, was neither registered pursuant to the Tennessee Securities Act of 1980 or Section 203 of the Investment Advisers Act of 1940. Moreover, during that period his clients in the State of Tennessee were not limited to insurance companies.

#### CONCLUSIONS OF LAW

10. Pursuant to Tennessee Code Annotated Section 48-2- 5(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

Pursuant to Tennessee Code Annotated Section 48-2- 2(a)(2)(B) the Commissioner, by order may deny, suspend, or revoke any registration under this part if the Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the registrant, or in the case of a broker-dealer, any officer, director, or any person occupying a similar status or performing similar functions has willfully violated or willfully failed to comply with any provision, rule or Order under the Act

14. [prior to July 8, 1997] states that it is unlawful for any person to transact business from or in this state as an investment adviser unless: (1) The person is registered as an investment adviser under this part, (2) The person is registered as a broker-dealer, unless the commissioner has imposed a condition under §48-2-112(c)(5); or (3) The person's only clients in this state are insurance companies.

3 The averments in paragraph 9(a) of this Consent Order, if proven to be true, would constitute violations by Phillips d/b/a The Oxford Capital Groupe T.C.A. §48-2-109(c) [prior to July 8, 1997]. If such violations were established, T.C.A. §48-2-112(a)(2)(B) would authorize the entry of an order of sanctions.

14. T.C.A. § 48-2-109(c) [effective July 8, 1997] states that it is unlawful for any person to transact business from or in this state as an investment adviser or investment adviser representative unless: (1) The person is registered as an investment adviser or investment adviser representative under this part; (2) The person is registered as an investment adviser pursuant to Section 203 of the Investment Advisers Act of 1940, provided however that a notice, consisting of any documents filed with the Securities and Exchange Commission, a consent to service of process, and a nonrefundable fee of \$100.00, shall be filed with the Commissioner 10 days prior to the person acting as an investment adviser as defined by T.C.A. §48-2-107(7) and annually by January 3 of each successive year in which such person continually acts as an investment adviser; or (3) The person's only clients in this state are insurance companies.

15. The averments in paragraph 9(b) of this Consent Order, if proven to be true, would constitute violations by Phillips d/b/a The Oxford Capital Groupe T.C.A. §48-2-109(c). If

12. T.C.A. §48-2-109(c) [prior to July 8, 1997] states that it is unlawful for any person to transact business from or in this state as an investment adviser unless (1) The person is registered as an investment adviser under this part, (2) The person is registered as a broker-dealer, unless the commissioner has imposed a condition under §48-2-112(c)(5); or (3) The person's only clients in this state are insurance companies.

3 The averments in paragraph 9(a) of this Consent Order, if proven to be true, would constitute violations by Phillips d/b/a The Oxford Capital Groupe T.C.A. §48-2-109(c) [prior to July 8, 1997]. If such violations were established, T.C.A. §48-2-112(a)(2)(B) would authorize the entry of an order of sanctions.

14. T.C.A. § 48-2-109(c) [effective July 8, 1997] states that it is unlawful for any person to transact business from or in this state as an investment adviser or investment adviser representative unless: (1) The person is registered as an investment adviser or investment adviser representative under this part; (2) The person is registered as an investment adviser pursuant to Section 203 of the Investment Advisers Act of 1940, provided however that a notice, consisting of any documents filed with the Securities and Exchange Commission, a consent to service of process, and a nonrefundable fee of \$100.00, shall be filed with the Commissioner 10 days prior to the person acting as an investment adviser as defined by T.C.A. §48-2-107(7) and annually by January 31 of each successive year in which such person continually acts as an investment adviser; or (3) The person's only clients in this state are insurance companies.

5 The averments in paragraph 9(b) of this Consent Order, if proven to be true, would constitute violations by Phillips d/b/a The Oxford Capital Groupe T.C.A. §48-2-109(c). If

3. Copies of The Oxford Capital Groupe's business account statements shall be submitted to the Division for review on a quarterly basis for a period of **TWO YEARS** commencing on the date of entry of this order.

4. Douglas Eugene Phillips d/b/a The Oxford Capital Groupe is hereby **ASSESSED** a civil penalty in the amount of Ten Thousand dollars. Said sum shall be due and paid in full within six (6) months of the entry of this Order. Payment shall be mailed to

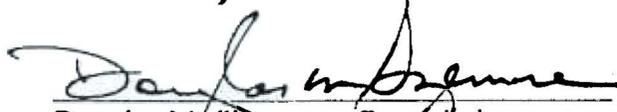
State of Tennessee  
Department of Commerce and Insurance  
Securities Division  
Attention Broker-Dealer Registration Section  
500 James Robertson Parkway, Suite 680  
Nashville, Tennessee 37243

**IT IS ORDERED** that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Douglas Eugene Phillips d/b/a The Oxford Capital Groupe for violations of the Act arising from the conduct referenced in the Complaint and Notice filed by the Securities Division in this matter

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, Douglas Eugene Phillips d/b/a The Oxford Capital Groupe affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised by the undersigned counsel of record in this matter, that he waives his right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any

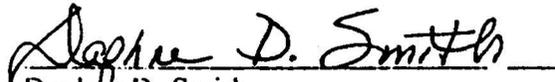
kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this 23<sup>rd</sup> day of July, 1998.

  
Douglas M. Sizemore, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**

  
Douglas Eugene Phillips  
d/b/a The Oxford Capital Groupe

  
Daphne D. Smith  
Assistant Commissioner for Securities  
Department of Commerce and Insurance

  
J. Allen Overby  
Attorney for Respondent  
Bass, Berry & Sims PLC  
2700 First American Center  
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(615) 742-6200

  
Maliaka Bass EssameIDin (BPR #015362)  
Attorney for Petitioner  
Tennessee Securities Division  
Department of Commerce and Insurance  
Sixth Floor, Tennessee Tower  
312 Eighth Avenue North  
Nashville, Tennessee 37243  
(615) 741-5917

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served upon the person listed by delivering same or posting same in the United States Mail, Certified Mail, Return Receipt Requested: J. Allen Overby, Esq., Attorney for Respondent, Bass, Berry & Sims PLC, 2700 First American Center, Nashville, Tennessee 37238-2700.

This 24<sup>th</sup> day of July, 1998.

  
Maliaka Bass Essameldin