

BrokerCheck Report
PHILLIPS CAPITAL
 CRD# 3603

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money. Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



PHILLIPS CAPITAL

CRD# 3603

SEC# 8-9312

Main Office Location

1610 WYNKOOP STREET
SUITE 500
DENVER, CO 80202-1137

Mailing Address

1610 WYNKOOP STREET
SUITE 500
DENVER, CO 80202-1137

Business Telephone Number

303-629-1616

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in Nevada on 10/07/1960.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm?

Yes

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3
Civil Event	1

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



Date firm ceased business: 09/01/2017

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a corporation.

This firm was formed in Nevada on 10/07/1960.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

PHILLIPS CAPITAL

Doing business as PHILLIPS CAPITAL

CRD# 3603

SEC# 8-9312

Main Office Location

1610 WYNKOOP STREET
SUITE 500
DENVER, CO 80202-1137

Mailing Address

1610 WYNKOOP STREET
SUITE 500
DENVER, CO 80202-1137

Business Telephone Number

303-629-1616



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	PHILLIPS, CHRISTOPHER LYLE 362489
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, DIRECTOR, CHIEF COMPLIANCE OFFICER, CHIEF FINANCIAL OFFICER
Position Start Date	01/1975
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	WILSON, CYNTHIA SUE 3047076
Is this a domestic or foreign entity or an individual?	Individual
Position	SECRETARY
Position Start Date	01/1998
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

No information reported.



Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 04/11/1961 to 11/07/2017.

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 7 types of businesses.

Types of Business

Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Private placements of securities

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is not, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0
Civil Event	0	1	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DID NOT UPDATE ITS WSPS AS THEY RELATED TO NEW AND AMENDED FINRA AND SEC RULES AND REGULATORY NOTICES. THE FINDINGS STATED THAT THE FIRM WAS REMINDED OF ITS OBLIGATION TO UPDATE WSPS IN CONNECTION WITH A CYCLE EXAMINATION, BUT IT DID NOT DO SO. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ENFORCE ITS EXISTING WSPS IN CONNECTION WITH THE ACTIVITIES OF ITS SOLE REGISTERED REPRESENTATIVE. ALTHOUGH THE FIRM HAD WSPS IN PLACE REQUIRING THE COLLECTION OF CUSTOMER INFORMATION, IT FAILED TO ENFORCE ITS WSPS TO ENSURE THAT THE REPRESENTATIVE COLLECTED CUSTOMER INFORMATION IN CONNECTION WITH TRANSACTIONS AND FAILED TO DETECT AND CORRECT THE REPRESENTATIVE'S FAILURE. SIMILARLY, THE FIRM FAILED TO REVIEW THE REPRESENTATIVE'S ELECTRONIC CORRESPONDENCE, DID NOT ESTABLISH A PERIODIC SCHEDULE TO INSPECT THE REPRESENTATIVE 'S NON-BRANCH LOCATION AND IT DID NOT INSPECT THE LOCATION. ALTHOUGH THE REPRESENTATIVE PROVIDED THE FIRM WITH NOTICE OF HIS OUTSIDE BUSINESS ACTIVITY, THE FIRM FAILED TO MAINTAIN THE REQUIRED RECORD OF ITS REVIEW AND APPROVAL OF THE ACTIVITY. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO CONDUCT TESTING OF ITS SUPERVISORY CONTROLS, POLICIES, AND PROCEDURES AND TO PREPARE REPORTS OF SUCH TESTING. THE FIRM HAD NO RECORD OF THE REQUIRED TESTING AND HAD NO REPORTS TO SENIOR MANAGEMENT REGARDING TESTING OF SUPERVISORY CONTROLS. ALTHOUGH ANNUAL CERTIFICATIONS WERE COMPLETED BY THE FIRM'S CEO, THOSE CERTIFICATIONS WERE INADEQUATE BECAUSE THE CERTIFICATIONS WERE MADE WITHOUT THE NECESSARY REPORTS BEING REVIEWED BY THE CEO OR CCO.

Initiated By: FINRA

Date Initiated: 10/12/2017

Docket/Case Number: [2016047943901](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/12/2017



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$30,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$30,000. FINES PAID IN FULL ON NOVEMBER 9, 2017.

Disclosure 2 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	09/15/1998
Docket/Case Number:	C3A980046
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/15/1998
Sanctions Ordered:	Censure Monetary/Fine \$4,000.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	ON SEPTEMBER 15, 1998, DISTRICT NO. 3 NOTIFIED RESPONDENTS PHILLIPS & TOBER AND CHRISTOPHER PHILLIPS THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C3A980046 WAS ACCEPTED;



THEREFORE, THEY ARE CENSURED AND FINED \$4,000, JOINTLY AND SEVERALLY - (SEC RULE 10b-9 - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT PHILLIPS, DEEMED THE MINIMUM SALES CONTINGENCY TO HAVE BEEN MET IN CONNECTION WITH PRIVATE PLACEMENTS FOR WHICH THE FIRM SERVED AS PLACEMENT AGENT, AND ESCROW WAS BROKEN ON THE BASIS OF FUNDS THAT HAD BEEN DEPOSITED TO ESCROW BUT HAD NOT YET CLEARED THE BANKING SYSTEM; AND, IN CONNECTION WITH A PRIVATE PLACEMENT, AN AFFILIATE OF THE ISSUER PURCHASED SECURITIES PRIOR TO THE SATISFACTION OF THE MINIMUM SALES CONTINGENCY WITHOUT THE POSSIBILITY OF THIS OCCURRENCE HAVING BEEN DISCLOSED IN THE OFFERING MATERIALS).

\$4,000 PAID J&S ON 10/9/98, INVOICE #98-3A-742

Reporting Source:	Firm
Current Status:	Final
Allegations:	VIOLATIONS OF SEC RULE 10B-9 IN CONNECTION WITH PRIVATE PLACEMENTS OF SECURITIES WHEREIN ESCROW WAS BROKEN ON THE BASIS OF DEPOSITED BUT UNCLEARED FUNDS AND WHEREIN AN AFFILIATE PURCHASED SECURITIES IN EXCESS OF THE AMOUNT DISCLOSED IN THE OFFERING MEMORANDUM.
Initiated By:	NASD
Date Initiated:	05/01/1998
Docket/Case Number:	C3A980046-AWC
Principal Product Type:	Direct Investment(s) - DPP & LP Interest(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/15/1998
Sanctions Ordered:	Censure Monetary/Fine \$4,000.00

**Other Sanctions Ordered:****Sanction Details:** FINE OF \$4,000.00 PAID 9/15/1998.**Disclosure 3 of 3****Reporting Source:** Regulator**Current Status:** Final**Allegations:****Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**Date Initiated:** 08/10/1989**Docket/Case Number:** DEN-827-AWC**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 08/10/1989**Sanctions Ordered:** Censure
Monetary/Fine \$1,000.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**
ON AUGUST 10, 1989, THE LETTER OF ACCEPTANCE, WAIVER AND
CONSENT
NO. DEN-827-AWC (DISTRICT NO. 3) SUBMITTED BY RESPONDENTS C.L.
PHILLIPS & ASSOCIATES, INC. AND CHRISTOPHER L. PHILLIPS WAS
ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$1,000,
JOINTLY
AND SEVERALLY - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR
PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT
PHILLIPS, PERMITTED AN ASSOCIATED PERSON TO ACTIVELY ENGAGE IN
THE MANAGEMENT OF THE FIRM'S SECURITIES BUSINESS WITHOUT
BEING
QUALIFIED AS A GENERAL SECURITIES PRINCIPAL).
\$1,000.00 PAID ON 9/15/89.



Reporting Source: Firm

Current Status: Final

Allegations: NASD, UPON ROUTINE EXAMINATION, DETERMINED THAT MR. DAVID PATSTON HAD BEEN INVOLVED IN MANAGEMENT ACTIVITIES BUT WITH REGISTRATION AS A GENERAL SECURITIES PRINCIPAL.

Initiated By: NASD

Date Initiated: 05/01/1989

Docket/Case Number: DEN-827-AWC

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/10/1989

Sanctions Ordered: Censure
Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: FINE OF \$1,000.00 WAS PAID, AND MR. PATSTON BECAME REGISTERED AS A GENERAL SECURITIES PRINCIPAL.



Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source:	Firm
Current Status:	Final
Allegations:	VIOLETIONS OF ERISA SECTIONS 404(A)(1)(A)&(B) AND 406(B)(1)-(3) AND 29 USC SECTIONS 1104(A)(1)(A)&(B) AND 1106(B)(1)-(3)IN CONNECTION WITH INVESTMENTS BY TWO RETIREMENT PLANS IN CERTAIN REAL ESTATE LIMITED PARTNERSHIPS.
Initiated By:	U.S. DEPARTMENT OF LABOR
Court Details:	UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO
Date Court Action Filed:	08/18/1992
Principal Product Type:	Direct Investment(s) - DPP & LP Interest(s)
Other Product Types:	
Relief Sought:	Injunction
Other Relief Sought:	
Resolution:	Consent
Resolution Date:	09/10/1992
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	APPLICANT AND AFFILIATE PERMANENTLY ENJOINED FROM SERVING AS ADMINISTRATORS, FIDUCIARIES, OFFICERS, OR TRUSTEES OF ANY ERISA-COVERED EMPLOYEE BENEFIT PLAN (OTHER THAN THE APPLICANT'S) OR FROM SERVING AS CONSULTANTS OR ADVISERS IN ANY CAPACITY THAT INVOLVES DECISION-MAKING AUTHORITY OR CONTROL OF THE MONEYS, FUNDS, ASSETS, OR PROPERTY OF ANY SUCH PLAN AND FROM SELLING TO SUCH PLAN ANY PRIVATELY PLACED LIMITED PARTNERSHIP INTERESTS OR FROM ACTING AS A BROKER OR RECEIVING ANY COMMISSION, FEE, OR OTHER COMPENSATION, DIRECT OR INDIRECT, IN CONNECTION WITH ANY TRANSACTION BETWEEN ANY PERSON OR ENTITY AND ANY SUCH PLAN TO WHICH THE APPLICANT OR THE AFFILIATE PROVIDES ANY SERVICES FOR A FEE OR OTHER COMPENSATION, DIRECT OR INDIRECT.



Firm Statement

THE LAWSUIT AROSE FROM DISPUTES CONCERNING INVESTMENTS IN REAL ESTATE LIMITED PARTNERSHIPS MADE BY TWO RETIREMENT PLANS IN WHICH THE APPLICANT AND THE AFFILIATE ACTED AS BOTH ADVISOR AND SELLING AGENT. THE CONSENT ORDER WAS AGREED TO WITHOUT ADMITTING ANY WRONGDOING OR LIABILITY.

End of Report



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