

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: Larry M. Phillips

FILE NO. 0500301

NOTICE OF HEARING

TO THE RESPONDENT:

Larry M. Phillips
(CRD #: 362671)
4655 Tam O'Shanter Drive
Westlake Village, CA 91367

RBC Dain Rauscher, Inc.
21700 Oxnard Street
Suite 150
Woodland Hills, CA 91367

You are hereby notified that pursuant to Section 11.E of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19th day of October 2006, at the hour of 10:00 a.m., or as soon as possible thereafter, before James L. Kopecky, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Larry M. Phillips' (Respondent) registrations as a Salesperson and Investment Adviser Representative in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. At all times relevant hereto Respondent was registered with NASD as a Salesperson and as a general securities sales supervisor. Respondent is currently registered as a Salesperson and Investment Adviser Representative.
2. On April 13, 2005, Respondent's Letter of Acceptance, Waiver and Consent was accepted by NASD's National Adjudicatory Council ("NAC") Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the NAC, which imposed the following sanctions:

- a. A fine of \$20,000; and
 - b. A suspension from associating with any NASD member firm in any and all capacities for a period of ten business days;
3. The decision in pertinent parts found:
- a. During the period of May 25, 2001, through April 12, 2002, Wachovia, acting through Respondent, created and distributed a total of 26 written communications that failed to disclose adequately material facts regarding investment products and strategies, or made exaggerated, unwarranted or misleading statements or claims regarding those products, or both.
 - b. That by virtue of the foregoing, Respondent violated NASD Conduct Rules 2110, 2210(d)(1)(A), 2210(d)(1)(B), and IM-2210-2.
4. Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of an Investment Adviser Representative may be revoked if the Secretary of State finds that such Investment Adviser Representative has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
5. The NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That by virtue of the foregoing, the Respondent's registrations as a Salesperson and Investment Adviser Representative in the State of Illinois are subject to revocation pursuant to Section 8.E(1)(j) of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

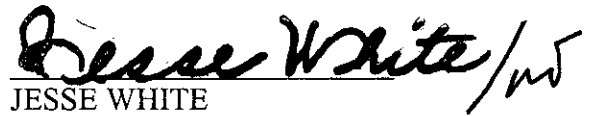
Notice of Hearing

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A copy of the Rules under the Act pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 30th day of August 2006.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Gregory J. Solberg
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
James L. Kopecky
321 North Clark Street
Suite 2200
Chicago, IL 60610
Telephone: (312) 527-3966