

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934  
Rel. No. 61561 / February 22, 2010

Admin. Proc. File No. 3-13628

In the Matter of  
  
CONSUMERS FINANCIAL CORPORATION

ORDER GRANTING DIVISION OF ENFORCEMENT'S  
MOTION TO AMEND ORDER INSTITUTING PROCEEDINGS

On September 29, 2009, the Commission issued an Order Instituting Proceedings ("OIP") in the matter of Consumers Financial Corporation, a dually-registered Nevada and Pennsylvania corporation ("CFC"). CFC's common stock had been registered pursuant to Section 12(g) of the Securities Exchange Act of 1934.<sup>1</sup> The OIP was issued pursuant to Section 12(j) of the Exchange Act<sup>2</sup> and sought the suspension or revocation of the registration of CFC's securities. The OIP alleged that CFC had failed to file timely reports with the Commission in violation of Exchange Act Section 13(a) and Exchange Act Rules 13a-1 and 13a-13.<sup>3</sup> The OIP stated that CFC had failed to file any periodic or other required reports with the Commission since it filed, on March 23, 2007, a Form 10-KSB for the year ended December 31, 2005.

Under Exchange Act Section 12(g)(4), "Registration of any class of security . . . shall be terminated ninety days, or such shorter period as the Commission may determine, after the issuer files a certification with the Commission that the number of holders of record of such security is reduced to less than three hundred persons." On April 13, 2009, CFC filed a Form 15 Certification and Notice of Termination of Registration under Section 12(g) or Suspension of

---

<sup>1</sup> 15 U.S.C. § 78l(g).

<sup>2</sup> 15 U.S.C. § 78l(j). Section 12(j) authorizes the Commission "to deny, to suspend the effective date of, to suspend for a period not exceeding twelve months, or to revoke the registration of a security, if the Commission finds, on the record after notice and opportunity for hearing, that the issuer has failed to comply with any provision of [the Exchange Act] or the rules and regulations thereunder."

<sup>3</sup> 15 U.S.C. § 78m(a), 17 C.F.R. §§ 240.13a-1 and 13a-13, respectively.

Duty to File Reports under Sections 13 and 15(d) (the "Form 15"), asserting that the number of holders of record of its shares was 200.

On October 13, 2009, the administrative law judge issued an Order to Show Cause, which noted that CFC had filed the Form 15 and ordered the Division of Enforcement to show cause why the proceeding instituted by the OIP should not be dismissed. The law judge noted that the OIP sought suspension or revocation of the registration of CFC's shares under Exchange Act Section 12(j), but that pursuant to Exchange Act Section 12(g), the Form 15 appeared to have terminated that registration as of July 13, 2009, ninety days after CFC filed the Form 15.

In response to the Order to Show Cause, the Division produced evidence suggesting that CFC's declaration in the Form 15 that there were only 200 holders of record of its shares on April 13, 2009 was untrue. The Division introduced a Declaration by the President of Integrity Stock Transfer, the transfer agent for CFC's common stock, which was responsible for maintaining the master security holder file for CFC's stock, stating that there were, in fact, 3,092 holders of record of CFC's stock on April 13, 2009. The Division took the position that because the Form 15 was untrue, it "did not effectively deregister [CFC's] securities."

The law judge rejected the Division's argument and found that "[w]hile the Division has raised a question as to the truthfulness of CFC's certification, the termination of registration of its securities did become effective through operation of law by July 13, 2009. Therefore, at the time of the OIP, CFC did not have any registered securities subject to revocation pursuant to Exchange Act Section 12(j)."

The law judge noted, however, that the termination of registration of CFC's securities pursuant to the Form 15 "can be challenged through a proceeding under Exchange Act Section 12(g)(4)." Exchange Act Section 12(g)(4) states, "The Commission shall after notice and opportunity for hearing deny termination of registration if it finds that the [Form 15] certification is untrue."

Because the OIP was instituted only pursuant to Exchange Act Section 12(j), the law judge found that a proceeding under Section 12(g)(4) was "outside the scope of the [OIP]." The Division requests that the Commission amend the OIP to include proceedings under Section 12(g)(4), seeking to deny CFC's termination of registration based on the Division's contention that CFC filed an untrue Form 15.<sup>4</sup> If, after the requisite notice and opportunity for hearing, the Commission determines to deny the termination of registration of CFC's securities, the Division could properly pursue the proceeding under Exchange Act Section 12(j), as CFC's securities would then be registered and subject to suspension or revocation. CFC has not opposed the Division's request to amend the OIP.

---

<sup>4</sup> Commission Rule of Practice 200(d)(1), 17 C.F.R. § 201.200(d)(1), provides: "Upon motion by a party, the Commission may, at any time, amend an order instituting proceedings to include new matters of fact and law."

Accordingly, IT IS ORDERED that the Order Instituting Proceedings, issued in the matter of Consumers Financial Corporation on September 29, 2009, be, and it hereby is, amended to authorize proceedings pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934.

By the Commission.

Elizabeth M. Murphy  
Secretary