

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 72738 / August 1, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15810**

**In the Matter of**

**The Phoenix Companies, Inc.  
and PHL Variable Insurance  
Company**

**Respondents.**

**ORDER AMENDING  
ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, AND IMPOSING A CEASE-  
AND-DESIST ORDER AND REVISED  
UNDERTAKINGS**

**I.**

On March 21, 2014 the U. S. Securities and Exchange Commission (“Commission”) issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order against The Phoenix Companies, Inc. and PHL Variable Insurance Company (the “March 2014 Order”). The March 2014 Order found that since PHL Variable Insurance Company’s September 18, 2012 restatement announcement and The Phoenix Companies, Inc.’s November 8, 2012 restatement announcement, each company had failed to file any quarterly or annual reports as required by Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder and Section 15(d) of the Exchange Act and Rules 15d-1 and 15d-13 thereunder, and each had missed five separate filing deadlines as of December 31, 2013, four pertaining to quarterly reports and one pertaining to an annual report.

The March 2014 Order ordered The Phoenix Companies, Inc. (“Phoenix”) to: (1) cease and desist from committing or causing any violations or any future violations of Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder; (2) comply with undertakings to file its: (a) 2012 Form 10-K by no later than March 31, 2014, (b) third quarter 2012 Form 10-Q by no later than April 15, 2014, (c) 2013 Form 10-K by no later than June 4, 2014, (d) first quarter 2013 Form 10-Q by no later than July 15, 2014, (e) first quarter 2014 Form 10-Q by no later than July 15, 2014, (f) second quarter 2013 Form 10-Q by no later than August 11, 2014, and (g) third quarter 2013 Form 10-Q by no later than November 10, 2014; and (3) pay a civil money penalty in the amount of \$375,000.

The March 2014 Order ordered PHL Variable Insurance Company (“PHL Variable”) to: (1) cease and desist from committing or causing any violations or any future violations of Section 15(d)(1) of the Exchange Act and Rules 15d-1 and 15d-13 thereunder; (2) comply with undertakings to file its: (a) 2012 Form 10-K by no later than April 15, 2014, (b) third quarter 2012 Form 10-Q by no later than April 30, 2014, (c) 2013 Form 10-K by no later than July 3, 2014, (d) first quarter 2013 Form 10-Q by no later than August 4, 2014, (e) first quarter 2014 Form 10-Q by no later than August 4, 2014, (f) second quarter 2013 Form 10-Q by no later than September 8, 2014, (g) second quarter 2014 Form 10-Q by no later than September 8, 2014, and (h) third quarter 2013 Form 10-Q by no later than November 14, 2014; and (3) pay a civil money penalty in the amount of \$375,000.

## **II.**

Phoenix and PHL Variable (“Respondents”) have submitted an Amended Offer of Settlement (“Amended Offer”) which the Commission has determined to accept, in which they consent to the entry of an Order that amends the March 2014 Order by providing for revised undertakings, additional payments by Respondents, and a \$100,000 penalty to be paid by each Respondent for delinquencies beyond the filing dates specified in the March 2014 Order. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Amending Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order and Revised Undertakings (“Amended Order”), as set forth below.

## **III.**

On the basis of this Amended Order and Respondents’ Amended Offer, the Commission finds<sup>1</sup> that:

### **Respondents**

1. The Phoenix Companies, Inc. (“Phoenix”) is a Delaware corporation located in Hartford, Connecticut with equity securities and bonds registered with the Commission pursuant to Section 12(b) of the Exchange Act. Phoenix is a holding company with three insurance company subsidiaries, Phoenix Life Insurance Company (“PLIC”), Phoenix Life and Annuity Company, and PHL Variable, which sell life insurance and annuity products. Phoenix is delinquent in its periodic filings with the Commission. Phoenix common stock trades on the New York Stock Exchange

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<sup>1</sup> The findings herein are made pursuant to Respondents’ Amended Offer and are not binding on any other person or entity in this or any other proceeding

(symbol “PNX”) and Phoenix bonds trade on the New York Stock Exchange (symbol “PFX”). Phoenix qualifies as an “accelerated filer” as defined in Rule 12b-2 of the Exchange Act.

2. PHL Variable Insurance Company (“PHL Variable”) is a Connecticut corporation located in Hartford, Connecticut and is a wholly owned indirect subsidiary of Phoenix. PHL Variable’s stock does not trade on an exchange. PHL Variable is delinquent in its periodic filings with the Commission. PHL Variable qualifies as a “non-accelerated filer” as defined in Rule 12b-2 of the Exchange Act.

### **Facts**

3. Phoenix filed its 2012 Form 10-K on April 1, 2014, a day after the March 31, 2014 requirement in the March 2014 Order. Phoenix filed its third quarter 2012 Form 10-Q on April 23, 2014, eight days after the April 15, 2014 requirement in the March 2014 Order. PHL Variable filed its 2012 Form 10-K on April 25, 2014, ten days after the April 15, 2014 requirement in the March 2014 Order. PHL Variable filed its third quarter 2012 Form 10-Q by April 30, 2014, the date required in the March 2014 Order.

4. On June 3, 2014, Phoenix issued a Form 8-K indicating it would not file its 2013 Form 10-K by June 4, 2014 as required by the March 2014 Order, and indicated instead that it would file its 2013 Form 10-K by August 6, 2014, and that it expected to be current on all its filings by December 12, 2014. The August 6, 2014 anticipated filing date is more than two months after June 4, 2014, the date Phoenix originally agreed to in the March 2014 Order.

5. On June 3, 2014, PHL Variable issued a Form 8-K indicating it would not file its 2013 Form 10-K by July 3, 2014 as required by the March 2014 Order, and indicated instead that it would file its 2013 Form 10-K by August 22, 2014, and that it expected to be current on all its filings by December 12, 2014. The August 22, 2014 anticipated filing date is more than seven weeks after July 3, 2014 the date PHL Variable originally agreed to in the March 2014 Order.

6. As a result of the conduct described above, Phoenix and PHL Variable are in violation of the March 2014 Order.

### **Revised Undertakings**

As part of the Amended Offer, Respondent Phoenix has undertaken to:

7. By no later than August 6, 2014, file its Form 10-K for the fiscal year ended December 31, 2013.

8. By no later than September 10, 2014, file its Form 10-Q for the quarterly period ended March 31, 2013.

9. By no later than September 10, 2014, file its Form 10-Q for the quarterly period ended June 30, 2013.

10. By no later than September 10, 2014, file its Form 10-Q for the quarterly period ended September 30, 2013.

11. By no later than October 17, 2014, file its Form 10-Q for the quarterly period ended March 31, 2014.

12. By no later than October 24, 2014, file its Form 10-Q for the quarterly period ended June 30, 2014.

13. By no later than December 5, 2014, file its Form 10-Q for the quarterly period ended September 30, 2014.

As part of the Amended Offer, Respondent PHL Variable has undertaken to:

14. By no later than August 22, 2014, file its Form 10-K for the fiscal year ended December 31, 2013.

15. By no later than September 12, 2014, file its Form 10-Q for the quarterly period ended March 31, 2013.

16. By no later than September 12, 2014, file its Form 10-Q for the quarterly period ended June 30, 2013.

17. By no later than September 12, 2014, file its Form 10-Q for the quarterly period ended September 30, 2013.

18. By no later than October 21, 2014, file its Form 10-Q for the quarterly period ended March 31, 2014.

19. By no later than October 28, 2014, file its Form 10-Q for the quarterly period ended June 30, 2014.

20. By no later than December 12, 2014, file its Form 10-Q for the quarterly period ended September 30, 2014.

### **Additional Payments**

#### **Phoenix**

21. In lieu of the Commission seeking money penalties pursuant to Section 21(d)(3) of the Exchange Act for violations of this Amended Order, Respondent Phoenix agrees that if it fails to meet any deadline in paragraphs 7 through 13 above, it will make additional payments (the "Phoenix Additional Payments") for each week in which a filing is delinquent. The amount shall be \$20,000 per filing for the first week in which a filing is delinquent, plus, for each week or

partial week thereafter an additional amount equal to the sum of a) \$20,000 and b) \$5,000 multiplied by the number of complete weeks that the filing has been delinquent before that week.<sup>2</sup> Respondent Phoenix shall, within 30 days of being current in its SEC periodic reporting obligations, pay the Phoenix Additional Payments as calculated in this paragraph to the Securities and Exchange Commission. If timely payment is not made, interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

- (1) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (2) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Phoenix as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Laura B. Josephs, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5010.

### **PHL Variable**

22. In lieu of the Commission seeking money penalties pursuant to Section 21(d)(3) of the Exchange Act for violations of this Amended Order, Respondent PHL Variable agrees that if it fails to meet any deadline in paragraphs 14 through 20 above, it will make additional payments (the "PHL Variable Additional Payments") for each week in which a filing is delinquent. The amount shall be \$20,000 per filing for the first week in which a filing is delinquent, plus, for each week or partial week thereafter an additional amount equal to the sum of a) \$20,000 and b) \$5,000 multiplied by the number of complete weeks that the filing has been delinquent before that week.<sup>3</sup> Respondent PHL Variable shall, within 30 days of being current in its SEC periodic reporting obligations, pay the PHL Variable Additional Payments as calculated in this paragraph to the Securities and Exchange Commission. If timely payment is not made, interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

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<sup>2</sup> For example, if a delinquent filing is three weeks late, Respondent Phoenix agrees to pay \$75,000 (\$20,000 for the first week, \$25,000 for the second week, and \$30,000 for the third week).

<sup>3</sup> For example, if a delinquent filing is three weeks late, Respondent PHL Variable agrees to pay \$75,000 (\$20,000 for the first week, \$25,000 for the second week, and \$30,000 for the third week).

- (1) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (2) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying PHL Variable as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Laura B. Josephs, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5010.

23. The Phoenix Additional Payments and the PHL Variable Additional Payments shall not exceed \$750,000 in the aggregate.

24. In determining whether to accept the Amended Offer, the Commission has considered Respondents' offer to pay these payments.

#### **IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Amended Offer.

Accordingly, it is hereby ORDERED that:

A. Respondent Phoenix shall comply with the undertakings in Section III paragraphs 7 through 13 above; provided, however, that solely for the purpose of complying with those undertakings, Phoenix shall not be deemed to have violated Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder.

B. Respondent PHL Variable shall comply with the undertakings in Section III paragraphs 14 through 20 above; provided, however, that solely for the purpose of complying with those undertakings, PHL Variable shall not be deemed to have violated Section 15(d) of the Exchange Act and Rules 15d-1 and 15d-13 thereunder.

C. Respondent Phoenix shall, within 30 days of the entry of this Amended Order, pay a civil money penalty in the amount of \$100,000 to the Securities and Exchange Commission. If

timely payment is not made, interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

- (1) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (2) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

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Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Phoenix as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Laura B. Josephs, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5010.

D. Respondent PHL Variable shall, within 30 days of the entry of this Amended Order, pay a civil money penalty in the amount of \$100,000 to the Securities and Exchange Commission. If timely payment is not made, interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

- (1) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (2) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

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Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying PHL Variable as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Laura B. Josephs, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5010.

E. Except as amended by this Amended Order, the March 2014 Order remains in effect and binding on Respondents.

By the Commission.

Jill M. Peterson  
Assistant Secretary