

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59970 / May 22, 2009

Administrative Proceeding
File No. 3-13482

COMMISSION INSTITUTES ADMINISTRATIVE PROCEEDINGS AGAINST PHILLIP J.
MILLIGAN, FORMER PRESIDENT OF J.P. MILLIGAN

The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing (Order) against Phillip J. Milligan (Milligan or Respondent).

The Division of Enforcement alleges in that Order that on April 29, 2009, the United States District Court for the Eastern District of New York entered a final judgment against Milligan, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, in a civil action captioned Securities and Exchange Commission v. Grant Curtis, et al., 99 Civ. 7357 (NG) (VVP) (E.D.N.Y.). The final judgment also ordered Milligan to pay disgorgement and prejudgment interest totaling \$238,030.49 and a \$100,000 civil penalty.

The Division of Enforcement further alleges in the Order that the Commission's complaint in the civil action alleged, among other things, that during 1995 and 1996: (1) Milligan was a registered principal and president of J.P. Milligan, a broker-dealer registered with the Commission and located in New York City; (2) Pilot Transport, Inc. (Pilot) was a publicly-traded corporation; (3) a Milligan co-defendant agreed to pay kickbacks to Milligan in exchange for Milligan's causing Pilot stock to be recommended to J.P. Milligan customers; (4) between November 17, 1995 and February 2, 1996, Milligan caused shares of Pilot stock to be sold to customers of J.P. Milligan & Co; (5) J.P. Milligan did not disclose the kickback arrangement to its customers; and (6) following those sales, Milligan received \$93,600 in proceeds of Pilot stock sales, representing his kickback, to a bank account he controlled in the name of Stone International Trading Corp.

A hearing will be scheduled before an Administrative Law Judge to determine whether the Division's allegations in the Order are true, to provide Respondent an opportunity to dispute the allegations, and to determine what sanctions, if any, are appropriate and in the public interest. The Commission directed that an Administrative Law Judge issue an initial decision in this matter within 210 days from the date of service of the Order.