

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70592 / October 1, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3685 / October 1, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15548

In the Matter of

PHILIP MARK CAIN,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Philip Mark Cain (“Respondent” or “Cain”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From August 2006 through August 2010, Respondent was a registered representative with Commonwealth Financial Network, a dually registered investment adviser and broker-dealer. From September 2010 to March 2011, Respondent was also a registered representative associated with H. Beck, Inc., a dually registered investment adviser and broker-dealer. Respondent, 50 years old, is a resident of Tucson, Arizona.

B. ENTRY OF RESPONDENT’S CRIMINAL CONVICTION

2. On December 14, 2011, Cain pleaded guilty to one count each of mail fraud in violation of 18 U.S.C. Section 1341, engaging in an illegal monetary transaction greater than

\$10,000 in violation of 18 U.S.C. Section 1957, and structuring transactions to evade currency reporting requirements in violation of 31 U.S.C. Sections 5324(a)(3) and (d)(2) before the United States District Court for the District of Arizona. *U.S. v. Philip Mark Cain*, 4:11-CR-1105-JGZ. On March 15, 2012, a Judgment in a Criminal Case was entered against Cain. He was sentenced to 51 months in prison followed by five years of supervised release and ordered to pay \$1,272,943.89 in restitution.

3. The counts of the indictment to which Cain pleaded guilty alleged, among other things, that between June 2008 and February 2011, Cain participated in a scheme and artifice to obtain money or property by means of materially false or fraudulent pretenses, representations or promises. More specifically, the indictment alleged that Cain defrauded seven investors out of approximately \$1.4 million by purporting to purchase structured notes on their behalf. Cain did not at any time invest any of the investors' funds in structured notes and instead used their funds to purchase and repair classic cars.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy
Secretary