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Market Regulation Department,

Complainant,

v.

Phillip Blackwell
(CRD No. 4318779),

Respondent.

Disciplinary Proceeding
No. CMS 040165
Hearing Officer: SNB

**ORDER ACCEPTING
OFFER OF SETTLEMENT OF
PHILLIP BLACKWELL**

Date: January 27, 2005

Disciplinary proceeding number CMS 040165 was filed on October 11, 2004 by the Department of Market Regulation of NASD ("Complainant"). Respondent Phillip Blackwell submitted an Offer of Settlement ("Offer") to Complainant on December 20, 2004. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Phillip Blackwell ("Blackwell"), age 30, first became licensed as a general securities representative in December 2000 while employed at Concord Equity Group, LLC. In January 2001, Blackwell joined Park Capital Securities as a registered representative and was employed there until October 2002. Since leaving Park Capital, Blackwell has not been registered with any NASD member firm.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

Blackwell, while employed as a salesperson at Park Capital Securities, LLC and while acting individually and as a member of a sales group, employed classic, boiler-room techniques to induce customers to purchase shares of Cordia Corporation ("Cordia").

As part of the scheme, each member of the sales group, including Phillip Blackwell, engaged in fraudulent misrepresentations and omissions to induce purchases or to discourage sales of Cordia. Blackwell, acting individually and as a member of the sales group failed to disclose Cordia's poor financial condition or the speculative nature of the company as an investment, and routinely predicted the stock would shortly increase in price. Blackwell, individually and as a member of the sales group, also engaged in unauthorized trading and other deceptive practices, including buying more shares of Cordia than the customer authorized. Blackwell knowingly or recklessly provided

¹ The findings herein are pursuant to Respondent Phillip Blackwell's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

substantial assistance to other members of the group engaged in the same or similar misconduct in furtherance of the scheme.

In addition, Blackwell, acting individually and as a member of the sales group:

- failed to furnish customers, prior to effecting such transactions, a risk disclosure document containing the information required by the penny stock rules;
- Failed to obtain from customers, prior to effecting customer transactions in Cordia, a manually-signed and dated written statement acknowledging receipt of such risk disclosure document;
- Failed to disclose to customers, either orally or in writing, prior to effecting customer transactions in Cordia, the inside bid and offer quotations for Cordia and failed to provide the same in writing at or prior to the time of any written confirmation sent to the customer pursuant to SEC Rule 10b-10; and
- Failed to keep and preserve records of such disclosures as required by the penny stock rules.

Based on the foregoing, Respondent Blackwell violated Sections 10(b) and 15(g) of the Securities Exchange Act of 1934 and Rules 10b-5, 15g-2, 15g-3 and 15g-9 thereunder, and NASD Conduct Rules 2110 and 2120.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTION

It is ordered that Respondent Phillip Blackwell shall be barred permanently from association with any NASD member in any capacity.

The sanction imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

By: 
Cameron K. Funkhouser
Senior Vice President
Market Regulation Department

On behalf of the Director of ODA,
pursuant to delegated authority