In the Matter of: Sheila D. Miller (CRD #1271044) Order Imposing Civil Fine

Outlook Financial Services

ALASKA ORDER #95-06S

I.

1. The Division of Banking, Securities and Corporations (the Division) received a complaint from a client of Sheila D. Miller (Miller, CRD# 1271044) d.b.a. Outlook Financial Services, 2525 Blueberry, Suite 103, Anchorage, Alaska 99503. Miller is a registered representative of First Associated Securities Group, Inc. (BD #20597), 430 Broadway, Chico, California 95928.

2. The complainant owned a $98,000.00 annuity account on which there was no surrender charge plus about $62,000.00 in cash from the sale of property. The complainant stated that Miller executed an investment program for her which cost several thousand dollars in commissions without informing her of the costs, and had not been responsive to the complainant’s telephone calls. The complainant had been drawing down on the annuity for several years, and wanted to limit the withdrawals to $1,000.00 per month for the next five years (about $60,000.00) and increase her returns on the balance. Miller exchanged the annuity and invested the proceeds in another firm’s annuity plus a number of mutual funds with various objectives. After several conversations between the Division and the complainant, and Miller, Miller made a settlement offer to the complainant, which
was accepted, which included the sale of all assets in the account and payment of $6,000.00 (check dated April 18, 1995) to the complainant to reimburse her investment plus the statutory 6 percent interest.

II.

3. At the initial meeting to discuss the problem with Division staff during the week of March 6, Miller provided a copy of the New Account Forms signed by the complainant and dated October 26, 1994.

4. The complainant told the Division that she signed blank New Account Forms on October 6, 1994.

5. In conversation with the Division on March 22, 1995, Miller confirmed that the complainant had signed blank New Account Forms on October 6, 1994. Miller filled them in later and changed the dates to October 26, 1994, to reflect the date that they were “processed.”

6. In conversation with the Division on March 29, 1995, Miller indicated that she was discussing the outlines of a settlement with the complainant which would involve selling the securities and writing a check to make the complainant whole. Miller was advised to put it all in writing with a copy to her compliance department.

7. Miller provided a letter to the Division dated April 18, 1995, in which she described the reasons for her investment recommendations to the complainant, and described procedural and other changes she had instituted to eliminate the problem of “mishandling of paperwork.” These changes included scheduling time
between appointments to allow for follow up on transactions, filling out paperwork completely in the presence of the client, and scheduling another appointment for that purpose if necessary. This letter indicated a copy was sent to the Compliance Department of First Associated Securities Group, Inc.

8. The Division sent a letter to First Associated Securities Group, Inc. dated April 27, 1995, outlining the complaint and events which had occurred up to that point.

9. Miller provided the Division a letter dated May 3 which included a final summary of the settlement transactions with the complainant, and also corrected misstatements made to the Division regarding reporting the complaint and the settlement to the Compliance Department. In the letter, Miller stated that, contrary to verbal assurances otherwise, she had not notified the Compliance Department prior to the copy of the April 18 letter, referenced above.

III.

10. Alaska Statute (AS) 45.55.060(a)(7) provides for action against the registration of an agent if the agent “has engaged in dishonest or unethical practices in the securities business.” Regulations define these practices at 3 AAC 08.060(17) to include when an agent “fails to comply with any applicable provision of the Rules of Fair Practice of the National Association of Securities Dealers adopted as of July 19, 1990, or any applicable fair practice or ethical standard promulgated by the Securities and Exchange Commission or by a self-regulatory organization approved by the Securities and Exchange Commission, as of July 19, 1990.”

11. The Division finds that Miller violated NASD Article III, The Rules of Fair
Practice covering the Business Conduct of Members, Section I, which states, "A member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

12. Miller violated Article III, Section I, by: (1) having a client sign and date a blank New Account Form; (2) delaying for three weeks execution of the investment program agreed to by the client; (3) altering the date on the New Account Forms to mask the delay in program execution; (4) failing to return telephone calls of the client promptly to discuss concerns of the client; (5) failing to promptly notify the Compliance Department of the client's complaint and that the resolution of the complaint would include a cash refund; and (6) assuring the Division that the Compliance Department had been informed, when, in fact, it had not been.

IV.

13. Pursuant to AS 45.55.920(c), for violation of the referenced statute and regulation, Miller is ordered to pay a fine of $500.00.

14. Miller may request a hearing pursuant to AS 45.55.920(d). This Order will become final if a hearing is not requested within 15 days of receipt.

Issued at Juneau the 23rd day of May 1995.

/s/ Willis F. Kirkpatrick
Willis F. Kirkpatrick
Administrator of Securities

Contact Person:
Franklin Terry Elder
Securities Examiner
(907) 465-2521
STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING, SECURITIES, AND CORPORATIONS
P.O. BOX 110807
JUNEAU, AK 99811-0807

In the Matter of:    }   ALASKA ORDER #95-06S
Sheila D. Miller (CRD #1271044)   }   AFFIDAVIT OF SERVICE BY MAIL
Outlook Financial Services    }

I, __Daniel B. Hays__________, being first duly sworn on oath, depose and say:
I am a _______ Secretary__________, employed by the State of Alaska, Division
of Banking, Securities and Corporations, Juneau, Alaska. On the 23rd day of May
1995, I mailed a true and correct copy of the Order Imposing Civil Fine, Alaska Order
95-05S, to: (1) Sheila D. Miller, Outlook Financial Services, 2525 Blueberry, Suite 103,
Anchorage, Alaska 99503; and (2) Office Manager, First Associated Securities Group,
Inc., 430 Broadwav. Chico, California 95928, by certified mail numbers ________
P 390 827 823
by placing the same in the U.S. mail at Juneau, Alaska,
postage prepaid.

\(s/\) Daniel B. Hays

Daniel B. Hays

Subscribed to and sworn to before me this 23rd day of May 1995.

\(s/\) Michael P. Menogle (illegible)
Notary Public in and for the State of Alaska
My Commission expires: 09/05/98.