

**STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND
HEALTH CARE ADMINISTRATION
SECURITIES DIVISION**

IN THE MATTER OF:

Michael T. Williams

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Docket No. 11-026-S

STIPULATION, FINDINGS AND CONSENT ORDER

NOW COME the Department of Banking, Insurance, Securities and Health Care Administration of the State of Vermont (Department) and Michael T. Williams (Respondent) and stipulate and agree as follows:

STIPULATION

1. Respondent resides at 207 Horton Road, Orwell VT.
2. Respondent was first registered by the Department's Securities Division (Division) as an agent on September 15, 2000 and as an investment advisor representative on October 20, 2000. Respondent's CRD number is 4211505. Respondent's registration as both an agent and investment advisor representative ended with the Department on October 27, 2007.
3. In 2009 the Division commenced an investigation regarding allegations that Respondent violated Vermont securities law during the time he was registered with the Department.
4. Respondent acknowledges that he is and has been represented by an attorney in this investigation and enforcement action.
5. Respondent and the Department agree that the Stipulation, Findings and Consent Order is supported by mutual consideration that includes the desire to resolve the pending

investigation and enforcement action without incurring the costs associated with litigation.

6. Respondent acknowledges and agrees that he enters into this Stipulation, Findings and Consent Order freely and voluntarily and that no promise was made nor coercion used to induce him to enter into this Stipulation, Findings and Consent Order.
7. Respondent waives his right to a hearing before the Commissioner or the Commissioner's designee, and all other procedures otherwise available under the Securities Act, the rules of the Department, the provisions of 3 V.S.A. Chapter 25 regarding contested cases, or any right he may have to judicial review by any court by way of suit, appeal, or extraordinary remedy with respect to the terms of the Consent Order set forth here.
8. Respondent acknowledges that the Consent Order constitutes a valid order duly rendered by the Commissioner, and agrees to be fully bound by its terms, conditions, undertakings and obligations.
9. Respondent acknowledges his understanding of all terms, conditions, undertakings and obligations contained in this Stipulation, Findings and Consent Order and further acknowledges that any material inaccuracy or untrue statement regarding the Stipulation, Findings and Consent Order issued by the Commissioner or Respondent's failure to comply with any provision of the Consent Order shall constitute grounds for further legal action by the Commissioner subject to Respondent's right to a hearing pursuant to the Vermont Securities Act.
10. Respondent, without admitting to the facts set forth in the Findings, agrees not to contest in any administrative or judicial proceeding the Findings as set forth herein.

FINDINGS

1. Paragraphs 1-10 of the Stipulation are incorporated by reference.
2. Respondent began his employment as an agent and investment advisor representative with Morgan Stanley Dean Witter, Inc. (Morgan Stanley) in September of 2000. Respondent left Morgan Stanley in 2006. While employed with Morgan Stanley, Respondent misrepresented information regarding variable annuity products to clients on two occasions. The first incident was reported to the Financial Industry Regulatory Authority (FINRA) in March of 2009 and resulted in a settlement/judgment of \$10,000.00. The second incident was reported to the Division on June 1, 2009 and as a result, the investigation underlying this Stipulation, Findings and Order commenced. The second incident was reported to FINRA in September of 2009 and a settlement/judgment of \$32,868.79 resulted.
3. Beginning in January of 2006, Respondent was employed as an agent with Citigroup Global Markets (Citi). Citi terminated Respondent on March 31, 2006 on discovering that he entered inaccurate information regarding his education on his employment application.
4. On April 19, 2006 Respondent was hired by RBC Dain Rauscher (RBC). During his employment with RBC, Respondent provided a prospective client with altered and falsified marketing materials from AXA Distributors, LLC (AXA). The falsifications made the variable annuity product appear to produce higher returns on investment and cost less in terms of expenses than was reported in the original sale material.

5. AXA discovered the falsified and altered sales marketing material as a result of an inquiry it received regarding the accuracy of the information in the sales marketing material. On September 13, 2007 AXA wrote a letter to RBC and informed RBC that it had reason to believe that Respondent altered and falsified the sales marketing material. Mr. Scott, the complex director for the RBC office in Hartford, Connecticut investigated the allegation and spoke to Respondent. According to Mr. Scott, Respondent admitted that he had altered and falsified the sales material. This misconduct was reported to FINRA. On July 27, 2009 FINRA, with the consent of Respondent, suspended Respondent from registration with FINRA for 1 year (beginning August 3, 2009 – ending August 2, 2010) and imposed a fine of \$5,000 which becomes payable upon his “reassociation with a member firm following suspension or prior to any request for relief from any statutory disqualification...whichever is earlier.”
6. Falsifying or altering sales material and entering inaccurate information on an employment application is misconduct that is in violation of Commissioner’s Order 06-43-S, Exhibit 6.1, Sections 3.05, 3.08 and 3.23 and 9 V.S.A. §5501, §5502 and §5412 (d) (2), (5) (C) and (13).
7. Effective October 24, 2007, Respondent’s registration as an agent and investment advisor representative with the Department was terminated as the result of Respondent’s dismissal from RBC and Respondent’s registration has not been reinstated.
8. Respondent is currently employed as a Food Service Director at a Vermont educational institution and is no longer in the business of selling securities.

9. Pursuant to 9 V.S.A. §§5412 (c) and §5604 the Commissioner of the Department of Banking, Insurance, Securities and Health Care Administration (Commissioner) has the authority to bar a person from registration.

NOW THEREFORE, pursuant to 9 V.S.A. §5412(c) and based upon this Stipulation, uncontested Findings, and consent to entry of this Consent Order, the Commissioner issues the following ORDER:

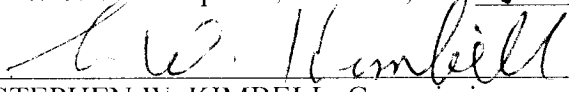
ORDER:

IT IS ORDERED that:

1. Respondent, Michael T. Williams, is PERMANENTLY BARRED FROM REGISTRATION as a broker- dealer, agent, investment adviser or investment adviser representative in Vermont.
2. Respondent shall not apply to be registered as a broker-dealer, agent, investment adviser, or investment adviser representative in Vermont.
3. This Order shall remain in full force and effect without end.
4. This Order shall become effective immediately upon the earliest date set forth below.

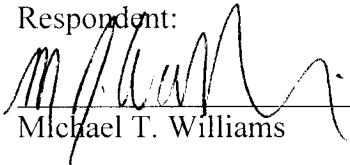
BY ORDER OF THE COMMISSIONER

Entered at Montpelier, Vermont, this 31st day of May, 2011.


STEPHEN W. KIMBELL, Commissioner
Vermont Department of Banking, Insurance,
Securities and Health Care Administration

CONSENT to the Stipulation, Findings and Order:

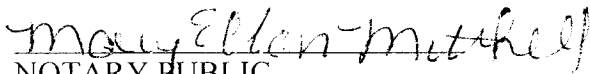
Respondent:


Michael T. Williams

Date: 5-19-11

STATE OF VERMONT
COUNTY OF RANDOLPH


On this 19th day of May, 2011, Michael T. Williams personally appeared before me and pursuant to a sworn oath subscribed to this Stipulation, Findings and Consent Order.


NOTARY PUBLIC

My Commission Expires: 02/10/2015


Securities Division, Vermont Department of Banking, Insurance,
Securities and Health Care Administration

By:


Thomas Candor, Deputy Commissioner
Securities Division

Date: 5-31-11

As to Form:


Wanda Otero, Esq.
Attorney for Michael T. Williams

Date: 5 12 11