

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)

PRESTIGE FINANCIAL CENTER INC.)
MARLON O. COLE)

ADMINISTRATIVE ORDER
NO. SC-2009-00²⁹

RESPONDENTS)

ORDER TO SHOW CAUSE

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. **PRESTIGE FINANCIAL CENTER, INC, ("PFC")** (CRD# 30407) has been a registered broker dealer in the State of Alabama since October 20, 1993, with a commercial business address of 80 Broad Street, 33rd Floor, New York, NY 10004.

2. **MARLON O. COLE, ("COLE")** (CRD# 5054806) is a broker dealer agent for the branch office of PFC with a commercial business address of 1000 Franklin Avenue, Garden City, NY 11530. COLE has been registered in the State of Alabama since May 22, 2008.

STATEMENT OF FACTS

3. On or about May 8, 2009, an Alabama resident received a solicitation call from COLE and subsequently opened a brokerage account with PFC. The opening account documents disclosed that the Alabama investor made a cash stock purchase of 100 shares of Caterpillar Inc. for \$4,012.95 and transferred \$94,957.49 from his

brokerage accounts with Edward Jones and Sterne Agee to PFC. Unbeknown to the 79 year old Alabama investor, Cole had placed the investor in a margin account with "speculation" listed as the investment objective with a risk tolerance of "High".

4. Upon receipt of the transferred Edward Jones and Sterne Agee accounts, COLE placed the received cash within the PFC margin account and liquidated the original stock purchases. A review of the documents obtained by the Commission revealed the following securities owned by the Alabama investor which were liquidated by COLE, in accordance with the dates of liquidation and their respective amounts:

05/21/2009: Vulcan Materials CO.	\$12,013.89
05/21/2009: Monmouth Real Estate Investment Corp.	\$11,735.15
05/21/2009: Helmerich & Payne Inc	\$ 6,155.56
05/21/2009: Ford Motor Co. Bonds due 08/2018.	\$ 8,829.17
05/22/2009: PLC Capital Trust	\$13,292.35

5. Documents obtained by the Commission revealed that on May 14, 2009, COLE sold the original stock purchase (May 8, 2009) for a \$426.95 loss and then purchased \$47,764.10 of PROSHARES Ultrashort Financials ETF in a margin account for which COLE received a \$1,800.00 commission.

6. On May 21, 2009, COLE sold the PROSHARES Ultrashort Financials for \$46,073.81 causing an additional loss to the account in the amount of \$1,690.29.

7. On May 21, 2009, the Alabama investor mailed a certified letter to PFC which was received by PFC on May 27, 2009. The letter outlined the investor's inability to communicate with COLE, the unauthorized trading in his account by COLE and the existence of a Margin Account of which COLE informed the investor that he should not worry since it was due to a coding error. The Alabama investor further requested the closing of the account and the return of his transferred funds.

8. On May 22, 2009, COLE made two purchases within the margin PFC account of the Alabama investor. The two purchases of 7,000 shares each, of Caterpillar Inc. totaled \$518,035.52, netting COLE a \$19,600.00 commission from the margin account sale.

9. On May 22, 2009, the Alabama investor filed a written complaint with the Alabama Securities Commission indicating the excessive trading in his PFC account in an otherwise conservative portfolio.

10. During telephonic interviews with the Commission Staff from May 26, 2009, to June 2, 2009, the firm received and acknowledged the complaint letter from the Alabama investor and took steps to cancel the sale activity and return the investors account as received. Furthermore, the firm canceled the commission payout to COLE and transferred the rehabilitated accounts back to Sterne Agee and Edward Jones, as per the Alabama investor's request.

CONCLUSIONS OF LAW

11. Pursuant to Section 8-6-3(j)(7), Code of Alabama 1975, COLE has violated the Act by engaging in dishonest or unethical practices, to wit; executing unauthorized transactions in the account of the Alabama resident.

12. Pursuant to Section 8-6-3(j)(10), Code of Alabama 1975, the Commission may by order revoke or suspend any registration in this State if the Commission finds that the order is in the public interest and that the registrant or any partner, officer or director, or any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the dealer, has failed to reasonably supervise his employees. PFC has failed to reasonably supervise COLE by failing to review the trades made by COLE with the objectives of the investor.

This Order does not prevent the Alabama Securities Commission from seeking such other administrative, civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS **SHOW CAUSE** to the Commission, within 28 days of the date of this Order, why RESPONDENTS' registrations as an agent and dealer should not be suspended or revoked in the state of Alabama.

Entered at Montgomery, Alabama, this 16th day of October, 2009.



ALABAMA SECURITIES COMMISSION
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(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized and extends to the right.

Joseph P. Borg
Director