

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
OF THE STATE OF TENNESSEE AT NASHVILLE**

<b>TENNESSEE SECURITIES DIVISION,</b>	)	
<b>Petitioner</b>	)	
	)	
<b>vs.</b>	)	<b>Order No. 006-006</b>
	)	
<b>J.P. MICHAEL COMPANY and</b>	)	
<b>JOYCE DUTTON</b>	)	
<b>Respondent.</b>	)	

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**CONSENT ORDER**

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The Tennessee Securities Division ("Division"), Petitioner, J.P. Michael Company and Joyce Dutton, Respondents herein, agree to the entry of this Consent Order in accordance with Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. ("Act"), which states that the Commissioner of Commerce and Insurance ("Commissioner") from time to time may make such orders as are necessary to carry out the provisions of the Act.

**GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.
  
2. This Consent Order is executed by the Respondents for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and

consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondents for acts or omissions not specifically addressed in this Consent Order for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner or any other state government representative against the Respondents for violations of law under other statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Consent Order by the Respondents.

5. Respondents expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

### **FINDINGS OF FACT**

1. The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. ("Act"), places the responsibility for the administration of the Act on the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-2-115.

2. Respondent, J.P. Michael Company (“JPM”), was a Tennessee business entity with its principal place of business being 1437 Arrowhead Place, Murfreesboro, TN 37129. JPM has never been registered with the Division pursuant to the Act.

3. Respondent, Joyce Dutton (“Dutton”), is a current citizen and resident of the State of Tennessee and was the owner of JPM. Dutton maintains her address at 1437 Arrowhead Pl., Murfreesboro, Tennessee 37129. Dutton has never been registered in Tennessee with the Division pursuant to the Act.

4. From September of 1998 until September of 2001 Dutton worked for Michael Casper (“Casper”) and Olde South Trust (“OST”) as a bookkeeper. OST sold estate planning tools such as revocable living trusts and investments such as promissory notes, viatical settlement contracts, and stock. OST was not registered as a broker-dealer pursuant to the Act.

5. While working for OST and in addition to her duties as bookkeeper, Dutton also sold preferred stock in PhyMed Partners (“PP”) to family and friends. Dutton was paid a commission by OST for each of these sales.

6. When Dutton left OST in September of 2001 she was contacted by Lamar McMichael (“McMichael”) the owner of PP and was recruited by him to sell PP preferred stock, independent of OST, for a commission.

7. Dutton sold PP preferred stock to eleven (11) Tennessee residents and received commissions from PP for all such sales.

8. In addition, Dutton allowed Donald Beverly (“Beverly”), another former OST employee, to submit PP preferred stock sales through her company and she received an

up-line commission on Beverly's sales.

9. Dutton has been unemployed since closing J.P. Michael Company in 2002.

10. Dutton cooperated with authorities and testified against Casper in his criminal trial, thereby admitting, under oath, that she had sold PP preferred stock without being duly registered under the Act to sell securities.

### **CONCLUSIONS OF LAW**

11. Pursuant to Tenn. Code Ann. §48-2-115(a), the responsibility for administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

12. Tenn. Code Ann. § 48-2-109 provides that: It is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

13. The averments in paragraphs four through ten of this Consent Order, constitute practices by JPM and Dutton which would provide grounds under Tenn. Code Ann. §48-2-109 for the entry of an order of sanctions against JPM and Dutton.

### **ORDER**

**NOW, THEREFORE,** on the basis of the foregoing, and Respondents' waiver of their right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 et seq., and Respondents' admission of jurisdiction of the Commissioner, the Commissioner finds that Respondents, for the purpose of settling this matter, admit the "Findings of Fact" as contained herein, have agreed to the entry of this Consent Order and that the following

Consent Order is appropriate, in the public interest and necessary for the protection of investors.

**IT IS ORDERED**, pursuant to Tennessee Code Annotated § 48-2-116(a) of the Tennessee Securities Act that:

1. Respondents, J.P. Michael Company and Joyce Dutton, **shall** fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder;

2. Respondents, J.P. Michael Company and Joyce Dutton, **shall** permanently cease and desist in any further conduct as an issuer, broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative from or in the state of Tennessee, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

3. Respondents, J.P. Michael Company and Joyce Dutton, **shall** cease and desist in conducting securities transactions on behalf of others from, in, or into the State of Tennessee, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

4. Respondents, J.P. Michael Company and Joyce Dutton, **shall** both be permanently barred from applying for or seeking registration with the Division as an issuer, broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

5. Respondent, Joyce Dutton, **shall** be permanently barred from applying for or seeking licensure with the Insurance Division of the Department of Commerce and

Insurance, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

6. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Lewie and Vivian Nokes, in the amount of four hundred and twenty dollars (\$420.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Lewie and Vivian Nokes  
203 Black Hawk Way  
Murfreesboro, TN 37127

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>h</sup> Floor  
Nashville, Tennessee 37243.

7. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Gail B. Evans, in the amount of two hundred and ten dollars (\$210.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Gail B. Evans  
362 Brewer Dr.  
Nashville, TN 37211

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

8. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to John T. Evans, in the amount of seven hundred and twenty dollars (\$720.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

John T. Evans  
362 Brewer Dr.  
Nashville, TN 37211

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

9. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Robert Waller, in the amount of two hundred and ten dollars (\$210.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Robert Waller  
290 Paragon Mills Rd.  
Nashville, TN 37211

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

10. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Wesley Ewton, in the amount of four hundred and twenty dollars (\$420.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Wesley Ewton  
145 Monroe Floyd Rd., R-17  
Estill Springs, TN 37330

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

11. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Ernest Scott Ulm, in the amount of four hundred and twenty dollars (\$420.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Ernest Scott Ulm  
401 Chestnut Ln.  
Fayetteville, TN 37334

Proof of such payment shall be mailed or delivered within 10 days of payment to:



Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

12. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Ronald Pirtle, in the amount of one hundred and eighty dollars (\$180.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Ronald Pirtle  
133 Brentmeade Dr.  
Murfreesboro, TN 37130

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

13. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Deborah and Daniel Morris, in the amount of two hundred and forty dollars (\$240.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Deborah and Daniel Morris  
195 New St.  
Woodbury, TN 37190

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

14. Respondents, J.P. Michael Company and Joyce Dutton, jointly and severally, **ARE ORDERED TO AND AGREE** to pay restitution to Janice Hoke, in the amount of one hundred and eighty dollars (\$180.00), upon execution of this document, but in no event later than November 1, 2006. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

Janice Hoke  
1208 McCord Dr.  
Manchester, TN 37355

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division  
Attention: Barbara A. Doak, Attorney  
500 James Robertson Parkway, 12<sup>th</sup> Floor  
Nashville, Tennessee 37243.

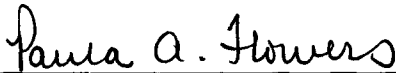
15. Respondents, J.P. Michael Company and Joyce Dutton, hereby agree that any failure to comply with all the requirements and prohibitions contained in this Order shall result in further enforcement action by the Division, the Department of Commerce and Insurance, and/or the State of Tennessee in order to enforce the provisions contained herein.

**IT IS ORDERED** that this Consent Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against J.P. Michael Company and Joyce Dutton for violations of the Act alleged by the Tennessee Securities Division to have

occurred with respect to the transactions involving the above referenced investors and the facts contained herein.

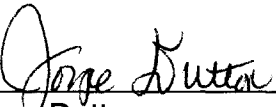
This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, J.P. Michael Company and Joyce Dutton affirmatively state that each has freely agreed to the entry of this Consent Order, that each waives the right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

**ENTERED** this 18<sup>th</sup> day of September, 2006.

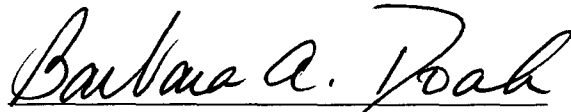
  
\_\_\_\_\_  
Paula A. Flowers, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**

  
\_\_\_\_\_  
Joyce Dutton, Respondent

  
\_\_\_\_\_  
Joyce Dutton  
Owner of Respondent J.P. Michael Company

  
\_\_\_\_\_  
Daphne D. Smith, Assistant Commissioner for Securities  
Department of Commerce and Insurance

  
\_\_\_\_\_  
Barbara A. Doak (#015802), Attorney for Securities  
Department of Commerce and Insurance  
500 James Robertson Parkway, Twelfth Floor  
Nashville, Tennessee 37243  
(615) 741-2199/Fax (615) 741-4000