

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: )  
WILLIAM J. MURPHY )  
CRD # 1437087 )  
\_\_\_\_\_ )

No. C0600604

TO THE RESPONDENT: William J. Murphy  
C/o James Moylan, Esq.  
P.O. Box 775965  
Tree Haus  
31685 Inca Way  
Steamboat Springs, CO 80477-5965

William J. Murphy  
Birkelbach Investment Securities, Inc.  
208 S. LaSalle  
Suite 1700  
Chicago, IL 60604-1103

CONSENT ORDER

WHEREAS, on August 31, 2007, a Temporary Order of Prohibition was issued against Respondent William J. Murphy ("Respondent") in which Respondent was prohibited from offering to sell and selling securities in or from Illinois. On September 10, 2007, and Amended Temporary Order of Prohibition was issued allowing Respondent Murphy to manage his existing customers' brokerage accounts.

WHEREAS, Respondent on the 26<sup>th</sup> day of December, 2007, executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State in this matter and Respondent has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledges, without admitting or denying the truth thereof, that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

- 1) Respondent William J. Murphy ("Murphy") is a salesperson of securities and has been a registered representative for Birkelbach Investment Securities, Inc. ("Birkelbach") since 1995.
- 2) Murphy is the sales supervisor at Birkelbach's main office, located at 208 S. LaSalle St. in Chicago, Illinois.
- 3) Investor is a resident of Illinois, and a member of the United States Military on active duty overseas.
- 4) Investor's brokerage account had been managed by a representative of Birkelbach that had left that firm on April 17, 2007.
- 5) Investor's account was then transferred to Murphy. Prior to the transfer Investor's account held various securities, primarily stocks, and was valued at approximately \$18,546.83.
- 6) On April 20, 2007, upon obtaining Investor's brokerage account Murphy, without proper written authorization by Investor, sold most of the securities in Investor's account, and purchased new securities.
- 7) Murphy, by May 25, 2007, had generated \$3,953.07 in commissions from his trading of Investor's stock.
- 8) Murphy's trading of Investor's securities resulted in a cost/equity ratio of 30.978%.
- 9) Furthermore, Murphy's trading of Investor's stock resulted in a nearly \$6,000.00 loss in value to Investor's account, including the commissions charged.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

- 1) Section 8.E(1)(b) of the Act states that the registration of a salesperson may be suspended or revoked if that salesperson has engaged in any unethical practice in

connection with any security, the offer or sale of securities or in any fraudulent business practice. 815 ILCS 5/8.E (1)(b).

- 2) Respondent Murphy, by trading Investor's securities without written authorization, and for the purpose of generating commissions, violated Section 815 ILCS 5/8.E (1)(b) of the Act.

WHEREAS, Birkelbach Investment Securities, Inc. has agreed to certain undertakings, described in particularity in the Addendum attached to this Consent Order ("Agreement for Special Undertakings"), for the purpose of addressing this matter and other concerns held by the Department.

WHEREAS, by means of the Stipulation, Respondent Murphy shall not provide any investment or securities related advice, recommendations, or manage any brokerage account, for any individual or entity that, as of August 31, 2007, had not retained him as a investment advisor or securities broker. This prohibition against taking any new clients shall be in force for 180 days, from the date of the issuance of the Temporary Order of Prohibition, until February 29, 2008.

WHEREAS, by means of the Stipulation, Respondent Murphy shall not act in any supervisory capacity related to the offering and sale of securities or the providing of financial advisory services until February 29, 2008.

WHEREAS, by means of the Stipulation, Respondent Murphy has acknowledged and agreed that the Secretary of State will issue the Consent Order.

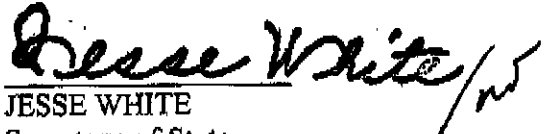
WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that this matter may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

- 1) Respondent William J. Murphy shall cause the sum of Five Thousand dollars (\$5,000.00) to be paid to the Office of the Secretary of State, Audit and Enforcement Fund for costs of the investigation of this matter, Two Thousand, Five Hundred dollars (\$2,500.00) to be paid by January 16, 2007, and Two Thousand, Five Hundred dollars (\$2,500.00) on or by March 31, 2008.

- 2) The formal hearing, as it pertains to Respondent William J. Murphy scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 2<sup>nd</sup> day of January, 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

**This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.**

Attorney for the Department:  
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