STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ANTHONY T. CONIGLIO	)	FILE NO. 0700274

NOTICE OF HEARING

TO THE RESPONDENT: Anthony T. Coniglio (CRD#: 2434759)
9 Carrie Drive
Manalapan, New Jersey 07726

C/o Morgan Stanley & Co., Incorporated
Harborside Financial Center
34 Exchange Place Plaza 2, 2n^{d} Floor

C/O National Registration
Jersey City, New Jersey 07311

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 31st day of October, 2007 at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopeckey, Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Anthony T. Coniglio's (the "Respondent") registration as a salesperson in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

2. That on April 23, 2007, an Exchange Hearing Panel of the New York Stock Exchange Inc. (NYSE) accepted a Stipulation of Facts and Consent to Penalty entered into between the Exchange's Division of Enforcement and the Respondent (Decision) in File No. 07-54 which imposed the following sanctions:

   a. Censure;

   b. one-month bar from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization; and

   c. $5,000 fine.

3. That the Decision listed the following background information:

   a. The Respondent was born in May 1970. He entered the securities industry as a registered representative ("RR") with Firm A in November 1993. In October 1994 he left that firm and joined Firm B and remained there until October 1998. In October 1998, he became employed at Firm C. He left in December 2000 and joined Morgan Stanley DW, Inc. ("MSDW" or the "Firm") where he is currently employed.

   b. By letter dated February 22,2006, which the Respondent received, Enforcement notified him that it was investigating certain matters that had occurred while he was employed at MSDW.

4. That the Decision found:

Summary of Violative Conduct

   a. During the period of June 2005-August 2005 (the "relevant period"), the Respondent entered 12 block trades that included one or more customer orders and failed to create a contemporaneous written order ticket at the time the block trades were entered. Further, the Respondent allocated the block trades, among one or more customers; however, MSDW's trading operations area did not receive the trade allocations for time periods ranging from 11 minutes to six hours and 33 minutes after the trades were executed.

Delayed Allocations of Trades Entered Through the Firm's Trading Desk

   b. Section 17(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rules 17a-3(a)(6) and (7) there under,

require, in relevant part, that a memorandum of each brokerage order be made which includes the time the order was received, the time of entry and the account for which entered. The regulations state that "[t]he term time of entry shall mean the time when such member, broker or dealer transmits the order or instruction for execution."

c. preserve books and records as the Exchange may prescribe and as prescribed by Exchange Act Rules 17a-3 and 17a-4.

d. NYSE Rule 410(a) requires, in part, that "[e]very member or member organization must preserve for at least three years, the first two years in an easily accessible place, a record of: (1) every order received by such member or member organization, either orally or in writing, which record shall include the name and amount of the security, the terms of the order, the time when it was so received and the time at which a report of execution was received."

e. NYSE Rule 410 further requires that prior to such orders being executed, "there must be placed upon the order slip or other similar record of the member or member organization the name or designation of the account for which such order is to be executed."

f. During the relevant period, MSDW policies and procedures required registered representatives ("RRs") to enter orders immediately after they were received.

g. During the relevant period, MSDW policies and procedures required RRs to enter orders through the Firm's electronic order system (the "Order System"). If the Order System was inoperative, RRs were to write and time-stamp order tickets for each order entered.

h. The Order System required an account number, quantity and price to be provided at the time of order entry. The time of the order was automatically recorded at the time of entry into the system. The Order System, however, allowed for the entry of an order for only one account at a time.

i. During the relevant period, the Firm allowed RRs to enter trades through its trading desk (the "Desk") for large orders, block trades and thinly traded stocks. However, the Firm did not have specific written procedures for entering block trades through its Desk, nor was the Respondent apprised of any specific procedure for entering block trade orders.

j. During the relevant period, the Respondent placed 12 block trades through the Desk. All but one of the trades were entered as limit orders and the sole market order was for a single client. The Respondent provided the Desk with his branch number, production number, the security to be bought or sold, the number of shares and the "limit" price, but failed to prepare or time-stamp order tickets or otherwise retain any contemporaneous record of the orders he received that made up the block trades.

k. The Desk called the Respondent after the orders were executed. Once he became aware the orders were executed, he entered the execution price on his allocation list, which he gave to his sales assistant who prepared a fax with the Respondent's instructions and faxed it to the trading operations area. The faxes included the account numbers and the number of shares each account should receive. The Respondent did not maintain the lists or notes he gave his sales assistant and he did not review the faxes sent to the trading operations area.

l. In one or more of these instances, the Respondent failed to make and/or preserve timely records showing the identity of the customer or customers placing the order, the quantity of the security ordered and the time the order was entered.

m. Examples of the above described conduct are set forth below:

June 7, 2005 Purchase of ABC

n. On June 7, 2005, the Respondent entered a block trade order with the Desk to buy 10,000 shares of ABC.

o. The Desk filled the order at approximately 10:24 a.m.

p. At approximately 4:36 p.m., the Respondent caused a facsimile to be sent to the Desk instructing it to allocate the trade to 11 specified customer accounts and the number of shares for each.

June 30, 2005 Purchase of DEF

q. On June 30, 2005, the Respondent entered a block trade order with the Desk to buy 5,000 shares of DEF.

r. The Desk filled the order at approximately 10:14 a.m.

s. At approximately 4:47 p.m., the Respondent caused a facsimile to be sent to the Desk instructing it to allocate the trade to seven specified customer accounts and the number of shares for each.

July 21, 2005 Purchase of DEF

t. On July 21, 2005, the Respondent entered a block trade order with the Desk to buy 5;000 shares of DEF.

u. The Desk filled the order at approximately 10:49 a.m.

v. At approximately 4:09 p.m., the Respondent caused a facsimile to be sent to the Order Desk instructing it to allocate the trade to seven specified customer accounts and the number of shares for each.

w. The Respondent failed to follow the Firm's general order entry policies and procedures for calling in trades to a desk when he entered the block trades set forth above, as he failed to contemporaneously write and time-stamp order tickets for each order that was included in the block trades. Although the Respondent had no prior experience with entering block trades, he should have realized that these general order entry policies and procedures applied to block trades, even though the Firm did not have specific written policies for entering block trades.

y. The delayed allocations in the examples outlined in the preceding paragraphs did not comply with the requirements of the Exchange Act and NYSE Rules set forth above, with respect to timely preparation of order tickets, account allocations and preservation of order tickets. However, the Respondent received no direct financial benefit from the block trades.

z. By reason of the foregoing, the Respondent:

i. Caused a violation of NYSE Rules 410 and 440 and Section 17(a) of the Securities Exchange Act of 1934 and Rules 17a-3 and 17a-4 thereunder by failing to make and preserve records relating to receipt and execution of customer orders;

ii. Engaged in conduct inconsistent with just and equitable principles of trade, by effecting improper post-execution allocation of block trades in customer accounts; and

iii. Caused a violation of NYSE Rule 401 by effecting improper post-execution allocation of trades in customer accounts, which resulted in the ability to grant preferential treatment to customers.

5. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.

6. That the NASD is a self-regulatory organization as specified in Section 8.E(l)(j) of the Act.

7. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

You are further notified that you are required pursuant to Section 130.1104of the Rules and Regulations (14 ILL. Adm. Code 130)(the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 14th day of September 2007.

JESSE WHITE
Secretary of State
State of Illinois

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