

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: WILLIAM J.)
MURPHY, CRD # 1437087)
_____)

No. C0600604

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT : William J. Murphy
CRD # 1437087
14420 South Long Ave.
Midlothian, IL 60445

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

William J. Murphy
Birkelbach Investment Securities, Inc.
315 Elm Street
Glenview, IL 60025

On information and belief, I, Jesse White, Secretary of State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

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 supervisor at Birkelbach's main office, located at 208 S. LaSalle St. in Chicago, and he is the supervisor of the Birkelbach branch office located at 315 Elm Street in Glenview, Illinois.
3. Murphy's last known residential address is 14420 South Long Ave. in Midlothian, Illinois.

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4. Murphy's securities licensure consists of the Series 7, 23 and 64 licenses; his Series 65 license (to provide investment advice) lapsed in June of 2007.
5. Investor is a resident of Illinois, and a member of the United States Military on active duty overseas.
6. Investor's brokerage account had been managed by a representative of Birkelbach that had left that firm on April 17, 2007.
7. 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.
8. On April 20, 2007, upon obtaining Investor's brokerage account Murphy, without consulting Investor and without Investor's authorization, immediately sold nearly all of the securities in Investor's account, and purchased new securities.
9. On April 23, and 25 of the same year, Murphy then sold the balance of the original holdings, purchased new securities, and sold the securities he had purchased on the April 20. These activities, again, were done without consulting the Investor and without Investor's authorization.
10. On May 14, 16, 17, 21, and 25 of 2007 Murphy continued his practice of selling Investor's securities and purchasing new ones, never with Investor's consultation or authorization.
11. Murphy, by May 25, 2007, had generated \$3,953.07 in commissions from his unauthorized trading of Investor's stock. Murphy had turned over the holdings in Investor's account over five times in less than thirty days.
12. Murphy's unauthorized trading of Investor's securities resulted in a cost/equity ratio of 30.978%.
13. Furthermore, Murphy's unauthorized trading of Investor's stock resulted in a nearly \$6,000.00 loss in value to Investor's account.
14. Murphy's Central Registration Depository ("CRD") information, maintained by the Financial Industry Regulatory Authority ("FINRA," f/k/a the National Association of Securities Dealers) is rife with disclosures, 14 of which primarily involve allegations of unauthorized trading and churning and many of those resulted in substantial payments to investors.
15. Section 12.F of The Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (The "Act") states that it shall be a violation of the provisions of this Act for any person to, "engage in

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any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof." 815 ILCS 5/12.F.

16. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to, "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading." 815 ILCS 5/12.G.
17. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly. 815 ILCS 5/12.I.
18. 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).
19. The allegations contained in paragraphs 7 through 14, above, constitute violations of Sections 12.F, 12.I, 12.G and 8.E(1)(b) of the Act.

**MURPHY IS A CONTINUING THREAT TO THE INVESTING PUBLIC AND
PROHIBITION IS NECESSARY**

20. Section 11.F(2) of the Act states that the Secretary of State may temporarily prohibit or suspend, by an order effective immediately, the offer or sale of securities if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors.
21. Murphy's history and continuing practice of enacting unauthorized trades in clients' brokerage accounts to the detriment of those clients, and, in this case, his victimization a member of the United States military stationed overseas, evidences Murphy's disregard of the fiduciary duty he owes to his clients, and his willingness to obtain personal financial gain to the detriment of his clients.
22. This action is necessary to prevent imminent losses to existing investors and to protect the public as the above described activities evidence that Murphy is a continuing threat to the investing public.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent William J. Murphy is

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PROHIBITED from offering or selling securities in or from this State until further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 31st day of August 2007.



JESSE WHITE
Secretary of State
State of Illinois

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Illinois Securities Department
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