STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:PETER V. ELIADES	)	FILE NO. 1100262

CONSENT ORDER OF DISMISSAL

TO THE RESPONDENT: Peter V. Eliades
(CRD#: 4464739)
C/o J.P. Morgan Securities LLC.
575 Washington Boulevard 16th Floor
Jersey City, New Jersey 07310

Peter V. Eliades
C/o Christine A. Bruenn
Attorney At Law Bingham
McCutchen LLP
85 Exchange Street Suite 300
Portland, Maine 04101

WHEREAS, Respondent on the 7th day of December, 2011 executed a certain Stipulation to Enter Consent Order of Dismissal (the "Stipulation"), which hereby is in corporate by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated July 13, 2011, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal ("Consent Order").

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

1. That on June 9, 2011, J.P. Morgan Securities LLC., a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

2. That on March 17, 2008 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. 08-13 which imposed the following sanctions:

a. censure; and

b. sixty-day suspension from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization.

3. That the aforementioned March 17, 2008 Exchange Hearing Panel's Decision found:

BACKGROUND

a. The Respondent was born in 1970. He entered the securities industry in August 2001 as an "associate" with Lehman Brothers, Inc. ("Lehman" or the "Firm") and remained with the Firm as an institutional equities sales trader until his discharge in April, 2005 as a result of the events described herein. In May 2005, he joined Member Firm A as an institutional equities sales trader. He remains in that position to date.

b. From in or about May 2003 through April 2005, the Respondent worked as an institutional equities sales trader with Lehman. In that role, he handled the accounts of approximately 60 institutional clients.

c. On or about May 18, 2005, the Firm filed with the NYSE a Uniform Termination Notice of Securities Industry Registration ("Form U-5") reporting that the Respondent was terminated on or about April 29, 2005 for having violated Firm policy by "transmitting confidential materials designated 'internal use only' to Firm clients."

d. By letter dated December 14, 2005, which the Respondent received, Enforcement notified him that it had commenced an investigation into, among other things, allegations that he forwarded unapproved electronic correspondence, including confidential sales training materials and documents relating to an upcoming initial public offering ("IPO") intended for internal use by the Firm, to investors.

OVERVIEW

e. As set forth below, on one occasion, in or about April 2005 (the "Relevant Period"), the Respondent caused a violation of NYSE Rule 472(a)(1) and violated NYSE Rule 476(a)(6) by sending an electronic communication similar to sales literature containing proprietary Firm information to numerous Firm customers without the knowledge or approval of his member firm.

UNAPPROVED COMMUNICATIONS WITH CUSTOMERS

f. NYSE Rule 472(a)(1) requires that "[e]ach advertisement, market letter, sales literature, or other similar type of communication which is generally distributed or made available by a member or member organization to customers or the public" is to be approved in advance by appropriate supervisory personnel at the member firm. NYSE Rule 472.10(1) defines "communication" to include "electronic communications." Sales literature is defined by NYSE Rule 472.10(5) as, among other things, telemarketing scripts, performance reports or summaries, form letters discussing or promoting the products, services, and facilities offered by a member or member organization

g. NYSE Rule 476(a)(6) prohibits, in pertinent part, registered and unregistered employees of a member and member organizations from engaging in conduct inconsistent with just and equitable principles of trade.

h. The Respondent established an e-mail distribution list, which encompassed individuals connected with some or all of his client accounts ("Accounts Distribution List"). The list included approximately 79 individuals (i.e., 79 e-mail addresses) related to approximately 45 client accounts. He utilized this list to send electronic communications to a group of individuals via a single e-mail. He created and used the Accounts Distribution List in the regular course of his business.

i. During in or about 2005, the Firm's Equity Syndicate Desk typically distributed internal use only documents via e-mail to its sales force in connection with developing equity transactions, for educational purposes. To prevent external distribution, these e-mails were marked "INTERNAL USE ONLY" and the Firm's e-mails systems prevented such e-mails from being forwarded (the "no-forwarding block").

j. In or about 2005, the Firm, together with Firm ABC was underwriting the IPO for XYZ2. The registration statement for the XYZ IPO was filed with the SEC on January 11, 2005. Several amendments to the registration statement were filed in February, March and April 2005. The registration statement became effective on April 29, 2005. The Firm and Firm ABC were the co-lead underwriters for the XYZ IPO.

k. On April 18, 2005, the Respondent received an e-mail communication from the Firm's Equity Syndicate Desk (the "April 18, 2005 E-Mail") related to the XYZ IPO. The Firm's e mail systems prevented the April 18, 2005 e-mail from being forwarded by its recipients.

l. The subject line of the April 18, 2005 E-Mail read, "INTERNAL USE ONLY: [XYZ] MILLION INITIAL PUBLIC OFFERING — DEAL LAUNCH." The first line of the body of the April 18, 2005 E-mail repeated, also in capital letters, the sentence quoted above, and included information related to the deal details, syndicate, economics, timing and pricing of the XYZ IPO.

m. In addition, the April 18, 2005 E-mail contained three attachments. The first page of two of the three attachments contained language in large bold print stating that the document was for internal use only and not intended for distribution to customers. The Respondent asserts that he did not open these attachments.

n. Portions of the content of the April 18, 2005 E-Mail and its attachments constituted internal information proprietary to the Firm.

o. On or about April 26, 2005, the Respondent circumvented the no-forwarding block on the April 18, 2005 E-mail by cutting and pasting portions of that communication, including the attachments, into a new electronic document that he then forwarded to the persons on his Accounts Distribution List (the "April 26, 2005 E-Mail").

p. The Respondent did not seek or receive Lehman's approval prior to sending the April 26, 2005 E-Mail.

q. The April 26, 2005 E-Mail forwarded by the Respondent to the persons on his Accounts Distribution List omitted all "internal use only" references as well as a sentence alluding to the conduct of a teach-in related to the XYZ IPO.

r. The April 26, 2005 E-Mail also modified the April 18, 2005 E-Mail by underlining and bolding certain words and numbers. For example, a portion indicating that "pricing" would occur on "4/28/05" was underlined and written in bold print in the April 26, 2005 E-Mail but not the April 18, 2005 E-Mail. The Respondent believed that he was underlining and bolding the information of greatest import to his clients.

s. During the Relevant Period, the Firm's Policies and Procedures for Written Communications with the Public stated that [n]o 'internal use only' document (including materials on the Firm's Intranet) should be sent or made available to clients or others outside the Firm.

t. Similarly, the Firm's Code of Conduct, in effect during the Relevant Period provided that "[n]o correspondence or literature designated 'For Internal Use Only' or any inter-office memoranda, wires or other communications may be given or shown to any individual not associated with the Firm."

u. On or about April 27, 2005, the Firm's e-mail technology surveillance group detected the April 26, 2005 E-Mail which the Respondent sent based on a routine keyword search of Firm e-mails. Efforts by the technology surveillance group, assisted by him to recall the April 26, 2005 E-Mail were unsuccessful.

v. As a consequence of the Respondent' actions, counsel for XYZ as well as for the Firm communicated his conduct to staff of the Securities and Exchange Commission, who permitted the parties to proceed with the XYZ offering. However, recipients of his April 26, 2005 E-Mail were not permitted to participate in the XYZ IPO allocation.

w. The Respondent caused a violation of NYSE Rule 472(a)(1) by forwarding the April 26, 2005 E-Mail, a form of market letter or sales literature, to 79 individuals associated with 45 Lehman client accounts without previously seeking or receiving the approval of a qualified Firm supervisor as required

x. The Respondent also engaged in conduct inconsistent with just and equitable principles of trade in violation of NYSE Rule 476(a)(6) by disseminating via the April 26, 2005 E-Mail certain information that was confidential and proprietary to the Firm.

4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration Of a salesperson may be denied if the Secretary of State finds that such Salesperson has been suspended by any self-regulatory organization Re gistered 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.

5. That NYSE is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

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 Conclusion of Law:

The Respondent's registration as a salesperson **in the State of Illinois** is subject to denial pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he will continue to abide by the terms contained in the October 18, 2011 written agreement between himself and J.P. Morgan Securities LLC.

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

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent will continue to abide by the terms contained in the October 18, 2011 written agreement between himself and J.P. Morgan Securities LLC.

2. The Notice of Hearing dated July 13, 2011 is dismissed.

3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 9th day of December 2011.

JESSE WHITE
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State of Illinois

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