

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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IN THE MATTER OF: EDWARD J. MURRAY )  
(CRD# 2176196) )  
\_\_\_\_\_)

Case No.0900387

**TO THE RESPONDENT: EDWARD J. MURRAY  
3559 S. LOWE AVE.  
CHICAGO, IL  
60609**

**CONSENT ORDER OF PROHIBITION EXCEPT IN  
COMPLIANCE WITH THE ACT**

WHEREAS, on February 28, 2011, concurrent with this filing, Notice of Hearing was issued against Edward J. Murray.

WHEREAS, on February 23, 2011, Edward J. Murray executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

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

WHEREAS, by means of the Stipulation, Edward J. Murray 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. Edward J. Murray ("Murray") is an individual residing at 3559 S. Lowe Ave., Chicago Illinois 60609.
2. Murray was a registered representative with Wunderlich Securities from September of 2008 through July of 2009.

3. Lyons Township Schools is a not for profit public entity that maintained an investment account with Murray for several years. Robert G. Healy is the Township Trustee that has maintained the account with Murray.
4. In July of 2009 Murray's relationship with Wunderlich Securities terminated after it was discovered that Murray had initiated unsolicited trades in the Township account, placing it into multiple mutual fund families that qualified for breakpoints, or in one instance, was one dollar shy of qualifying for a breakpoint:
  - a. On 6/1/2009 \$100,007.99 of Class B Shares DWS Strategic Government Securities Funds and \$100,007.99 of Class B Shares Van Kampen US Mortgage Funds were purchased;
  - b. On 6/2/2009 \$100,007.99 of Class B Shares Federated Income Government Securities Funds were purchased;
  - c. On 6/29/2009 \$100,007.99 of Class B Shares PIMCO Funds Pacific Investment Management Series were sold.
  - d. On 6/30/2009 \$99,999.99 of Class B Shares of MFS Inflation Adjusted Bond Fund Series were purchased.
5. Had Murray placed the Lyons Township Schools into A shares it could have capitalized on discounts by breakpoints offered by fund families resulting in less upfront charges; approximately \$3,000.00-\$4,200.00 for each transaction.
6. Furthermore, since the Township is a not-for-profit institution, it could have also availed itself on certain institutional class shares with lower management fees and no sales charges.
7. The transactions initiated by Murray, as described above, resulted in higher commissions to the detriment to Lyons Township Schools.
8. These transactions were not suitable for a not for profit public entity due to:
  - a. the additional fees and costs related to the sale of the B shares, as opposed to the A shares that Lyons Township qualified for; and
  - b. the B shares incur severance fees during the first 5 to 7 years should the Township need to liquidate them.
9. The activities described above constitute the sale of securities as defined by Section 2.5, 2.1, and 2.11, respectively, of the Illinois Securities Law of 1953 (the "Act").

10. The foregoing conduct by Murray constitutes an unethical practice within the meaning of Section 8.E.(1)(b) of the Illinois Securities Law of 1953.
11. Section 11.E(4) provides that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of this Act.

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


1. Edward Murray violated Section 8.E.(1)(b) of the Act for effecting the sale of B share mutual funds to the Lyons Township Schools.

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) Edward J. Murray acknowledges and agrees that he shall not conduct the activities of a Registered Representative **EXCEPT** in compliance with the Act.
- 2) Edward J. Murray acknowledges and agrees that, if employed or associated with a broker-dealer or investment advisor, he shall follow the terms of the Heightened Supervision agreement attached hereto for a period of six months.
- 3) Edward J. Murray shall pay, within 30 days of entry of this Order, the sum of \$500.00 by certified or cashier's check, into the Illinois Secretary of State, Securities Audit and Enforcement Fund, and an additional \$500.00 in six months at the end of the Heightened Supervision period.
- 4) The formal hearing, as it pertains to Edward J. Murray scheduled on this matter is hereby DISMISSED without further proceedings.

ENTERED: This 28<sup>th</sup> day of February, 2011.

  
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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