

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

IN THE MATTER OF: CHRISTOPHER M. MURRAY)

FILE NO. 0400720

NOTICE OF HEARING

TO THE RESPONDENT: Christopher M. Murray
(CRD # 4187317)
252 7th Avenue, Apartment 10N
New York, New York 10011

C/o Olympia Asset Management, Ltd.
888 Seventh Avenue
17th Floor
New York, New York 10011

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, 12th Floor, Chicago, Illinois 60602, on the 30th day of February, 2005, at the hour of 10:00 a.m., or as soon as possible thereafter, before James G. Athas, 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 Christopher M. Murray'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 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.

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2. That on December 17, 2004 NASD District No. 10 (NASD) entered Letter of Acceptance, Waiver and Consent between NASD and the Respondent (AWC) in File No. CL1040025, which imposed the following sanctions:
 - a. A suspension from associating with any NASD member firm in any capacity for ten (10) business days;
 - b. A fine in the amount of \$10,000.
 - c. An order that [Murray] be responsible to pay restitution to customer CEI in the total amount of \$24,000.00 pursuant to the terms of a Stipulated Award in NASD Arbitration Case No. 03-08517. Satisfactory proof of payment of the restitution or of reasonable and documented efforts undertaken to effect restitution shall be provided to NASD staff no later than 120 days after acceptance of this AWC. If for any reason [Murray] cannot locate customer CEI after reasonable and documented efforts within such period, or such additional period agreed to by the staff, [Murray] shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the corporate customer was last known to have its primary place of business.

3. That in the AWC Respondent accepted and consented, without admitting or denying the allegations or findings, to the entry of the following findings by NASD:

On or about August 22, 2002, while employed at Murjen, Murray recommended to corporate customer CEI the purchase of 10,000 shares of Healthsouth Corporation ("Healthsouth") common stock at a total cost of \$125,080.00. Immediately prior to effecting the purchase, CEI's securities account at Murjen had a market value of approximately \$32,128. At that time, Murray knew that RC, who owned CEI, needed at least \$15,000 from the account the following week to pay an outstanding CEI obligation. Following the purchase, the price of Healthsouth stock plummeted and CEI refused to pay for the transaction. On September 6, 2002, the Healthsouth position was sold by Murjen, resulting in CEI's loss of \$32,177.83. (The loss resulted from Murjen's use of other assets in CEI's account to offset part of the cost of the Healthsouth purchase. Specifically, Murjen applied \$32,177.83 from the sale of the other securities in the account to defray the costs of the Healthsouth purchase.) Under the circumstances, Murray did not have reasonable grounds to believe that the recommendation and resultant transaction was suitable for

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the customer's financial situation and needs. By reason of the foregoing, Murray violated NASD Conduct Rules 2310(a) and 2110.

4. 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.
5. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. 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 130.1104 of 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 requested 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.

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

DATED: This 10th day of January 2005.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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Illinois Securities Department
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Hearing Officer:

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