

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56018 / July 5, 2007

INVESTMENT ADVISERS ACT OF 1940
Release No. 2615 / July 5, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12676

In the Matter of

TIMOTHY J. O'CONNELL,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Timothy J. O'Connell ("Respondent" or "O'Connell").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.B.1 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

A. RESPONDENT

1. From August 4, 1997 through February 16, 2005, Merrill Lynch, Pierce, Fenner, & Smith, Inc. (“Merrill”), a registered broker-dealer and investment adviser, employed O’Connell as a registered representative in its Garden City, New York office. O’Connell has had a Series 7 license since July 1995. For a portion of the time in which he engaged in the conduct underlying the indictment described below, Respondent was a registered representative associated with a broker-dealer and investment adviser registered with the Commission. Respondent, 42 years old, is a resident of Carle Place, New York.

B. ENTRY OF THE RESPONDENT’S CRIMINAL CONVICTION

1. On May 10, 2007, a jury convicted O’Connell of making false statements under Title 18, U.S.C. Chapter 47, Sections 1001(a)(1) and 1001(a)(2), a felony, and for witness tampering under Title 18, U.S.C. Sections 1512(b)(1), 1512(b)(2)(A) and 1512(b)(3), a felony. USA v. Mahaffy, et al., 1:05-cr-00613 (ILG) (E.D.N.Y.).

2. The counts of the indictment in the case in which O’Connell was convicted alleged, inter alia, that:

(a) O’Connell knowingly and willfully: (i) concealed material facts and (ii) made a materially false, fictitious and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the Government of the United States, to wit: the United States Postal Inspection Service, in that O’Connell falsely stated that he never provided anyone with access to Merrill Lynch’s Squawk Boxes; and

(b) O’Connell knowingly, intentionally and corruptly persuaded and engaged in misleading conduct toward Jane Doe, with intent to: (i) influence and prevent the testimony of Jane

Doe in an official proceeding, to wit: the Grand Jury Investigation, (ii) cause and induce Jane Doe to withhold testimony from an official proceeding, to wit: the Grand Jury Investigation, and (iii) hinder, delay and prevent the communication to a law enforcement officer of the United States, to wit: a United States Postal Inspector, of information relating to the commission and possible commission of the federal offenses charged in the indictment.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent O'Connell be, and hereby is barred from association with any broker, dealer, or investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris
Secretary