

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62770 / August 26, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14024

<p>In the Matter of</p> <p>DONNA B. MURDOCH,</p> <p>Respondent.</p>
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**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION 15(b)
OF THE SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Donna B. Murdoch (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“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 her and the subject matter of these proceedings, and the findings contained in Sections III.1. through 4. 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, 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:

1. From May 2006 through May 2008, Murdoch was associated with Keystone Equities Group, L.P. ("Keystone"), a broker-dealer registered with the Commission pursuant to Section 15 of the Exchange Act.
2. On August 16, 2010, a final judgment was entered by consent against Murdoch, permanently enjoining her from future violations of Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder, in the civil action styled, Securities and Exchange Commission v. James E. Gansman et al. ("SEC v. Gansman"), Civil Action No. 08-cv-4918 (PKC), in the United States District Court for the Southern District of New York.
3. On December 23, 2008, Murdoch entered pleas of guilty to fifteen counts of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, one count of false statements in violation of 18 U.S.C. § 1001, and one count of obstruction of justice in violation of 18 U.S.C. § 1505, in United States District Court for the Southern District of New York in the action styled, United States v. Murdoch, S1-08-Cr.-471 (MGC) (S.D.N.Y., plea entered Dec. 23, 2008).
4. With respect to Murdoch, the Commission's complaint in SEC v. Gansman alleged, among other things, that Murdoch traded on tips of material, non-public information that she knew were dispensed to her in breach of duty to the information's source, and that in two instances such tips related to tender offers with respect to which substantial steps in furtherance of the tender offer had been taken by the time of the tips.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Murdoch be, and hereby is barred from association with any broker or dealer.

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.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and her legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
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