

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 73968 / December 31, 2014**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3992 / December 31, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16294**

**In the Matter of**

**PHILLIP DENNIS MURPHY,**

**Respondent.**

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

**I.**

On December 3, 2014, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings 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 Phillip Dennis Murphy (“Murphy” or “Respondent”).

**II.**

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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.B.2 below, and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

### III.

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

#### A. RESPONDENT

1. From approximately June 1998 until approximately September 2002, Murphy was employed as a dual officer of Banc of America Securities LLC ("BAS") and Bank of America, N.A. ("BANA") (collectively referred to as "BofA"). BAS, now known as Merrill Lynch, Pierce, Fenner & Smith Incorporated, successor by merger, was a Delaware limited liability corporation with its principal place of business in New York, New York, and was registered with the Commission as a broker-dealer pursuant to Section 15(b) of the Exchange Act and as an investment adviser pursuant to Section 203(c) of the Advisers Act.<sup>1</sup> BANA is a federally-chartered commercial bank with its principal place of business in Charlotte, North Carolina. During the relevant time period, Murphy worked in BofA's Municipal Reinvestment and Risk Management Group as a Managing Director of Municipal Derivative Products and as a marketer of investment agreements and other municipal finance contracts. For a portion of the time in which he engaged in the conduct underlying the indictment described below, Murphy was a registered representative associated with the dual registrant, BAS. Murphy, age 56, is a resident of Columbia, New Jersey.

#### B. RESPONDENT'S CRIMINAL CONVICTION

2. On February 10, 2014, Murphy pled guilty to two counts of conspiracy in violation of Title 18, United States Code, Section 371 and to one count of wire fraud in violation of Title 18, United States Code, Section 1343 before the United States District Court for the Western District of North Carolina, in United States v. Phillip Dennis Murphy, Criminal No. 3:12-CR-235-MOC.

3. The counts of the indictment to which Murphy pled guilty charged, among other things, that from at least as early as August 1998 until at least November 2006, Murphy and others unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States of America, namely, to violate Title 18, United States Code, Section 1343, and to defraud the United States of America and an agency thereof, namely, the Internal Revenue Service of the United States Department of the Treasury, all in violation of Title 18, United States Code, Section 371. The indictment also charged that from at least as early as August 1998 until at least November 2006, Murphy and others unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud municipal issuers and to obtain money and property from these municipal issuers by means of false and fraudulent pretenses, representations, and promises, which scheme affected at least three financial institutions, namely, a scheme to defraud municipal issuers, by causing municipal issuers to award investment agreements and other municipal finance contracts at

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<sup>1</sup> On November 1, 2010, BAS was merged into Merrill Lynch, Pierce, Fenner & Smith Incorporated, an indirect wholly-owned subsidiary of Bank of America Corporation, which is registered with the Commission as a broker-dealer.

artificially determined or suppressed levels, and further to deprive municipal issuers of the property right to control their assets by causing them to make economic decisions based on false and misleading information, and for the purpose of executing such scheme and artifice, and attempting to do so, did transmit and cause to be transmitted by means of wire, radio or television communication in interstate commerce, writings, signs, signals, pictures, or sounds, in violation of Title 18, United States Code, Section 1343. Further, the indictment charged that from at least as early as January 1999 until at least May 2002, Murphy and others, unlawfully, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States of America, namely, to violate Title 18, United States Code, Section 1005, in violation of Title 18, United States Code, Section 371. It was a part and an object of the conspiracy that Murphy and others, being officers, directors, agents and employees of a certain financial institution, did make and cause to be made entries in the books, reports, and the statements of such bank, for the purpose of deceiving and with the intent to deceive officers of such bank while knowing the entry or entries were false, in violation of Title 18, United States Code, Section 1005. In connection with his guilty plea on February 10, 2014, Murphy admitted that he was, in fact, guilty of the counts set forth in the Bill of Indictment and that he had committed the acts described in the counts in the Bill of Indictment. This criminal case parallels the Commission's settled order in In the Matter of Banc of America Securities, LLC, Exchange Act Release No. 63451 (Dec. 7, 2010).

#### 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 Murphy be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent be and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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,

Brent J. Fields  
Secretary