

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9794 / May 28, 2015

SECURITIES EXCHANGE ACT OF 1934
Release No. 75061 / May 28, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16560

In the Matter of

William Quigley,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT
TO SECTION 8A OF THE SECURITIES
ACT OF 1933, AND SECTIONS 15(b)
AND 21C OF THE SECURITIES
EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against William Quigley (“Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

1. This matter involves a fraudulent offering scheme conducted by three brothers, William Quigley, Michael Quigley and Brian Quigley. During the relevant period, William Quigley was Director of Compliance at a registered broker-dealer located in New York, on Long Island.

2. Two of the brothers, Michael Quigley and Brian Quigley, directly solicited investors to purportedly invest in various securities, including well known “blue chip” issuers as well as “start-up” companies that supposedly were on the verge of going public. Michael Quigley and Brian Quigley never purchased any of the offered securities for the

investors, and the claims of imminent public offerings were lies. All of the investors' funds were misappropriated by the Quigleys, including William Quigley.

3. As part of the scheme, the investors were instructed to wire their investment funds to U.S. bank and brokerage accounts that William Quigley had set up and controlled. Certain investors were issued phony brokerage statements showing that they had growing investment balances. When investors tried to liquidate the securities they had been led to believe they owned, they were given one excuse after another as to why their funds, which had already been stolen, could not be returned to them.

A. RESPONDENT

4. **William Quigley** was Director of Compliance of Trident Partners Ltd., a registered broker-dealer in Long Island, New York, from June 2004 through September 2005 and again from October 2007 until September 2014. During the relevant period, William Quigley was also the firm's Anti-Money Laundering officer. Respondent, 50 years old, is a resident of Seaford, New York.

B. OTHER RELEVANT ENTITIES AND INDIVIDUALS

5. **Trident Partners Ltd.** ("Trident"), is a broker-dealer registered with the Commission since 1996. Trident's principal place of business is located in Woodbury, New York. Trident terminated Quigley as its Director of Compliance in September 2014.

6. **Brian Quigley** is 42 years old, and is currently believed to reside in the Philippines. Although he never was associated with Trident, he was a registered representative associated with Fleet Securities, Inc., a registered broker-dealer, from July 1995 through April 1999. While at Fleet, he had reportable disclosures involving allegations of conversion, unsuitable investments, and churning. He is Respondent's younger brother.

7. **Michael Quigley** is 45 years old. He is currently believed to reside in the Philippines. He is also a younger brother of Respondent.

C. THE SCHEME TO DEFRAUD INVESTORS

Overview of the Scheme

8. From at least 2003 through 2012, Michael Quigley and Brian Quigley repeatedly duped at least four unsophisticated foreign investors into sending funds to various U.S. bank and brokerage accounts, for purported investments in the securities of publicly-traded companies, investment funds and private start-up companies supposedly slated to go public. The Quigleys claimed to be associated with numerous non-existent entities, including fictional broker-dealers, and claimed to have various colleagues at these firms (with names including James Morris and Kevin Turner) who appear to have been invented as well.

9. Michael Quigley and Brian Quigley used virtually every “trick in the book” to defraud investors, sending phony account statements; using a fake firm name similar to the name of an existing firm; making numerous excuses for their failure to return funds; manufacturing stock certificates; claiming on various occasions to be helping the investor recover previous losses; requiring payment of bogus transfer agent fees in order to obtain the investors’ stock certificates; and so on. Indeed, Brian Quigley and Michael Quigley expertly managed to extract funds from these same four investors for over a decade, by creating new stories and schemes.

10. For example, one investor (“Investor A”) was persuaded by Michael Quigley to open an account at the fictitious “Trident Partners Investment Group” and even received phony account statements reflecting non-existent holdings and claiming that Trident Partners Investment Group was a “Member NASD, SIPC, MSRB.” Michael Quigley told Investor A that to purchase shares of companies supposedly going public shortly and shares of various blue-chip companies, Investor A needed to send his funds to an account in the United States specified by Michael Quigley. One of Michael Quigley’s phony pitches to Investor A followed an email from William Quigley to Michael Quigley suggesting that pushing a certain blue chip investment fund “Should be an easy sell.” The account specified by Michael Quigley was an account set up and controlled by William Quigley. Investor A sent money for these purported investments to that account, and all of his funds were then stolen by the Quigley brothers.

11. Another investor (“Investor B”) also sent funds to a U.S. account set up by William Quigley for the purchase of securities, and those funds were also stolen by the Quigleys. William Quigley knew that Investor B was the source of the funds. On one occasion in May 2010, William Quigley emailed Trident’s clearing firm, saying that his “client is looking for an incoming wire transfer from the Bank of Ireland for approx. \$2,000.00 sent several days ago.” When the clearing firm asked him who the originator was, William Quigley identified Investor B.

12. Yet another investor (“Investor C”) who was duped into sending money for the purchase of securities to one of the U.S. accounts set up by William Quigley ultimately reached out to him in 2011, because the account name -- “Trident Partners Investment Group” -- was confusingly similar to that of the Trident, the actual firm where William Quigley worked. To further the fraud, William Quigley told Investor C that “Trident Partners Ltd. has no affiliation whatsoever with Trident Partners Investment Group” and pretended to have no knowledge of the account at issue, *even though, as set out in more detail below, William Quigley was the one who set up and controlled the account.*

13. The final investor (“Investor D”) was victimized by Brian Quigley, who solicited investments in companies that were purportedly on the verge of going public. Investor D wired funds to an account set up and controlled by William Quigley. Investor D was also told that he owned shares of the same blue chip investment fund purportedly invested in by Investor A.

14. When the investors tried to get their money back, Michael Quigley and Brian Quigley made many excuses. Brian Quigley even told one investor that the fictitious

“James Morris” had died in a motorcycle accident and could not be contacted about the investor’s investment. By about 2012, Michael Quigley and Brian Quigley completely broke off contact with these investors.

William Quigley’s Participation In the Scheme

15. From at least 2006 on, William Quigley participated in the scheme in numerous ways. Most importantly, he opened three brokerage accounts that he and his brothers used to misappropriate investor funds, including one account at Trident; kept Trident from learning about the account that was located there; funneled money from the accounts to his brothers; and even, on at least one occasion, gave his brother Michael Quigley an idea for a phony sales pitch to investors. When William Quigley became aware of investor concerns, he falsely claimed to have no knowledge of the relevant accounts or the subject of the investor’s complaints.

16. As part of the Quigleys’ scheme to defraud investors, the investors were instructed to wire their investment funds to U.S. bank and brokerage accounts that William Quigley created and controlled. These accounts were used to obtain, funnel, dissipate, and otherwise steal investor funds, and the accounts had no purpose other than to further the fraudulent scheme.

17. One of the three accounts at issue was in the name of Funding Group, Inc., and was kept at Trident; the other two (one in the name of Funding Group, the other in the name of Trident Partners Investment Club) were opened at a discount brokerage firm.

William Quigley Opens Phony Accounts at a Discount Brokerage Firm

18. In late 2005, William Quigley opened a post office box, P.O. Box 265, at a UPS Store in Wantagh, New York. In early 2006, William Quigley used false information to open an online account at a discount brokerage firm in the name of "Trident Partners Investment Club" (“TPIC”) with the address of the same Wantagh UPS Store and “Suite 265.” TPIC was a fictitious entity that had nothing to do with Trident, beyond the fact that William Quigley purposely used the name Trident to create the false impression that TPIC was affiliated with an actual broker-dealer. From at least June 2006 through May 2008, approximately \$195,000 of fraudulently obtained investor funds was deposited into this account. Nearly all the account funds were withdrawn within two weeks after deposit, and often with days. Much of the funds deposited were used to pay various bills associated with Michael Quigley, and some were sent directly to Brian Quigley or were diverted to other Quigley family members.

19. William Quigley also opened an account at the discount brokerage firm in the name of Funding Group, a defunct entity that had previously had an account at Trident. The phony Funding Group account at the discount brokerage firm was opened on March 29, 2010 from Trident's office via fax, from a number issued to a fax machine in William Quigley’s office and to which only he had access. From April 2010 through October 2012, almost a quarter of a million dollars of illegally obtained investor funds were deposited in this account. The account was initially funded with a cashier’s check purchased by

William Quigley with funds withdrawn from his personal bank account. In addition, the discount brokerage's account log-in information shows that this account was accessed online from both the Trident office where William Quigley worked and from the Philippines.

20. Investor funds deposited into the Funding Group account were almost immediately wired out to a bank in the Philippines, where both Brian Quigley and Michael Quigley were apparently both living at the time. Other investor funds deposited into the Funding Group account were withdrawn via ATM transactions near William Quigley's house.

William Quigley Opens a Phony "House Account" at Trident

21. William Quigley also opened a phony "Funding Group" account at Trident. In November 2009, William Quigley purchased a second post office box, P.O. Box 299, at the same Wantagh UPS store. In December 2009, William Quigley opened an account in the name of Funding Group at Trident and listed the account holder's address as P.O. Box 299.

22. William Quigley used a post office box as the address for the Funding Group account he opened at Trident even though Trident's internal rules and guidelines forbade the opening of accounts without a street address. As Director of Compliance, it was William Quigley's responsibility to ensure that all accounts were opened properly or, if not, were reported to the appropriate authorities. It was also his responsibility to oversee and monitor opening of accounts at Trident. William Quigley failed to discharge these responsibilities.

23. William Quigley designated the Funding Group account at Trident as a "house account." This was a special designation at Trident for accounts that had been frozen, abandoned, or were otherwise subject to some kind of significant restriction. House accounts were supposed to be inactive. As Director of Compliance, William Quigley was responsible for the designation of accounts as house accounts, and for ensuring that these house accounts did not have inappropriate activity. William Quigley failed to discharge these responsibilities. Instead, he used the Funding Group account to further the scheme to steal money from investors.

24. Because the Funding Group account at Trident was designated as an inactive house account, no registered representative aside from William Quigley was assigned to handle it, removing an additional layer of scrutiny, and facilitating William Quigley's misuse of the account to wrongfully obtain money from investors and commit fraud.

25. Shortly after opening the account, William Quigley obtained a box of checks and a debit card for the account that were mailed to P.O. Box 299 in Wantagh. House accounts were not supposed to issue debit cards and checks. It was William Quigley's responsibility, as Director of Compliance, to ensure that house accounts complied with this restriction. William Quigley failed to do so.

The Use of the Three Accounts To Obtain and Steal Investor Funds

26. Hundreds of thousands of dollars of investor funds were deposited in the three accounts described above. A significant portion of investor funds were subsequently transferred to Brian Quigley and Michael Quigley in the Philippines, much of it via electronic transfers. As Director of Compliance, it was William Quigley's job to monitor all wires to and from Trident, to ensure that they were for proper purposes, and to report any suspicious transfers. William Quigley failed to do so. Instead, he secretly used the Funding Group "house account" at Trident to further the scheme to obtain and steal money from investors.

27. Investors were instructed to wire funds to all three of the subject accounts supposedly for the purchase of securities, but no investments were ever made. Instead, all of the money deposited into these accounts was almost immediately wired out to a bank in the Philippines, otherwise diverted for the benefit of other Quigley family members or else quickly withdrawn in small amounts (almost always in increments of \$500) from ATM machines in the vicinity of William Quigley's home and office.

William Quigley's Theft of Trident Assets and Other Misconduct

28. Between 2005 and 2007, William Quigley stole commission checks made out to his employer Trident and deposited them in the discount brokerage account in the name of TPIC. These checks had been mailed to Trident, and as Director of Compliance, it was William's Quigley's job to open and properly route all incoming mail.

29. As Director of Compliance, it was William Quigley's obligation to report violations and suspected violations of the securities laws, rules and regulations. This included reporting a transaction if he knew or suspected that it involved funds derived from illegal activity, or was intended or conducted to hide or disguise funds derived from illegal or has no business or apparent lawful purpose. Despite this obligation and his knowledge of the relevant facts, William Quigley failed to report or file required reports regarding, *inter alia*, wire transfers of the stolen investor funds, his improper diversion and deposits of the commission checks, his inappropriate designation of an account as a house account, or the diversion of investors' stolen funds through various accounts.

30. It was also William Quigley's obligation to help ensure that all the books and records of Trident were accurate and not to engage in conduct that would render them inaccurate. Despite this obligation and his responsibilities as Director of Compliance, William Quigley failed to, among other things, preserve receipts and disbursements of cash and all other debits and credits in connection with his theft of firm checks, to keep proper records regarding the beneficial owners of accounts, and to preserve originals of all communications received and sent relating to the business of Trident.

D. Violations

31. As a result of the conduct described above, Respondent willfully, in furtherance of a scheme to defraud investors, committed fraudulent and deceptive acts, and engaged in acts, practices or courses of business that operated as a fraud upon other

persons, in violation of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder, which prohibit such fraudulent conduct in connection with the purchase or sale of securities.

32. As a result of the conduct described above, Respondent willfully employed a device, scheme, or artifice to defraud in the offer or sale of securities, and wrongfully engaged in transactions, practices, or a course of business which operated as a fraud or deceit, in violation of Sections 17(a)(1) and (3) of the Securities Act. In addition, Respondent wrongfully obtained money and property by means of materially false and misleading statements in violation of Section 17(a)(2) of the Securities Act.

33. As a result of the conduct described above, Respondent was a cause of, and willfully aided and abetted, violations by Michael Quigley and Brian Quigley of Section 10(b) of the Exchange Act, Rule 10b-5 thereunder, including their violations of Rule 10b-5(b), and Section 17(a) of the Securities Act, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities.

34. As a result of the conduct described above, Respondent was a cause of, and willfully aided and abetted, violations by Trident of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder, which requires reporting a transaction if a broker-dealer knows or suspects that it involves funds derived from illegal activity; or was designed to evade any requirements of the Bank Secrecy Act; or is intended or conducted to hide or disguise funds derived from illegal activities; or has no business or apparent lawful purpose; or involved use of the broker-dealer to facilitate criminal activity.

35. As a result of the conduct described above, Respondent was a cause of, and willfully aided and abetted, Trident's violations of the books and records provisions of Section 17(a) of the Exchange Act and Rules 17a-3(a)(1), 17a-3(a)(9) and 17a-3(a)(17) thereunder, which require broker-dealers to make and retain certain books and record.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act, and whether Respondent should be ordered to pay disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

C. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or

causing violations of and any future violations of Section 10(b) of the Exchange Act and Rules 10b-5 thereunder, Section 17(a)(1), (2) and (3) of the Securities Act, Section 17(a) of the Exchange Act and Rules 17a-8, Rule 17a-3(a)(1), 17a-3(a)(9) and 17a-3(a)(17) thereunder; and whether Respondent should be ordered to pay a civil penalty pursuant to Section 8A(g) of the Securities Act and Section 21B(a) of the Exchange Act, and whether Respondent should be ordered to pay disgorgement pursuant to Section 8A(e) of the Securities Act, and Sections 21B(e) and 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary