

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74667 / April 7, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4055 / April 7, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16477

In the Matter of

DANIEL R. MURPHY,

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 Daniel R. Murphy (“Murphy” or “Respondent”).

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 Sections III.3 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:

1. Murphy, age 71, is a resident of Jacksonville, Florida. Murphy is a managing partner of Chadbourn Partners, LLC ("Chadbourn"), which is a Florida limited liability company with its principal place of business in Jacksonville, Florida.
2. From August 1989 to December 2011, Murphy was associated with various broker-dealers and one investment adviser registered with the Commission. From January 2012 to August 2012, Murphy was a registered principal associated with a broker-dealer registered with the Commission, which was also a state-registered investment adviser.
3. On August 15, 2014, in the civil action entitled Rome v. Chadbourn Partners, LLC, a/k/a Chadbourn Partners, Inc.; Daniel R. Murphy; and Henry Dyer Wiggins, Jr., Case No. 14CV30611, filed by the Securities Commissioner for the State of Colorado, by and through the Colorado Attorney General ("Colorado Securities Commissioner"), the District Court, City and County of Denver, Colorado entered an Order of Permanent Injunction and Other Relief as to Defendant Daniel R. Murphy permanently enjoining Murphy from, among other things, associating in any capacity with any broker-dealer, investment adviser, or investment adviser representative engaged in business in Colorado, or associating in any capacity with any individual or entity engaged in the offer, purchase, or sale of securities or any investment in or from Colorado, and entering judgment against Murphy in the amount of \$879,000. Murphy stipulated to the injunction and judgment on a neither admit nor deny basis.
4. The Colorado Securities Commissioner's Complaint against Murphy alleged that, between September 2010 and February 2012, Murphy, through Chadbourn, engaged in securities fraud and the unlawful sale of unregistered securities by raising \$879,000 from mostly unsophisticated and elderly Colorado investors by selling investments in Chadbourn debentures. The Complaint alleged that Murphy failed to provide the Colorado investors with critical information about the securities, including failing to disclose the risk involved, that investor funds would be used for personal expenses, and that the securities were not registered as required by law.

IV.

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

By the Commission.

Brent J. Fields
Secretary