

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
April 25, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12275

In the Matter of

WILLIAM B. DEAKINS,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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”) against William B. Deakins (“Respondent” or “Deakins”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

From February 2002 through mid-August 2003, Respondent was a proprietary trader at A.B. Watley, Inc. (“Watley”). From late August 2003 through approximately February 2004, Deakins was the manager of Watley’s proprietary trading desk and a trader. For some or all of the time in which he engaged in the conduct underlying the information described below, Respondent was a registered person associated with Watley, a broker-dealer registered with the Commission. Respondent held Series 7, Series 24, Series 55, and Series 63 licenses. Respondent, 37 years old, is a resident of Dobbs Ferry, New York.

B. RESPONDENT'S CRIMINAL PLEA

1. On March 16, 2006, Deakins pleaded guilty to conspiracy to commit securities fraud in violation of 18 U.S.C. § 371, a felony. *United States v. Deakins*, 1:06-cr-00163 (ILG), United States District Court for the Eastern District of New York.

2. The count of the criminal information in the case in which Deakins pleaded guilty alleged, *inter alia*, that Deakins conspired to carry out a fraudulent scheme whereby Deakins, among others, obtained material, non-public information from a registered representative Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") concerning large orders by Merrill Lynch's customers to purchase and sell securities. After receiving this information, Deakins executed trades prior to the execution of these large orders, in anticipation of the movement in price that the larger trades were likely to cause. In furtherance of the conspiracy, Deakins and others with whom Deakins worked committed and caused to be committed the making of cash payments to the Merrill Lynch registered representative in exchange for providing such information.

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 proceedings be instituted to determine:

A. Whether the allegations set forth in Section II 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.

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 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 personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 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.

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

Nancy M. Morris
Secretary