

Administrative Release

Securities Exchange Act of 1934  
Release No. 53719 / April 25, 2006

Administrative Proceeding  
File No. 3-12275

ADMINISTRATIVE PROCEEDINGS INSTITUTED IN THE MATTER OF WILLIAM  
B. DEAKINS

The Securities and Exchange Commission announced today that it has instituted an administrative proceeding against William B. Deakins.

The Commission's Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 And Notice of Hearing (Order) alleges that from February 2002 through mid-August 2003, Deakins 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, Deakins was a registered person associated with Watley, a broker-dealer registered with the Commission. Deakins held Series 7, Series 24, Series 55, and Series 63 licenses. Deakins, 37 years old, is a resident of Dobbs Ferry, New York.

The Order further alleges that 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. 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.

A hearing will be scheduled before an administrative law judge to determine whether the allegations set forth in the Order are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations, and to determine what, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

The Order requires the Administrative Law Judge to 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.