

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9097 / December 18, 2009

SECURITIES EXCHANGE ACT OF 1934
Release No. 61200 / December 18, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13726

In the Matter of

**ICAP Securities USA LLC,
Ronald A. Purpora,
Gregory F. Murphy,
Peter M. Agola,
Ronald Boccio,
Kevin Cunningham,
Donald E. Hoffman, Jr., and
Anthony Parisi**

Respondents.

**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, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-DESIST
ORDER**

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 ICAP Securities USA LLC (“ICAP”); pursuant to Section 8A of the Securities Act and Section 15(b) of the Exchange Act against Peter M. Agola (“Agola”), Ronald Boccio (“Boccio”), Kevin Cunningham (“Cunningham”), Donald E. Hoffman, Jr. (“Hoffman”), and Anthony Parisi (“Parisi,” and with Agola, Boccio, Cunningham, and Hoffman, collectively, the “Brokers”); and pursuant to Section 15(b) of the Exchange Act against Ronald A. Purpora (“Purpora”) and Gregory F. Murphy (“Murphy”) (all collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) 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 them and over the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this 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, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offers, the Commission finds¹ that:

A. SUMMARY

1. This matter concerns deceptive broking activity and material misrepresentations concerning trading by ICAP, a wholly-owned U.S. subsidiary of U.K.-based ICAP plc, the world’s largest inter-dealer broker (“IDB”), on its voice-brokered US Treasuries (“UST”) desks and its voice-brokered collateral pass-through mortgage-backed securities (“MBS”) desk, and by several individuals employed by ICAP.

2. On the UST desks, ICAP, through the Brokers, engaged in deceptive conduct by displaying fictitious “flash” trades on ICAP’s screens seen by its UST customers, who took that information into account in making their trading decisions. In addition, the firm represented to its customers that the ICAP trading screens would handle customer orders in accordance with certain workup protocols, which the firm and the Brokers circumvented when Brokers used manual tickets to liquidate house positions that were acquired through error trades or through ICAP’s posting of executable bids and offers. Between December 1, 2004 and December 31, 2005, certain ICAP UST brokers displayed thousands of fictitious trades on ICAP’s screens, and used manual tickets in thousands of instances to close out of house inventory positions acquired as a result of error trades or through ICAP’s posting of executable bids and offers, in certain of which instances ICAP’s customers’ orders received different treatment than the customers expected pursuant to the workup protocols.

¹ The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

3. On the MBS desk, contrary to representations by ICAP in regulatory filings and elsewhere that its primary business is to match buyers and sellers and serve as a “riskless principal” between customer trades, at least two former brokers, the manager and assistant manager of the MBS desk, (the “MBS Desk Manager” and “MBS Desk Assistant Manager,” respectively) engaged in profit-seeking trading for their ICAP house account between January 2005 and June 2008. Such profit-seeking trading activity was against ICAP policy at least as of April 1, 2007.

4. During the relevant period, the employees on the UST desks were supervised by respondent Purpora (ICAP’s President) and respondent Murphy (ICAP’s Chief Operating Officer). Both Purpora and Murphy failed reasonably to supervise the Brokers.

5. Finally, ICAP failed to make and keep for prescribed periods such records as required by Section 15C of the Exchange Act and 17 CFR Parts 404 and 405.

B. RESPONDENTS

6. ICAP, formerly d/b/a Garban LLC, is located in Jersey City, New Jersey. ICAP is a member of FINRA and has been registered with the Commission since 1987 as a government securities broker-dealer under Section 15C of the Exchange Act. ICAP is, and has been since 1999, an indirect wholly-owned subsidiary of ICAP plc, a FTSE 100 company registered in the United Kingdom.

7. Purpora, age 53, is a resident of Staten Island, New York. Purpora has been employed by ICAP and its predecessor firms since 1975, and over the years he has held various positions. Most recently, from 2007 until July 1, 2009, Purpora was the President of ICAP North America (“ICAP NA”) and its wholly-owned subsidiaries ICAP, ICAP Corporates, Intercapital Securities, and First Brokers. Additionally, from 2006 to 2007, Purpora was the Chief Operating Officer of ICAP NA. From 2002 to 2006, Purpora was the Co-Chief Executive of the predecessor firm to ICAP NA, and the President of its wholly-owned subsidiaries, including ICAP. Throughout the relevant time period, Purpora was a member of ICAP plc’s Global Executive Management Group. On July 1, 2009, Purpora was made a Director of ICAP NA, with no supervisory responsibilities. As of January 1, 2010, Purpora will be a consultant to ICAP NA. Purpora holds Series 3 and 24 licenses.

8. Murphy, age 47, is a resident of Oceanport, New Jersey. Murphy has been employed by ICAP and its predecessor firms since 1985. Since 2002, Murphy has been the Chief Operating Officer of ICAP and ICAP Corporates. Murphy holds Series 3, 7, 24, 27, 62, and 63 licenses.

9. Agola, age 46, is a resident of Brightwaters, New York. Agola has been employed by ICAP since 1986, except for a year when he was a broker at another IDB from 1989-1990. Since 1990, Agola has been a broker on the UST long bond desk, and he became the assistant manager of the desk in 2005. Agola holds a Series 3 license.

10. Boccio, age 55, is a resident of Matawan, New Jersey. Boccio has been employed by ICAP and its predecessor firms since 1980. Boccio has been a broker on the UST 5 year desk since approximately 1991.

11. Cunningham, age 52, is a resident of Garden City, New York. Cunningham has been employed by ICAP and its predecessor firms since 1986. Cunningham has been on the UST shorts desk since 1989, and has been the manager of the desk since July 2005. Cunningham holds Series 3, 7, 55, and 63 licenses.

12. Hoffman, age 56, is a resident of Millerton, Pennsylvania. Hoffman was employed by ICAP and its predecessor firms from 1976 to 1991, and from 1992 until he retired in 2006. From 1991 to 1992, Hoffman operated an office supply store. When he returned to ICAP in 1992, Hoffman worked on the UST 10 year desk as a broker until 2006. While at ICAP, Hoffman held a series 7 license.

13. Parisi, age 51, is a resident of Plandome, New York. Parisi has been employed by ICAP and its predecessor firms since 1989, and has been the co-manager of the 5 year UST desk throughout that time.

C. INTER-DEALER BROKERS

14. IDBs match buyers and sellers in over-the-counter markets such as treasury securities, mortgage-backed securities, agencies, corporates, and credit derivatives. IDBs are paid commissions for trades that are completed by their customers, who are primary dealers and other large financial institutions.² IDBs in the matched principal markets often provide anonymity to their customers who do not want their identities known to the rest of the small pool of market participants. In some markets, such as US Treasuries, an IDB's customer's identity is not revealed to its other customers, whereas in other markets, such as mortgage-backed securities, the customer's identity is revealed to the counterparty several days after the trade has been completed for settlement. In both of these "matched principal" markets, the IDB acts as an intermediary and a counterparty for back-to-back matched trades. In other words, an IDB's role in such markets is to buy from the offeror, and to sell to the bidder. ICAP refers to its role in such markets as a "riskless principal," meaning that it has no economic risk except for a circumstance where a counterparty fails to perform its obligation at settlement.

15. The IDB marketplace is dominated by a handful of firms that engage in "voice" and/or "electronic" broking. Since 2005, ICAP plc (and its electronic broker, ICAP Electronic Broking f/k/a BrokerTec USA LLC) has been the largest IDB, with nearly a one-third market share across all products world-wide, and a two-third share of the market for US Treasuries. Each voice-broking IDB has its own screens reflecting certain trading information –

² Representatives of the IDBs' customers are referred to here as "traders" to distinguish them from "brokers" who are the employees of the IDB.

bids (offers to buy), offers (offers to sell), price, volume, and its customers' account numbers. The IDB's customers' traders have access to the IDB's screens, which reflect all of the foregoing trading information except customer account numbers. Historically, IDBs were only "voice-based," meaning that they took customer orders over the telephone. Now, most IDBs have significant business on their proprietary electronic trading platforms where customers enter their own trades electronically (this is especially true in extremely liquid markets like active-issue US Treasury trading). A portion of ICAP's voice-brokering business is "hybrid," meaning that traders have the option to either execute trades themselves on ICAP's screen, or to call a broker and have the broker execute trades on their behalf.

16. While on-the-run, or active, extremely liquid treasury issues are traded almost exclusively electronically through ICAP's electronic brokering system, the off-the-run, older treasury securities are voice-brokered by several desks, referred to as: 5 Years; 10 Years; Zeros/Long Bonds; Shorts (2-3 years); Short-Shorts (under 2 years); Yield Curve Swap (eliminated in February 2006); and Bills. On these desks, ICAP posts executable bids and offers on its screens usually at minimum size increments in order to encourage trading by its customers. As part of this process, ICAP, at times, ends up with a position, and the liquidation of such a position may result in a gain or loss. As of December 2005, there were approximately 56 brokers on these desks, including a manager (who also functioned as a broker) on each desk who reported to Purpora and Murphy.

17. ICAP's mortgage-backed securities desks were organized differently than the UST desks, with all six of the desks reporting to the MBS Desk Manager. The MBS Desk Assistant Manager worked on the MBS desk only. There were approximately a dozen brokers on the MBS desk who reported to the MBS Desk Manager.

D. THE VIOLATIVE BROKING PRACTICES AND MISREPRESENTATIONS

18. At various points between December 2004 and December 2005, ICAP, through certain UST brokers, engaged in improper brokering practices referred to herein as "fictitious flash trades," and liquidated house positions that made its representations regarding certain workup protocols misleading. Between December 2004 and June 30, 2008 (the "Relevant Period"), ICAP, through certain MBS brokers, also engaged in trading that made its representations regarding abstaining from profit-seeking trading for its own account false and misleading.

Fictitious Flash Trades

19. ICAP, through its brokers on the UST desks, displayed fictitious flash trades on ICAP's screens seen by its UST customers, thereby disseminating false trade information into the marketplace. These trades (also known as "bird" trades) appeared to customers viewing ICAP's screens to be real trades. However, the fictitious flash trades were not real trades as ICAP brokers used two house accounts to generate the flash and then cancelled the trades before they were sent to ICAP's back office for processing. Between December 1, 2004 and December 31,

2005, ICAP's UST brokers knowingly or recklessly displayed thousands of fictitious flash trades to ICAP's customers.

20. In order to attract ICAP's customers' attention to ICAP screens and to encourage actual trading by such customers, ICAP, through the respondent Brokers, engaged in fictitious flash trading. The Brokers flashed fictitious trades at what they believed was the market price in order to make the flash trade appear to be a real trade to the customers. The Brokers admitted that the flash trades were not real trades, and that customers had no way of knowing whether the trades appearing on ICAP's screens were real trades or fictitious trades. ICAP and the Brokers failed to disclose to ICAP's customers that some of the trades on ICAP's screens were fictitious flash trades.

21. ICAP's customers believed that trades on ICAP's screens reflected trades between customers. Trades appearing on ICAP's screens informed ICAP's customers' views of the market and their trading decisions.

Misrepresentations Regarding Certain Workup Protocols

22. ICAP represented to its off-the-run UST customers that ICAP's electronic trading system would follow certain workup protocols in handling customer orders. As a result, ICAP's off-the-run UST customers expected that their orders, once entered onto ICAP's screens, would be filled according to the workup protocols. However, between December 2004 and December 2005, ICAP, through its brokers on the UST desks, liquidated thousands of positions acquired through error trades or by posting executable bids and offers by the use of manual tickets that rendered its representations regarding workup protocols false and misleading.

23. Each of the respondent Brokers knowingly or recklessly used manual tickets to bypass the workup protocols in certain instances when they wanted to close out of a position they had in their ICAP house account acquired as a result of error trades or through ICAP's posting of executable bids and offers. In certain of such cases, ICAP's customers' orders received different treatment than the customers expected pursuant to the workup protocols.

Misrepresentations Regarding Proprietary Trading By Two MBS Brokers

24. During the Relevant Period, two former ICAP brokers – the MBS Desk Manager and the MBS Desk Assistant Manager – engaged in proprietary trading for their ICAP house account that rendered ICAP's representations regarding proprietary trading false and misleading. In June 2008, after the Commission's investigation focused on the MBS desk, ICAP suspended the MBS Desk Manager and the MBS Desk Assistant Manager, terminating them in September 2008, for, among other things, proprietary trading in violation of ICAP's policies.

25. In or around 2005, the MBS Desk Manager negotiated with ICAP to increase, from 40% to 50%, the share of profits from their house account that the MBS Desk Manager and the MBS Desk Assistant Manager would collectively receive as a bonus. The MBS

Desk Manager and the MBS Desk Assistant Manager engaged in profit-seeking proprietary trading for their ICAP house account from January 2005 through June 2008.

26. At various times during the Relevant Period, ICAP held itself out as a firm that did not engage in profit-seeking trading that subjected its own capital to risk. For example, ICAP's annual Form G-405 ("FOGS") reports (a periodic filing required of government securities brokers and dealers registered pursuant to Section 15C of the Exchange Act), for ICAP's fiscal years ending March 31, 2005 through 2007, state that the Company (which includes ICAP and its two subsidiaries) "is a broker of United States Treasury bills, notes, bonds ... on a fully matched basis," and the attached income statements fail to report any revenues from any trading. The reports also state that the Company "generally executes transactions as a riskless principal between undisclosed principals," with the only described exception being a counterparty's failure to perform its obligation at settlement.

27. The FOGS report for the year ending March 31, 2008 states that, "[i]n the normal course of business, the Company generally executes transactions as a riskless principal between undisclosed principals." Elsewhere, the FOGS report also notes the Company "does not engage in proprietary trading."

28. ICAP's quarterly FOGS report, for the period ending March 31, 2008 fails to list any revenue in the mandatory reporting categories of "gains or losses on firm securities trading accounts" and "all other trading" even though during this three-month period the MBS desk's house account generated significant profits.

29. As a result of the above representations, coupled with the conduct of the MBS Desk Manager and the MBS Desk Assistant Manager, during the Relevant Period, ICAP's customers were misled about the extent of ICAP's trading activities on its MBS desk, and, as a result, such customers were not able to make fully informed trading decisions. In addition, during the Relevant Period, ICAP filed inaccurate FOGS Reports with respect to house account positions on the MBS desk.

E. BOOKS AND RECORDS VIOLATIONS

30. During the Relevant Period, ICAP failed to make and keep for prescribed periods certain required records. Between December 1, 2004 and December 31, 2005, on the UST desks, with respect to the flash trading, the cancelled order tickets were discarded. During the same period, with respect to the Brokers' use of manual tickets in contravention of the workup protocols, ICAP did not preserve all required records concerning unfilled customer orders.

31. During the Relevant Period, the trading records on ICAP's MBS desk similarly were deficient. MBS brokers maintain individual handwritten blotters, which are consolidated into a handwritten "master" desk blotter. A clerk enters the trades from the handwritten master desk blotter into ICAP's electronic system. During the Relevant Period, when MBS brokers changed or canceled a trade, they were inconsistent in their practice of noting the

change if they noted the change at all. In numerous instances, the master desk blotter did not match the electronic trading records sent to the back office.

F. FAILURE TO SUPERVISE RESPONDENT BROKERS

32. During the Relevant Period, Purpora and Murphy supervised the Brokers on the UST desks. Each of them failed reasonably to supervise the Brokers with a view to preventing and detecting the Brokers' violations of the federal securities laws. Despite red flags, Purpora and Murphy failed to prevent and detect the Brokers' flashing fictitious trades until after the conduct had been uncovered by the Commission's investigation. Purpora knew that flash trading had occurred years prior to the Relevant Period, and he monitored ICAP's trading screens. Murphy had conversations with some ICAP personnel about the practice of flashing fictitious trades, yet Murphy did not take steps to inquire further of the Brokers about the practice. The practice of flashing fictitious trades continued until December 2005, when it was prohibited by ICAP when such conduct was brought to ICAP's attention as a result of the staff's investigation.

33. Both Purpora and Murphy were aware that the Brokers used manual tickets, but failed to inquire into the Brokers' practices concerning the use of manual tickets to circumvent the workup protocols concerning customer orders.

G. VIOLATIONS

34. As a result of the conduct described above, ICAP willfully³ violated Section 17(a)(2) and 17(a)(3) of the Securities Act, which prohibit any person from obtaining money "by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading" or engaging "in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser" in the offer or sale of securities. Moreover, as a result of the conduct described above, ICAP willfully violated Section 15C of the Exchange Act and 17 CFR Parts 404 and 405, which require certain records and reports to be made, preserved, and filed by government securities brokers and dealers.

35. As a result of the conduct described above, Agola, Boccio, Cunningham, Hoffman, and Parisi each willfully aided and abetted and caused ICAP's violations of Section 17(a)(2) and 17(a)(3) of the Securities Act, which prohibit any person from obtaining money "by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading" or engaging "in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser" in the offer or sale of securities.

³ A willful violation of the securities laws means merely "that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)).

36. As a result of the conduct described above, Purpora and Murphy failed reasonably to supervise Agola, Boccio, Cunningham, Hoffman, and Parisi, each of whom willfully aided and abetted and caused ICAP's violations of Section 17(a)(2) and 17(a)(3) of the Securities Act, with a view toward preventing their violations of the federal securities laws within the meaning of Section 15(b)(6) of the Exchange Act, which incorporates by reference Section 15(b)(4)(E) of the Exchange Act.

Respondents' Remedial Efforts

In determining to accept the Offers, the Commission considered remedial acts promptly undertaken by Respondents and cooperation afforded the Commission staff.

Undertakings

Respondent ICAP has undertaken to:

37. Within 90 days of the date of this Order, ICAP shall retain an independent consultant ("IC"), not unacceptable to the staff of the Commission to:

(a) conduct a review of:

- (i) ICAP's current controls and compliance mechanisms;
- (ii) the trading activities on all desks at ICAP to ensure that the violations described herein are not presently occurring at ICAP; and
- (iii) ICAP's books and records pertaining to trading records.

(b) recommend any additional policies and procedures which, on the basis of its review, the IC believes are reasonably designed to ensure that ICAP complies with applicable provisions of the federal securities laws with respect to the violations described herein (the "Recommendations");

(c) submit to ICAP and the staff of the Commission, within 30 days of the completion of its review, and in any event no later than 180 days after being retained by ICAP, a report describing the scope and results of the IC's review, and the Recommendations, if any, made by the IC to ICAP;

(d) conduct a follow-up review commencing no earlier than 120 days after completion of the report described in (c) above to determine if the Recommendations (either in their original form or modified pursuant to paragraph 38 below) were properly implemented by ICAP and are operating to ensure ICAP's compliance with applicable provisions of the federal securities laws;

(e) submit to the staff of the Commission, within 30 days of the completion of the follow-up review, and in any event no later than 360 days after being retained by ICAP, a follow-up IC report describing the results of the IC's follow-up review.

38. ICAP shall adopt all Recommendations of the IC; provided, however, that within 45 days of the completion of the review described in paragraph 37(a) above, ICAP shall in writing advise the IC and the staff of the Commission of any Recommendations that it considers to be unnecessary, inappropriate, or unduly burdensome. With respect to any Recommendation that ICAP considers unnecessary, inappropriate, or unduly burdensome, ICAP need not adopt that Recommendation at that time but shall propose in writing an alternative policy, procedure or system designed to achieve the same objective or purpose. As to any Recommendation on which ICAP and the IC do not agree, such parties shall attempt in good faith to reach an agreement within 30 days after ICAP serves the advice described above. In the event that ICAP and the IC are unable to agree on an alternative proposal, ICAP will abide by the determinations of the IC. The Commission staff shall have the authority, in its discretion, to extend, at the joint written request of ICAP and the IC, the dates set forth in this paragraph and in paragraph 37 above.

39. ICAP shall not have the authority to terminate the IC without the prior written approval of the staff of the Commission. ICAP shall compensate the IC, and persons engaged to assist the IC, for services rendered, at their reasonable and customary rates. ICAP shall not be in, and shall not have, an attorney-client relationship with the IC and shall not seek to invoke the attorney-client privilege or any other doctrine or privilege to prevent the IC from transmitting any information, reports, or documents to the staff of the Commission.

40. ICAP shall require the IC to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the IC shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with ICAP, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the IC will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the IC in performance of his/her duties under this Order shall not, without prior written consent of the staff of the Commission, enter into any employment, consultant, attorney-client, auditing or other professional relationship with ICAP, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

41. Respondents Agola, Boccio, Cunningham, Hoffman, Parisi, Purpora, and Murphy shall each provide to the Commission, within 30 days after the end of the 3-month suspension periods described below in Section IV, an affidavit that he has complied fully with this sanction.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent ICAP shall cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) and 17(a)(3) of the Securities Act, Section 15C of the Exchange Act and 17 CFR Parts 404 and 405;

B. Pursuant to Section 15(b)(4) of the Exchange Act, Respondent ICAP is censured;

C. Respondent ICAP shall, within thirty (30) days of the entry of this Order, pay disgorgement of \$1 million and a civil money penalty in the amount of \$24 million to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and 31 U.S.C. 3717. Payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies ICAP as a respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Sanjay Wadhwa, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, New York Regional Office, 3 World Financial Center, Room 400, New York, NY 10281-1022; and

D. Respondent ICAP shall comply with the undertakings enumerated in Paragraphs 37 through 40 above.

E. Pursuant to Section 8A of the Securities Act, respondents Agola, Boccio, Cunningham, Hoffman and Parisi shall cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) or 17(a)(3) of the Securities Act;

F. Pursuant to Section 15(b)(6) of the Exchange Act, respondents Agola, Boccio, Cunningham, Hoffman and Parisi be, and hereby are, suspended from association with any broker or dealer for a period of three (3) months, effective on the first Monday following the entry of this Order;

G. Pursuant to Section 15(b)(6) of the Exchange Act, respondents Purpora and Murphy are hereby suspended from association in a supervisory capacity with any broker or dealer for a period of three (3) months, effective on the first Monday following the entry of this Order;

H. Respondents Agola, Boccio, Cunningham, Parisi, Purpora, and Murphy each shall, within thirty (30) days of the entry of this Order, pay a civil money penalty in the amount of \$100,000 to the United States Treasury, and Respondent Hoffman shall, within thirty (30) days of the entry of this Order, pay a civil money penalty in the amount of \$50,000 to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies them as Respondents in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Sanjay Wadhwa, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, New York Regional Office, 3 World Financial Center, Room 400, New York, NY 10281-1022.

I. Respondents Agola, Boccio, Cunningham, Hoffman, Parisi, Purpora, and Murphy each shall comply with the undertaking enumerated in paragraph 41 above.

By the Commission.

Elizabeth M. Murphy
Secretary