

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: JAMES P. MORRIS

FILE NO. 0300690

SUMMARY ORDER OF DENIAL

TO THE RESPONDENT:

James P. Morris  
(CRD#: 1632951)  
12 Patricia Court  
Ridgewood, New Jersey 07450

c/o Goldman, Sachs & Co.  
85 Broad Street  
New York, New York 10004

WHEREAS, on August 4, 2003, Goldman, Sachs & Co., a registered dealer, filed a Form U-4 application for registration of James P. Morris (the "Respondent") as a salesperson in the State of Illinois;

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the Respondent's application for registration as a salesperson in the State of Illinois is subject to a Summary Order of Denial;

WHEREAS, the Secretary of State finds that the grounds for such Summary Order of Denial are as follows:

1. That on January 11, 1999 the United States Securities and Exchange Commission (SEC) issued ORDER MAKING FINDINGS AND IMPOSING SANCTIONS ("Order") in Administrative Proceeding FILE NO. 3-9803 against the Respondent which imposed the following sanctions:
  - a. cease and desist from committing or causing any violation of, and committing or causing any future violation of Sections 15(c)(1) and (2) of the Exchange Act, and Rules 15c1-2 and 15c2-7 thereunder;
  - b. pay a civil penalty in the amount of \$40,000; and

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- c. suspended from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, for a period of ten weeks.

### 2. That the Order found:

- a. Spear Leeds & Kellogg, L.P., a New York limited partnership, is registered with the Commission as a broker-dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act"). At all relevant times, Spear Leeds & Kellogg, L.P., through its Troster Singer division, made markets in a number of securities traded in the Nasdaq market Spear Leeds & Kellogg, L.P.'s principal place of business during the relevant time period was Jersey City, New Jersey. Spear Leeds & Kellogg, L.P. traded Nasdaq stocks mainly for its own accounts and for the accounts of non-market maker broker-dealers and large institutional investors. At all times relevant herein, Spear Leeds & Kellogg, L.P. was a member of the National association of Securities Dealers, Inc. ("NASD"), a national securities association registered with the Commission under Section 15A of the Exchange Act.
- b. The Respondent, age 33, resides in Ridgewood, New Jersey and, at all relevant times, was a Nasdaq trader at Spear Leeds & Kellogg, L.P. As a Nasdaq trader, he was responsible for making markets in certain securities traded on the Nasdaq Stock Market.
- c. In connection with its activities as a Nasdaq market maker, Spear Leeds & Kellogg, L.P. and the Respondent engaged in various securities activities on various dates as described below.
- d. Spear Leeds & Kellogg, L.P., engaged in, or caused, the coordinated entry of quotations on Nasdaq in violation of Sections 15 (c)(1) and (2) of the Exchange Act and Rules 156-2 and 15c2-7 thereunder as follows:
  - (i) the stock of Exide Electronics Group, Inc. ("XLTPS") on May 26, 1994, aided and abetted by its trader, the Respondent; and
  - (ii) the stock of Microchip Technology Inc. ("M") on June 2, 1994, aided and abetted by its trader, the Respondent.
- e. Spear Leeds & Kellogg, L.P., entered or caused to be entered, in the Nasdaq market fictitious quotations in violation of Section 15(c)(2) of the Exchange Act and Rule 15c2-7 thereunder as follows:
  - (i) the stock of Quickturn Design Systems, Inc. ("OKTN") on May 25, 1994, aided and abetted by its trader, the Respondent;

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- (ii) the stock of Genzyme Corp. ("GENZ") in two violations on May 25, 1994, aided and abetted by its trader, the Respondent; and
  - (iii) the stock of Microchip Technology Corp. ("MCHP") on June 1, 1994, aided and abetted by its trader, the Respondent.
- f. That by virtue of the foregoing, the Respondent willfully aided and abetted and caused violations of Sections 15(c)(1) and (2) of the Exchange Act, and Rules 15c1-2 and 15c2-7 thereunder.
3. That Section 8.E(1)(k) of the Act provides, *inter alia*, that the registration of a salesperson may be denied if the Secretary of State finds that such salesperson has any order entered against him after notice and opportunity for a hearing by the United States Securities and Exchange Commission arising from any fraudulent or deceptive act or a practice in violation of any statute, rule, or regulation administered or promulgated by the agency.
  4. That the Respondent had notice and opportunity to contest the matter in controversy, but chose to settle the matter with the SEC.
  5. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(k) of the Act.

NOW IT IS HEREBY ORDERED THAT:

The Respondent's application for registration as a salesperson in the State of Illinois is DENIED, subject to the further Order of the Secretary of State.

A public hearing will be set within thirty (30) days of the Respondent's filing a written request for hearing with the Secretary of State at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Said hearing will be held at the aforesaid address before a Hearing Officer duly designated by the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Order.

**YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.**

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

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Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

ENTERED: This 27<sup>th</sup> day of August, 200~~2~~<sup>3</sup>.



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JESSE WHITE  
Secretary of State  
State of Illinois

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