

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: BLAKE J. SHANAPHY)
_____)

FILE NO. 0600094

ORDER OF REVOCATION

TO THE RESPONDENT: Blake J. Shanaphy (CRD#: 3002887)
114th Street, Apartment 411
Hoboken, New Jersey 07030

C/o Essex & York, Inc.
40 Wall Street
33rd Floor
New York, New York 10005

WHEREAS, the above-captioned matter came on to be heard on June 6, 2007, pursuant to the Amended Notice of Hearing dated November 6, 2006, FILED BY Petitioner Secretary of State, and record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, George P. Berbas, Esq., in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. The Department served Respondent with the Amended Notice of Hearing on May 17, 2007.
2. Respondent failed to appear either by himself or through his attorney at the hearing on June 6, 2007, and also failed to respond or otherwise answer to the allegation in the complaint.

3. Due notice having been given to the Respondent, Mr. Shanaphy was registered with the Secretary of State as a salesperson in the State of Illinois Pursuant to Section of the Act.
4. That at all relevant times, the Respondent, Mr. Shanaphy was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to section 8 of the Act.
5. That on January 17, 2006, NASD entered decision regarding Complaint No. CMS 04165, which barred Respondent from association in any capacity with any member of the NASD. The decision found:

That on January 17, 2006 NASD entered a Letter of Acceptance, Waiver and consent (AWC) submitted by the Respondent regarding Complaint No. CMS 040165 which sanctioned the Respondent as follows:

1. Respondent was suspended from association with any member of NASD for a period of 45 calendar days, and
2. Respondent was fined \$5,000.00,
3. Permanently barred from participating in, directly or indirectly, any public offering or transaction involving a penny stock, as that term is defined under the Securities Exchange Act of 1934,
4. Censured.

Moreover, that the AWC found:

The Respondent, while employed as a salesperson at Park Capital Securities, and while acting as a member of a sales group ("sales group"), employed classic, boiler-room techniques to induce customers to purchase shares of Cordia Corporation ("Cordia").

The Respondent served as an account-opener for the sales group, opening new accounts by recommending relatively safe, non-volatile stocks. After the initial purchases in the accounts, the Respondent ceded control of his accounts to the group's leader, who then contacted the customers to recommend the purchase of other speculative stocks, including Cordia Corporation.

Each member of the sales group agreed upon, and entered into an unwritten partnership agreement, to share all customers and commissions equally. Pursuant to the agreement, all members shared customer accounts and commissions derived there from, regardless of which group members'

name appeared on the customer account records and regardless of which group member communicated with the customer. Members of the group solicited each other's customers, wrote order tickets for other members of the group, and fielded telephone calls and complaints for each other. By design, the sharing of accounts was intended to confuse customers and obscure liability for individual group members.

As part of the scheme, members of the sales group engaged in fraudulent misrepresentations and omissions to induce purchases or to discourage sales of Cordia. Group members routinely predicted the stock would shortly increase in price. They engaged in unauthorized trading, as well as other deceptive practices, including buying more than the customer authorized or insisting that the customer pay for an unauthorized trade before selling the stock.

Each member of the sales group, including The Respondent, knowingly or recklessly provided substantial assistance to other members of the group engaged in the same or similar misconduct, in furtherance of the scheme. The Respondent, by knowingly ceding control of his customer accounts to more senior group members while at the same time continuing to share equally in the commissions derived from the group's fraudulent sale practices, abdicated his duty and obligations to his customers.

In addition, the Respondent, acting individually and as a member of the sales group:

Failed to furnish customers, prior to effecting transactions in Cordia in customer Accounts, a risk disclosure document containing the information required by the penny stock rules;

Failed to obtain from customers, prior to effecting customer transactions in Cordia, a manually-signed and dated written statement acknowledging receipt of such risk disclosure document;

Failed to disclose to customers, either orally or in writing, prior to effecting customer transactions in Cordia, the inside bid and offer quotations for Cordia and failed to provide the same in writing at or prior to the time of any written confirmation sent to the customer pursuant to SEC Rule 10b-10; and

Failed to keep and preserve records of such disclosures as required by the penny stock rules.

Based on the foregoing, the Respondent violated Sections 10(b) and 15(g) of the Securities Exchange Act of 1934 and Rules 10b-5, 15g-2, 15g-3 and 15g-9 there under, and NASD Conduct Rules 2110 and 2120.

WHEREAS, the following proposed Conclusions of Law made by the Hearing Officer are correct and are incomplete impart are hereby adopted notified, as the Conclusions of Law of the Secretary of State:

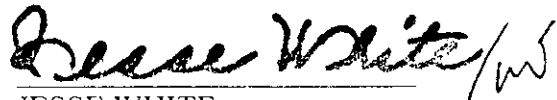
1. The Department properly served the Amended Notice of Hearing on Respondent on May 17, 2007.
2. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
3. Respondent failed to answer or otherwise appear at the hearing in accordance with Section 130.1104, therefore,
 - a. The allegations contained in the amended notice of hearing and complaint are deemed admitted;
 - b. Respondent waived his right to a hearing.
 - c. Respondent is subject to an order of Default.
4. That on January 17, 2006, NASD entered a decision regarding Complaint No. CMS 040165, which barred Respondent from association in any capacity with any member of the NASD. Section 8.E(1)(j) of the Illinois Securities Law provides, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation, or standard duly promulgated by the self-regulatory organization.
5. The Department proved the allegation contained in the complaint in the Default prove-up hearing on June 6, 2007. Accordingly, Respondents registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, the hearing officer recommended that the Secretary of State should REVOKE respondent Blake J. Shanaphy's registration as a salesperson in the State of Illinois and the Secretary of State adopts the Hearing Officer's recommendation:

NOW THEREFORE, IT SHALL BE AND IS HERBY ORDERED:

1. Respondent Blake J. Shanaphy's registration as a salesperson in the State of Illinois is REVOKED.
2. This matter is dismissed without further proceedings.

DATED: This 7th of August 2007.

Handwritten signature of Jesse White in black ink, with a stylized 'W' at the end.

JESSE WHITE
Secretary of State
State of Illinois

Dan Tunick
Attorney for the Secretary of State
Illinois Securities Department
69 West Washington Street
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