

BEFORE THE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES

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In the Matter of  
NII-JII ENTERTAINMENT, LLC,  
PARADISE KEY MANAGEMENT CO.,  
MORGAN F. MURPHY, JR.,  
MORGAN F. MURPHY III, and  
ROBERT D. BOYLE,

**PETITION FOR ORDER**

Respondents.

File No. S-05217(EX)

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The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement (“the Division”) has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Upon information and belief, NII-JII Entertainment, LLC (“NII-JII”) is a Wisconsin limited liability company, with a last known business address of 5522 104<sup>th</sup> Avenue, Kenosha, Wisconsin 53144;
2. Upon information and belief, Paradise Key Management Co. (“Paradise”) is a Wisconsin corporation, with a last known business address at 5522 104<sup>th</sup> Avenue, Kenosha, Wisconsin 53144;
3. Upon information and belief, Morgan F. Murphy, Jr. (“Murphy”) is an individual, who was born on April 16, 1932, who has a last known home address as that of 1409 South Indiana Avenue, Apartment A, Chicago, Illinois 60605, who at all times material hereto was an owner, officer and/or a controlling person of Paradise, and who at all times material hereto was an owner and a controlling person of NII-JII;
4. Upon information and belief, Morgan F. Murphy III (“Murphy III”) is an individual, who was born on June 16, 1960, who has a last known home address of 731 South Racine Avenue, Unit A, Chicago, Illinois 60607, who was an owner and a controlling person of NII-JII effective March 15, 1999;
5. Upon information and belief, Robert D. Boyle (“Boyle”) is an individual, who was born on October 7, 1936, who has a last known address at that of 6700 North LaPorte Avenue, Lincolnwood, Illinois 60712, who was an owner and a controlling person of NII-JII, effective March 15, 1999;

6. Upon information and belief, NII-JII had an agreement with the Menomonee Indian Tribe of Wisconsin and various governmental bodies to develop and manage a gaming casino in Kenosha, Wisconsin (the "Kenosha Casino");

7. Upon information and belief, at all times material hereto, NII-JII was controlled by Paradise, which promoted NII-JII and managed its affairs;

8. Upon information and belief, during the time period of 1997 to 2000, Murphy, Murphy III and Boyle, NII-JII and Paradise offered and sold to an indeterminant number of persons in Wisconsin stock and/or membership units in NII-JII;

9. Upon information and belief, during the offers and sales, referred to in Paragraph 8 above, Murphy, Murphy III and Boyle, NII-JII and Paradise provided to potential investors private placement summaries or equivalent documents, memoranda, subscription papers and other communications relating to NII-JII;

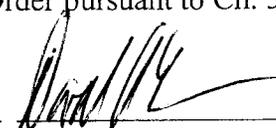
10. The investments, as described in Paragraph 8 above, are securities as that term is defined by DFI-Sec 1.02(6)(a), Wis. Adm. Code, and are therefore securities pursuant to sec. 551.02(13)(a), Wis. Stats.;

11. Staff of the Division wrote to the Respondents requesting information and documents concerning their investment-related activities with persons in Wisconsin and have received and considered the information and documents;

12. At least 35 of the investors, referred to in Paragraph 8 above, filed a civil lawsuit against the Respondents captioned R.A.P. I, LLC, Plaintiffs vs. NII-JII, et al., Defendants, Case No. 01-CV-1151, Kenosha County, alleging that the Respondents violated the Wisconsin securities laws in connection with the offer and sale of membership interests in NII-JII, by omitting to state material facts necessary in order to make the statements made in the private placement summaries or equivalent documents, memoranda, subscription papers and other communications relating to NII-JII, in light of the circumstances under which they were made, not misleading;

13. On May 24, 2005, a jury returned a verdict in the lawsuit referenced in Paragraph 12 above, finding that Respondents did omit a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the offer and sale of membership interests in NII-JII, but further finding that the omission was not with the intent to deceive and induce the Plaintiffs to act upon the omission. Respondents appealed the verdict, and the parties ultimately reached an out-of-court settlement before the appeal was completed.

Therefore, the staff of the Division petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

	5-25-06		5/25/06
Mark E. Dorman	Date	David A. Cohen	Date
Examiner		Supervising Attorney	