

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 56782 / November 13, 2007

Admin. Proc. File No. 3-9077

In the Matter of

TUDOR INVESTMENT CORPORATION

ORDER VACATING
SEPTEMBER 12, 1996 CEASE-
AND-DESIST ORDER

Tudor Investment Corporation (“Tudor”) has petitioned to vacate a cease-and-desist order entered against it by the Commission. The Division of Enforcement does not oppose Tudor’s motion. As set forth below, we have determined to grant Tudor’s petition.

On September 12, 1996, we ordered Tudor to cease and desist from committing or causing any violations or future violations of Exchange Act Section 10(a) 1/ and Exchange Act Rule 10a-1. 2/ The cease-and-desist order was incorporated in an Order Instituting Proceedings that was simultaneously instituted and settled against Tudor (the “OIP”). 3/ In the OIP, we stated that, on March 15 and 16, 1994, Tudor caused four investment funds to sell short over 1,743,500 shares in violation of Exchange Act Rule 10a-1. 4/ This rule “provide[d], inter alia, that short sales (i.e., sales of a security that the seller does not own) of exchange-listed securities may be effected only at a price above the price at which the immediately preceding sale was effected (‘plus tick’),” or “at a price equal to the last sale if the last preceding transaction at a different price was at a lower price (‘zero plus tick’), established by reference to the reported last sale

1/ 15 U.S.C. § 78j(a)(1). This provision is designed to prevent manipulative sales of a security for the purpose of accelerating a decline in the price of such security.

2/ 17 C.F.R. § 240.10a-1 (repealed 2007). Rule 10a-1 imposed certain price test restrictions, commonly described as the “tick test,” on short sales.

3/ Order Instituting Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions, Securities Exchange Act Rel. No. 37669 (Sept. 12, 1996), 62 SEC Docket 2312.

4/ Id. at 2313.

price.” 5/ For purposes of determining whether a holder is long or short a particular security, the holder “must aggregate its long and short positions together.” 6/ We concluded that, “[b]ecause it failed to aggregate its long and short positions, Tudor sold stock with a market value of over \$98 million in violation of [Rule 10a-1] in 174 separate transactions on those two days.” 7/ Accordingly, we found that Tudor violated Exchange Act Section 10(a) and Exchange Act Rule 10a-1 and we ordered Tudor to “cease and desist from committing or causing any violation or future violation of” those provisions. 8/

On July 3, 2007, we repealed Exchange Act Rule 10a-1. 9/ Tudor asserts that “the continued existence of the [cease-and-desist order] creates an issue as to whether Tudor may sell short on other than a ‘plus tick’ or ‘zero plus tick’, short sales that may be lawfully effected due to the repeal of Rule 10a-1.” Tudor thus seeks repeal of the cease-and-desist order “[t]o eliminate any ambiguity and to clarify that Tudor may participate in the same lawful short-selling activities as other market participants.” Tudor’s motion for an order vacating the cease-and-desist order is unopposed. Under all the circumstances, we deem it appropriate to vacate the cease-and-desist order.

Accordingly, IT IS ORDERED that the unopposed motion of Tudor Investment Corporation for an order vacating the cease-and-desist order issued in this proceeding on September 12, 1996 be, and it hereby is, granted.

By the Commission.

Nancy M. Morris
Secretary

5/ Id.

6/ Id.

7/ Id.

8/ Id. at 2320.

9/ Regulation SHO and Rule 10a-1, Exchange Act Rel. No. 55970 (June 28, 2007), 90 SEC Docket 2883 (effective July 3, 2007).