

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 69460 / April 25, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15303

In the Matter of

DAVID MILLER,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against David Miller (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Miller, age 40, was a registered representative associated with Rochdale Securities LLC ("Rochdale") from approximately February 2009 through October 2012. Miller resides in Rockville Centre, New York.

2. Rochdale is a Connecticut-based broker-dealer that has been registered with the Commission since 1986.

3. On April 19, 2013, a judgment was entered by consent against Miller, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. David Miller, Civil Action Number 3:13-cv-00522-JBA, in the United States District Court for the District of Connecticut.

4. The Commission's complaint alleges that Miller defrauded his employer, Rochdale, by entering a series of buy orders totaling 1,625,000 shares of Apple, Inc. ("Apple") on October 25, 2012, in advance of an Apple earnings announcement. Miller misrepresented to Rochdale that a Rochdale customer had authorized the orders and therefore had assumed the risk of loss on any trades executed pursuant to the orders. Miller expected to profit personally if Apple's stock price were to increase following the October 25 earnings announcement. Apple's stock price instead declined following the October 25 earnings announcement, and the Rochdale customer on whose purported behalf Miller placed the orders denied having authorized Miller to buy 1,625,000 Apple shares. Rochdale then took ownership of the unauthorized Apple position and ultimately lost approximately \$5.3 million, which caused the firm to fall below net capital requirements. The Commission's complaint also alleges that Miller defrauded a separate broker-dealer by placing a sell order on October 25, 2012 for 500,000 Apple shares under the false pretense that he was employed by, and authorized to place the order on behalf of, a third broker-dealer. Miller placed the 500,000 sell order in an effort to hedge his buy orders totaling 1,625,000 Apple shares.

5. On April 15, 2013, Miller pled guilty to one count of conspiracy to commit wire fraud, Title 18 United States Code, Section 371, and one count of wire fraud, Title 18 United States Code, Section 1343, before the United States District Court for the District of Connecticut, in United States v. David Miller, Crim. No. 3:12-mj-00288-HBF (D. Conn.).

6. The counts of the criminal complaint to which Miller pled guilty alleged, inter alia, that Miller defrauded Rochdale and others and conspired to obtain money and property by means of materially false and misleading statements, and that he transmitted or caused to be transmitted by wire false customer orders concerning purported purchase and sale orders for Apple securities.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Miller's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Miller be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary