

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72285 / May 30, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15696

In the Matter of

SHAWN C. HEGEDUS,

Respondent.

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

I.

On January 28, 2014, the Securities and Exchange Commission (“Commission”) instituted proceedings against Respondent Shawn C. Hegedus (“Hegedus” or “Respondent”) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

II.

Respondent has submitted an Offer of Settlement (“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 Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934, as set forth below.

III.

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

1. Hegedus, age 33, is a resident of New York and is currently incarcerated in the Mecklenburg County Jail in Charlotte, North Carolina. From January 2012 to April 2012,

which constitutes a portion of the time in which Respondent engaged in the conduct underlying the bill of indictment described below, Respondent was a registered representative associated with Gradient Securities LLC, a broker-dealer registered with the Commission. During this period, Respondent held a Series 7 securities license.

2. On September 23, 2013, Hegedus was criminally convicted upon the entry of his guilty plea to one count of conspiracy to commit money laundering in violation of Title 18 United States Code, Section 1956(h), and one count of violating Title 18 United States Code, Section 371 by conspiring to commit insider trading, including conspiracy to violate Title 15 United States Code, Sections 78j(b) and 78ff, and Title 17 Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2 in the United States District Court for the Western District of North Carolina in United States v. Shawn C. Hegedus, No. 3:12cr386.

3. The counts of the bill of indictment to which Hegedus pled guilty alleged, inter alia, that from approximately March 2010 through approximately December 2012, Hegedus engaged in an insider trading conspiracy by knowingly receiving material, nonpublic information about upcoming corporate acquisitions that was stolen from Wells Fargo Securities and its clients, trading profitably in the securities of the companies to be acquired based on the information, and tipping the information to other conspirators who also traded profitably in the securities of the companies to be acquired.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Hegedus 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.

Jill M. Peterson
Assistant Secretary