

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 10642 / June 3, 2019**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 86020 / June 3, 2019**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5244 / June 3, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19188**

**In the Matter of**

**ANTHONY SAVINO,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS  
PURSUANT TO SECTION 8A OF THE  
SECURITIES ACT OF 1933, SECTION 21C  
OF THE SECURITIES EXCHANGE ACT OF  
1934, AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Anthony Savino (“Savino” or “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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, and

Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent’s Offer, the Commission finds<sup>1</sup> that:

#### Summary

1. From January 2013 to February 2015, Savino, a full-time day trader, carried out a manipulative trading scheme that generally involved Savino placing multiple buy orders for a security, at multiple trading venues and multiple price levels, at and above prevailing market prices, for the purpose of creating a false appearance of buy interest at those price levels and raising the price in that security, and thus enabling Savino to sell the same security at artificially inflated prices.

2. In January 2013, Savino entered into an arrangement with a close friend of his (“Individual A”) under which Individual A provided Savino with online access to Individual A’s newly-opened brokerage account at a registered broker-dealer (“Broker A”). Individual A funded this account (the “Account”) and agreed to allow Savino to conduct all securities trading in it, in exchange for approximately half of the resulting net profits.

3. Savino used the Account to conduct manipulative securities trading. The manipulative trading continued even after Broker A closed Savino’s personal account in November 2013 because of market manipulation concerns, and after Savino learned, in January 2014, that Broker A had inquired about potentially manipulative trading in the Account. Savino and Individual A did not disclose to Broker A that Savino was the individual who placed orders or directed transactions in the Account. To the contrary, they provided misleading information about the identity of the trader to Broker A, including by falsely responding to a January 2014 inquiry about possible manipulative trading as if it was Individual A who was conducting all the trading.

4. By February 2015, when Savino’s arrangement with Individual A ended, Savino received at least \$187,200 in trading profits resulting from his manipulative trading in the Account.

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<sup>1</sup> The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

## Respondent

5. **Savino** is a resident of Staten Island, New York. In the past, he held Series 6 and 63 securities licenses. During the events described in this Order, Savino had no securities licenses and was not associated with any broker-dealer or investment adviser registered with the Commission. As a result of his arrangement with Individual A, during the relevant time, Savino acted as an unregistered investment adviser and was a person associated with an investment adviser for the purposes of the Advisers Act.

## Background

6. In January 2013, Savino and Individual A entered into an agreement under which Individual A opened and funded the Account at Broker A and provided Savino with online access to conduct all of the securities trading in the Account, in exchange for approximately half of the resulting net profits.

7. Savino used the Account with the intent to engage in manipulative trading. Typically, after establishing a long position in a security, Savino would place multiple buy orders at various market venues at increasing prices, while nearly simultaneously placing sell orders. Savino's purpose in placing the buy orders was to create a false appearance of buy interest in the security and raise the price, and thus to induce other market participants into purchasing the security from Savino by executing against Savino's pending sell orders at artificially inflated prices. Within seconds of obtaining beneficially priced executions for the sell orders, and thus closing out his position at a profit, Savino would then cancel his open buy orders.<sup>2</sup>

8. Savino continued the manipulative trading in the Account even after Broker A closed Savino's own account with the firm in November 2013 because of concerns about potentially manipulative trading in that account, and after learning from Individual A, in January 2014, that Broker A was concerned about potentially manipulative trading in the Account.

9. Savino and Individual A never disclosed to Broker A Savino's role with respect to the Account. To the contrary, they provided misleading information about the identity of the trader to Broker A, including by falsely responding to the January 2014 inquiry about potential market manipulation in the Account as if all securities trading in the Account was conducted by Individual A.

10. In particular, on January 21, 2014, Individual A received an email inquiry from Broker A about potentially manipulative trading in the Account. Before responding to the email, Individual A forwarded the inquiry to Savino, and the two spoke on the phone. The next day, Individual A sent an email to Broker A stating, among other things, that he had reviewed the trades in question and would be mindful of Broker A's concerns in his future trading, hiding

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<sup>2</sup> While less typical for Savino, Savino sometimes also placed multiple sell orders to obtain beneficially priced executions, at artificially depressed prices, for his buy orders.

from Broker A the true identity of the individual who conducted trading in the Account. Contrary to Individual A's assurances, neither Savino nor Individual A took any corrective action in response to Broker A's inquiry. Savino then continued his manipulative trading in the Account for approximately another year. Throughout that year, Savino and Individual A continued to conceal from Broker A the true identity of the individual who was conducting trading in the Account.

11. By February 2015, when Savino's arrangement with Individual A ended, Savino received at least \$187,200 in illicit profits from his manipulative trading in Individual A's account.

### Violations

12. As a result of the conduct described above, Savino willfully violated Sections 17(a)(1) and 17(a)(3) of the Securities Act and Sections 9(a)(2) and 10(b) of the Exchange Act and Rules 10b-5(a) and 10b-5(c) thereunder.

### IV.

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

Accordingly, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, and Section 203(f) of the Advisers Act, it is hereby ORDERED that:

A. Savino cease and desist from committing or causing any violations and any future violations of Sections 17(a) of the Securities Act and of Sections 9(a)(2) and 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Savino be, and hereby is, barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, with the right to apply for reentry after three years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. 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.

D. Savino shall pay disgorgement of \$187,200, prejudgment interest of \$20,144, and a civil money penalty of \$50,000 to the Securities and Exchange Commission for transfer to the

general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: (1) \$50,000 within fourteen days of the entry of the Order; (2) \$50,000 within one year of the entry of the Order; (3) \$50,000 within two years of the entry of the Order; and (4) \$107,344, plus any remaining post-order interest, within three years of the entry of the Order. Payments shall be applied first to post-order interest, which accrues pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Anthony Savino as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Joseph G. Sansone, Chief, Market Abuse Unit, Division of Enforcement, U.S. Securities and Exchange Commission, 200 Vesey Street, Suite 400, New York, NY 10281-1022.

E. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil

penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

**V.**

It is further ORDERED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman  
Acting Secretary