

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940  
Release No. 4084 / May 15, 2015

Admin. Proc. File No. 3-15581

In the Matter of  
  
TODD NEWMAN

ORDER VACATING BAR

Todd Newman seeks reconsideration of an order ("Order") barring him from association with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.<sup>1</sup> The Order was issued in an administrative proceeding instituted against Newman under Section 203(f) of the Investment Advisers Act of 1940 based on his criminal conviction for insider trading and a related civil injunction.<sup>2</sup> On December 10, 2014, the United States Court of Appeals for the Second Circuit vacated Newman's criminal conviction and ordered dismissal of the indictment against him.<sup>3</sup> As a result, the civil injunction was also vacated.<sup>4</sup>

In seeking reconsideration of the Order, Newman argues that "there is no basis for the industry bar" because of the Second Circuit decision, and therefore requests that the bar be "removed." The Division of Enforcement does not oppose Newman's request. We have held that administrative bar orders will remain in place in the usual case and are vacated only in

---

<sup>1</sup> *Todd Newman*, Initial Decision Release No. 562, 2014 WL 507514 (Feb. 10, 2014), *declared final*, Advisers Act Release No. 3804, 2014 WL 1213741 (Mar. 24, 2014).

<sup>2</sup> *See United States v. Newman*, No. 1:12-cr-00121 (S.D.N.Y. Dec. 17, 2012); *SEC v. Adondakis*, No. 1:12-cv-00409 (S.D.N.Y. Oct. 4, 2013). Advisers Act Section 203(f) permitted sanctions to be imposed against Newman based on either his conviction or injunction. 15 U.S.C. § 80b-3(f).

<sup>3</sup> *United States v. Newman*, 773 F.3d 438, 455 (2d Cir. 2014), *petition for rehearing and rehearing en banc denied*, No. 13-1837 & No. 13-1917 (2d Cir. Apr. 3, 2015). The Second Circuit issued its mandate in the case on April 13, 2015.

<sup>4</sup> *SEC v. Adondakis*, No. 1:12-cv-00409 (S.D.N.Y. Dec. 23, 2014).

"compelling circumstances."<sup>5</sup> We have previously found such compelling circumstances where, as here, the basis for the bar imposed has been vacated.<sup>6</sup>

In light of the foregoing, IT IS ORDERED that the Order entered against Todd Newman is hereby vacated.

By the Commission.

Brent J. Fields  
Secretary

---

<sup>5</sup> *Linus N. Nwaigwe*, Exchange Act Release No. 69967, 2013 WL 3477085, at \*1 (July 11, 2013).

<sup>6</sup> *See, e.g., id.* (vacating bar where criminal conviction that was the basis for the proceeding was reversed); *Kenneth E. Mahaffy, Jr.*, Exchange Act Release No. 68462, 2012 WL 6608201, at \*1 (Dec. 18, 2012) (same). Newman cites no authority for his request that we "expunge" his "record" to remove any reference to the bar, and we are unaware of any such authority. Accordingly, we deny the request. *Cf. Michael Picozzi III*, Exchange Act Release No. 65569, 2011 WL 4889099, at \*2 n.5 (Oct. 14, 2011) (denying respondent's request to expunge his CRD record).