UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9680 / November 12, 2014

SECURITIES EXCHANGE ACT OF 1934
Release No. 73581 / November 12, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16269

In the Matter of **Michael S. Geist and** **Brent E. Taylor,** **Respondents.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, IMPOSING REMEDIAL SANCTIONS, AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Michael S. Geist ("Geist") and Brent E. Taylor ("Taylor") (collectively "Respondents").

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the "Offers") 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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, Imposing Remedial Sanctions, and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds[1] that:

A. SUMMARY

1. This is an insider trading case in which the Respondents traded on the basis of material nonpublic information regarding the award of a U.S. Army contract, Blue Force Tracking-2 production ("BFT-2"), to ViaSat, Inc. ("ViaSat"). Geist, a ViaSat employee, learned of the award on July 19, 2010 from ViaSat, two days before it was publicly announced on July 21, 2010. Geist profitably traded in options for ViaSat stock as well as options for Comtech Telcommunications, Inc. ("Comtech Telecom"), the losing bidder on the Army award. Geist then tipped the information to his business colleague, Taylor. On the morning of July 21, 2010, Taylor also received information concerning the Army's decision from a company for whom he was working as a subcontractor. Taylor sold his Comtech Telecom stock on July 21, 2010 and avoided losses, just an hour before the public announcement of the award, and also at the same time arranged for his then wife to sell her Comtech Telecom stock and also avoid losses. Collectively, the Respondents and Taylor's then wife accrued $120,975 in illegal gains and losses avoided from their trading.

B. RESPONDENTS

2. Geist, age 41, is a resident of Sykesville, Maryland. Geist worked for Comtech EF Data, a subsidiary of Comtech Telecom, between 2005 and 2008, as a Government Sales Manager. From 2008 to 2012, Geist worked for ViaSat in Maryland as a manager of government programs, and was promoted to Director of Business Development for ViaSat on July 1, 2012. Geist is a business associate of Taylor.

3. Taylor, age 55, is a resident of Gaithersburg, Maryland. Taylor is the former Chief Operating Officer and Executive Vice President of Comtech Mobile Datacom Corp. ("Comtech Mobile"), a subsidiary of Comtech Telecom. While at Comtech Mobile, Taylor was involved in procuring the previous iteration of the BFT-2 contract on behalf of Comtech Mobile, but left in 2004. Since 2004, Taylor has worked on various government satellite communications ("SATCOM") contracts through his Subchapter S corporation, Rationa-3, LLC. Taylor's former wife worked as an informal bookkeeper for Rationa-3, LLC. In July 2010, Taylor and Rationa-3, LLC had a subcontract to work on an Army contract proposal being prepared by a defense contractor based in Melbourne, Florida.

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[1] The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

C. FACTS

4. In his job at ViaSat, Geist frequently visited government contract offices and assisted with organizing and drafting information responses and bid responses to government requests for SATCOM capabilities, including ViaSat's response to a request for information pertaining to BFT-2, a precursor event to a request for bid. In 2008 or 2009, Geist met Taylor at an Association of the U.S. Army ("AUSA") convention, an annual trade show occurring every October in Washington, D.C.

5. Taylor was one of the original founders of Mobile Datacom Corp., Comtech Mobile's predecessor, which focused upon SATCOM technology for the defense industry. Mobile Datacom was acquired by Comtech Telecom in 1997, and was renamed Comtech Mobile. Through his experience at Comtech Mobile and through previous employers, Taylor worked on request for proposal solicitations for Department of Defense branches, including the Army. Through his career, he became aware of the government's practice of informing award recipients early, prior to public announcement, to facilitate final contract negotiations. He also understood the practice of maintaining the confidentiality of the information until after the government contracting agencies issued a public release. Taylor received options to purchase Comtech Telecom stock as part of his compensation while working for Comtech Mobile, which he retained after his departure from Comtech Mobile in August 2004, and later exercised.

6. The original Blue Force Tracking production contract was awarded to Comtech Mobile in the early 2000s, while Taylor worked there, which Comtech Mobile currently maintains. In April 2009, the program manager for the Blue Force Tracking program, Force XXI Battle Command Brigade and Below ("FBCB2"), posted a request for information, indicating that it would solicit bids for the next generation of Blue Force Tracking production through a request for proposal in the near future. Geist assisted in the assembly and drafting of ViaSat's response to the request for information. On or about this time, Geist and Taylor met for a meal and/or drink in Germantown, Maryland. At the meeting, Geist sought to learn specifics about Blue Force technology from Taylor, and also sought a working relationship with Taylor, including bringing Taylor in to consult for ViaSat on its SATCOM business and contract solicitation. They also discussed the Blue Force program.

7. On December 23, 2009, a request for proposal was officially solicited by FBCB2 and the U.S. Army's Communication—Electronic Command ("CECOM") to produce BFT-2. Only ViaSat and Comtech Mobile submitted bids for the BFT-2 contract. Following the bids for the BFT-2 solicitation, there was a consensus among market analysts that Comtech Mobile would win BFT-2. Many insiders, including Taylor, also believed that Comtech Mobile would win the contract again.

8. On July 19, 2010, at 2:24 p.m. EDT, two days prior to the July 21, 2010 public announcement of the award, the CECOM contracting officer for the BFT-2 solicitation sent an email to ViaSat informing it that CECOM had selected ViaSat as the BFT-2 awardee. The email attached drafts of the contract, but specifically noted that the award had not yet received Congressional approval, required before formal award and public announcement. The email

stated, in all capital letters, "BE ADVISED THAT THIS CORRESPONDANCE [*sic*] DOES NOT GRANT YOU AUTHORITY TO ANNOUNCE THIS SELECTION." The email further explained that ViaSat could not announce the award until after Congressional approval, expected on July 20, 2010, at the earliest. The email was forwarded to other ViaSat employees, including Geist, at 3:12 p.m. EDT.

9. Geist's first acknowledgment of the email occurred at 5:01 p.m. EDT on July 19, 2010, when he replied from his Blackberry "Woo Hoo!" At 6:10 p.m. EDT, Geist called Brent Taylor's cell phone.

10. That night, July 19, 2010, Geist logged into his online TD Ameritrade Individual Retirement Account ("IRA") and purchased two different types of options. At 8:47 p.m. EDT, Geist placed a limit order to purchase 200 August 2010 put option contracts on Comtech Telecom stock (each option conveying a right to sell 100 shares for a total of 20,000 Comtech shares) with a limit price of $0.80. The option contracts would expire on August 21, 2010 and had a strike price of $30.00 per share. At 11:24 p.m. EDT, Geist entered a limit order through this same account for 200 September 2010 call option contracts on ViaSat shares (each option giving a right to buy 100 shares for a total of 20,000 ViaSat shares) with a limit price of $1.20. The option contracts would expire on September 18, 2010 and had a strike price of $35.00 per share. Geist's order for ViaSat call options was executed at 9:30 a.m. EDT on July 20, 2010 for a total purchase price of $24,159.99.

11. On July 20, 2010, at 9:53 a.m., Geist called TD Ameritrade to change his limit order for Comtech Telecom put options to a market order, as his limit order had not yet executed. The order was immediately executed at 9:53 a.m., and 189 options were purchased at $0.90 and and eleven options were purchased at $0.95 for a total purchase price of $18,214.99. The total purchase price of Geist's Comtech Telecom put options and ViaSat call options was $42,374.98.

12. On July 20, 2010, Taylor returned Geist's call at 10:02 a.m. EDT, which began a series of back-and-forth phone calls, each two minutes or less, until they spoke for eleven minutes between 10:04 and 10:15 a.m. EDT. Immediately after Taylor finished speaking to Geist on July 20, 2010, Taylor called his broker at UBS Wealth Management ("UBS") at 10:17 a.m. EDT. During that call, Taylor told his UBS broker that he had heard from a friend at either "the company" or "Comtech" that Comtech Mobile would lose the BFT-2 contract. The UBS broker told Taylor that he had not seen any news about the award and that the market did not appear to reflect the news. Taylor did not place any trades at that time. The call between Taylor and his UBS broker lasted ten minutes.

13. On the evening of July 20th, the same day that Geist had acquired the options, between 7:55 and 7:58 p.m., Geist placed an order to sell the Comtech Telecom options he had purchased at $1.00 or better and to sell the ViaSat options at $2.50 or better. These orders were not executed until the following day and moments after Comtech Telecom's issue of a press release announcing its loss of the BFT-2 award at 11:14 AM. The Comtech Telecom options were sold for $1.00 at 11:15 a.m., one minute after the Comtech Telecom press release, and the ViaSat

options were sold for $2.50 at 11:29 a.m., fifteen minutes after the Comtech Telecom press release. Geist made a total profit of $27,303.85 on his sales of the Comtech Telecom and ViaSat options.

14. On the morning of July 21, 2010, the Army's BFT-2 Deputy General Manager advised an engineer at a defense contractor for whom Taylor served as a subcontractor that ViaSat had won the BFT-2 award, because the defense contractor would be reporting to ViaSat on its current Movement Tracking System contract work for the Army. The engineer sent an email to the defense contractor's Director of Business Development and other employees at 10:11 a.m. At 10:14 a.m., the Director of Business Development telephoned Taylor's cellphone for two minutes and told Taylor that ViaSat had won the BFT-2 award.

15. On July 21, 2010, at 10:17 a.m. EDT, Taylor called Geist again, and then immediately thereafter, at 10:18 a.m. EDT, Taylor called his UBS broker and asked him whether he had seen any news about the award. During the course of the call, which lasted two minutes, the broker checked his firm's newswires and told Taylor that he did not see any news about the award, nor did he see any market activity suggestive of major news for Comtech Telecom. Taylor then told his broker that he heard the news from a friend. Taylor did not identify the friend. Even though the broker indicated to Taylor that he could not find any evidence that the BFT-2 award was public, Taylor nonetheless placed a market order with his broker to sell 4,000 shares of Comtech Telecom.

16. On July 21, 2010, at 10:18 a.m. EDT, the Army posted the award of the BFT-2 contract to ViaSat on its Interactive Business Opportunities ("IBOP") website. This award information could not be accessed without a password. Taylor did not have an IBOP password and never saw the BFT-2 award information posted on IBOP.

17. Taylor's order to sell 4,000 shares of Comtech at UBS was entered and executed at 10:21 a.m. EDT, and the shares were sold for an average price of $31.14 per share, for a total of $124,385.72. Taylor avoided losses of $44,650.01 on his sale of Comtech Telecom stock. Taylor also asked his broker to sell shares of Comtech Telecom stock from his then wife's account, but his broker refused, stating that he could not sell the then wife's shares without her authorization.

18. On July 21, 2010, at 10:20 a.m. EDT, immediately after speaking to his UBS broker, Taylor called his then wife. Taylor's wife then called the same UBS broker, who was also her broker, and asked him to execute a market order to sell 5,000 shares of Comtech Telecom. Her sale of 5,000 shares was completed by 10:24 a.m. EDT, and the shares sold for an average price of $31.16 per share, for a total of $155,557.37. Taylor's then wife avoided losses of $49,007.37 on her sales of Comtech Telecom stock. Shortly after the Taylors' trades, their UBS broker reported to his supervisor that the Taylors' actions appeared to be an insider trading violation. UBS had its counsel investigate, reported the possible insider trading to authorities, and cancelled the Taylors' accounts at UBS.

19. On July 21, 2010, at 10:38 a.m. EDT, Taylor called his other broker at Stifel Nicolaus, where Taylor also held shares of Comtech Telecom. At 11:02 a.m. EDT, Taylor's Stifel Nicolaus broker sent an email to Taylor, stating only, "Sell 4000 Comtech Telecom?" Taylor then

called his Stifel Nicolaus broker again at 11:02 a.m. EDT. At 11:10 a.m. EDT, Taylor's Stifel Nicolaus broker entered a limit order to sell 4,000 shares of Comtech Telecom at a minimum of $30.50 per share. Between 11:10 a.m. and 11:15 a.m. EDT, Taylor was able to sell 598 Comtech Telecom shares before the price dropped below $30.50. Taylor's sale of 598 shares totaled $18,247.67. Taylor and his then wife avoided total combined losses on all of their July 21, 2010 sales of Comtech Telecom stock of $93,657.71.

20. On July 21, 2010, at 11:14 a.m. EDT, Comtech Telecom issued a press release announcing that it had lost the BFT-2 award. This was the first public release of the award decision. Comtech Telecom's public release of the award immediately impacted the market. Comtech Telecom's stock price dropped precipitously from $30.95 to $22.38 within fifteen minutes of the release, a nearly 28% loss in value. Comtech Telecom's stock price closed at $21.31 on July 21, 2010. There was a nearly 1500% spike in volume of Comtech Telecom stock within fifteen minutes of the press release. ViaSat's stock price rose following Comtech Telecom's release from $33.33 to $35.24 within fifteen minutes, and it closed at $35.09 for the day. ViaSat stock trading volume increased nearly 70% in the fifteen minutes following the press release.

21. Geist owed a duty of trust and confidence to his employer, ViaSat, and to its shareholders, not to trade on or tip others with material, nonpublic information learned during the scope of his employment. By trading on July 19 and 20, 2010 in the securities of ViaSat and Comtech Telecom based on the material nonpublic information that ViaSat, Inc. had won the BFT-2 award, Geist breached his duty of trust and confidence to ViaSat. Geist also violated his duty to ViaSat when he knowingly or recklessly tipped Taylor, who could use the information in connection with securities trading. Geist did so for his own reputational and professional benefit.

22. Taylor knew or had reason to know that Geist breached his fiduciary duty of trust and confidence to his employer, ViaSat, when Geist tipped Taylor that ViaSat had won the BFT-2 award. Accordingly, Taylor inherited Geist's duty not to trade on that information and not to use it improperly for the benefit of others, including his then wife. Taylor knew the information provided to him by Geist was material and nonpublic and used that information when he traded and arranged for his wife to trade.

23. Taylor alternatively misappropriated information from the defense contractor for whom he served as a subcontractor when he used material, nonpublic information he learned from the defense contractor. The market had not absorbed the information contained in the IBOP BFT-2 award announcement prior to the press release issued by Comtech Telecom on July 21, 2010, at 11:14 a.m. EDT, nor had that information been impounded into the price of Comtech Telecom or ViaSat stock. The defense contractor gave Taylor the advance notice of the BFT-2 award that it received from the Army in order for Taylor to use that information in his role as a subcontractor, not to profit personally. The defense contractor had contracts and practices in place that protected this information as confidential and proprietary, so Taylor had a duty to the defense contractor not to trade on the information.

D. VIOLATIONS

24. As a result of the conduct described above, Geist and Taylor directly and indirectly violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 21C of the Exchange Act, Respondents cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Pursuant to Section 21C of the Exchange Act, Respondents are prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act because Respondents' conduct demonstrates unfitness to serve as an officer or director of any such issuer, for a period of five years from the date of the Order.

C. Pursuant to Section 21C(e) of the Exchange Act, Respondent Geist shall, within ten days of the entry of this Order, pay disgorgement of $27,303.85 and prejudgment interest of $3,441.09 to the Securities and Exchange Commission for transfer to the United States Treasury. Respondent Taylor shall, within ten days of the entry of this Order, pay disgorgement of $46,828.86 and prejudgment interest of $11,808.74; and within 120 days of the entry of this Order, pay disgorgement of $46,828.86 plus post-judgment interest pursuant to SEC Rule of Practice 600 to the Securities and Exchange Commission for transfer to the United States Treasury. Pursuant to Section 21B(a)(2) of the Exchange Act, Geist shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of $27,303.85 to the Securities and Exchange Commission for transfer to the United States Treasury. Taylor shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of $46,828.86; and within 120 days of the entry of this Order, pay a civil money penalty in the amount of $46,828.86, plus post-judgment interest pursuant to 31 U.S.C. § 3717 to the Securities and Exchange Commission for transfer to the United States Treasury. Prior to making the payments ordered within 120 days of entry of this Order, Taylor shall contact the Commission staff to ensure the inclusion of post-judgment interest. If any payment is not made by the date the payment is required by the Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 or pursuant to 31 U.S.C. § 3717, shall be due and payable immediately, without further application. Payment must be made in one of the following ways:

(1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;[2]
(2) Respondents 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) Respondents 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

D. Payments by check or money order must be accompanied by a cover letter identifying Geist or Taylor 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 Gregory G. Faragasso, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-6010.

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, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they 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 Respondents 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.

F. It is further Ordered that, 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 Respondents, and further, any debt for disgorgement, prejudgment interest, civil

[2] The minimum threshold for transmission of payment electronically is $50,000.00 as of April 1, 2012. This threshold will be increased to $1,000,000 by December 31, 2012. For amounts below the threshold, respondents must make payments pursuant to option (2) or (3) above.

penalty or other amounts due by Respondents 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 Respondents 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.

Brent J. Fields
Secretary