

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 71429 / January 28, 2014**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3765 / January 28, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15698**

**In the Matter of**

**THOMAS C. CONRADT,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AND SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Thomas C. Conradt (“Conradt” 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, 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 and Section 203(f) of the Investment Advisers Act of 1940, 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. Conradt, age 35, resides in Denver, Colorado. Conradt is licensed to practice law in Maryland. From September 2008 through October 2009, Conradt was a registered representative associated with a broker-dealer and an investment adviser registered with the Commission. He passed his series 7 exam in February 2009.

2. On December 26, 2013, a judgment was entered by consent against Conradt, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled SEC v. Conradt, Civil Action No. 12 - 8676 - JSR, in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged, among other things, that Conradt's roommate misappropriated material nonpublic information about International Business Machines Corporation's 2009 acquisition of SPSS Inc., illegally traded, and tipped that information to Conradt. The Commission further alleged that Conradt used that information to illegally trade and tipped the information to others who traded, and that the illegal trading resulted in ill-gotten gains exceeding \$1 million.

4. On April 3, 2013, Conradt pled guilty to two counts of securities fraud and to conspiracy to commit securities fraud, in violation of Title 18 United States Code, Sections 371 and 2; Title 15 United States Code, Sections 10(b) and 32(a), and Title 17 Code of Federal Regulations, Section 10b-5, in United States v. Conradt, 12 Crim. 887 (S.D.N.Y.).

5. In connection with that plea, Conradt admitted that:

- (a) Respondent's roommate informed Respondent that SPSS, Inc., a company whose stock was publicly traded, was going to be acquired by IBM Corporation (the "Information");
- (b) Respondent understood that the Information was inside information, that it was not publicly available, that it was material or important, and that his roommate should not have shared it with him;
- (c) Respondent knew that it would be unlawful to buy or sell securities on the basis of the Information;
- (d) On July 23, 2009 and on July 27, 2009, Respondent, willfully acting upon the Information, purchased a total of 140 shares of SPSS common stock;
- (e) Respondent also willfully disclosed the Information to several of his work colleagues; and

- (f) Following the public announcement of the Information on July 28, 2009, Respondent sold his 140 shares of SPSS common stock for a profit of approximately \$2,000.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent Conradt be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; 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