

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71478 / February 4, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15740

In the Matter of

HENRY A. CONDRON,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
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”) against Henry A. Condron (“Respondent” or “Condron”).

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, 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. Condrón was a registered representative who acted as a sales trader and middle-office assistant on the Cash Equity Desk at a New York-based interdealer broker (“Interdealer Broker”), a broker-dealer registered with the Commission, from February 2005 until October 2010. Prior to February 2005, Condrón was associated with other broker-dealers registered with the Commission. Condrón, 35 years old, is a resident of Yorktown Heights, New York.

2. On January 14, 2014, a final judgment was entered by consent against Condrón, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Marek Leszczynski, et al., Civil Action Number 1:12-CIV-7488, in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged, among other things, that Condrón and others worked on Interdealer Broker’s “Cash Desk,” executing orders to purchase and sell securities on behalf of customers. From at least 2005 through at least February 2009, they perpetrated a fraudulent scheme to unlawfully take secret profits of at least \$18.7 million at the expense of Interdealer Broker’s customers. The complaint also alleged that they perpetrated the scheme by falsifying execution prices and embedding hidden markups or markdowns on over 36,000 customer transactions. After executing orders on behalf of customers, where the price fluctuated sufficiently to conceal the fraud from customers, Condrón recorded, on Interdealer Broker’s internal records, a false execution price that included a secret profit for Interdealer Broker. Condrón then provided the false information to customers. Condrón received discretionary bonuses for his work on the Cash Desk totaling \$310,000 from 2007 to 2009.

4. On October 2, 2012, Condrón pled guilty to two counts of conspiracy to commit securities fraud and one count of securities fraud in violation of Title 15 United States Code, Section 78j(b) and Title 15 Code of Federal Regulations, Section 240.10b-5 before the United States District Court for the Southern District of New York, in United States v. Henry Condrón, Crim. Information No. 1:12-CR-768.

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

- (a) he caused commissions to be recorded into trading records that were in excess of the commissions agreed upon by customers;
- (b) he caused false trading confirmations to be generated and sent to various customers; and
- (c) he enabled his employer to earn undisclosed trading profits beyond the legitimate trading commissions to which it was entitled, resulting in lucrative performance bonuses for him and others.

IV.

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

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