

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71497 / February 6, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3775 / February 6, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15743

In the Matter of

DAVID J. WEISHAUS,

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 David J. Weishaus (“Weishaus” 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. Weishaus, age 33, resides in Bayside, New York. From October 8, 2007 until November 10, 2009, Weishaus was a registered representative associated with a broker-dealer and an investment adviser registered with the Commission. On November 8, 2007 and November 13, 2007, respectively, Weishaus passed the Series 7 Exam and the Series 63 Exam.
2. On January 28, 2014, a judgment was entered by consent against Weishaus, 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. Weishaus, et al., 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 Weishaus was tipped by his friend and co-defendant material nonpublic information about International Business Machines Corporation’s (“IBM”) 2009 acquisition of SPSS Inc. (“SPSS”) misappropriated by the friend’s roommate and tipped to the friend. The Complaint further alleged that Weishaus used that information to illegally trade, for a profit of \$127,485.
4. On December 19, 2013, Weishaus pled guilty to conspiracy to commit securities fraud and 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. Weishaus, 12 Crim. 887 (S.D.N.Y.).
5. In connection with that plea, Weishaus admitted that:
 - (a) In or about June and July 2009, Weishaus had multiple communications with a friend from school. In those communications, Weishaus’s friend told Weishaus about a tip he had received from his roommate regarding an upcoming corporate transaction -- that International Business Machines Corporation would be acquiring a software company called SPSS, Inc. (“SPSS”), and the anticipated price per share for the deal.
 - (b) Weishaus knew that information like that tipped by his friend was highly material and that it should have been kept confidential prior to any public announcement.
 - (c) On July 22, 2009, Weishaus used this information to buy SPSS call options with a short expiration date on a national securities exchange.

- (d) At the time he bought the call options, Weishaus believed that the information concerning the SPSS acquisition had been revealed in violation of a duty of confidentiality.
- (e) The SPSS acquisition was announced a few days after Weishaus's purchases and Weishaus later sold the SPSS call options for a profit.

IV.

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