

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80278 / March 20, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4669 / March 20, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17885

In the Matter of

DAVID P. HOBSON,

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 P. Hobson (“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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.3 below, and consents 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. Between 2008 and 2014, Hobson was a registered representative and investment adviser representative of two firms that were each registered with the Commission as a broker-dealer and an investment adviser. During the relevant time, he held Series 7, 63, 65 and 66 securities licenses. Hobson, 47 years old, is a resident of Providence, Rhode Island.

2. On June 3, 2016, the Commission filed a complaint against Hobson in SEC v. Maciocio and Hobson, No. 16-cv-04139 (S.D.N.Y.). On March 15, 2017, the court entered a final judgment permanently enjoining Hobson, by consent, from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Hobson was also ordered to pay \$311,168.40 in disgorgement of ill-gotten gains and \$74,669.88 in prejudgment interest.

3. On October 25, 2016, Hobson pled guilty to one count of conspiracy to commit securities fraud, in violation of 18 U.S.C. § 371, and one count of securities fraud, in violation of 15 U.S.C. §§ 78j(b) and 78ff and 17 C.F.R. §§ 240.10b-5 and 240.10b5-2 and 18 U.S.C. § 2, before the United States District Court for the Southern District of New York, in United States v. Hobson, 16-cr-00351 (LTS).

4. The counts of the criminal indictment to which Hobson pled guilty alleged, inter alia, that Hobson conspired to commit insider trading in the securities of Medivation, Inc., Ardea Biosciences, Inc., and Furiex Pharmaceuticals, Inc. ("Furiex") and committed insider trading in the securities of Furiex.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Hobson'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 Hobson be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Hobson be, and hereby is 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.

Brent J. Fields
Secretary