

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 81329 / August 7, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4740 / August 7, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18101

In the Matter of

STEVEN V.
MCCLATCHEY,

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 Steven V. McClatchey (“McClatchey” 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 admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 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 McClatchey's Offer, the Commission finds that:

1. From 2008 through late 2015, McClatchey worked in the investment banking division of Barclays Capital Inc. ("Barclays"), a broker-dealer and investment adviser registered with the Commission during that time. McClatchey, age 58, is a resident of Freeport, New York.
2. On July 21, 2017, a judgment was entered by consent against McClatchey in the civil action entitled *Securities and Exchange Commission v. McClatchey, et al.*, No. 16-CV-4029 (VSB) (AJP) in the United States District Court for the Southern District of New York, permanently enjoining McClatchey from violating Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder.
3. The Commission's complaint against McClatchey alleged that McClatchey had regular access to highly confidential nonpublic information about impending transactions being pursued for Barclays' clients and tipped his friend Gary Pusey ("Pusey") from February 2014 through at least September 2015 with nonpublic information on ten different occasions ahead of public merger announcements. The complaint further alleged that McClatchey's tips enabled Pusey to generate \$76,000 in illicit profits from trading securities ahead of the public merger announcements. The complaint further alleges McClatchey received cash and other free services from Pusey in exchange for the tips.
4. On January 11, 2017, a final judgment was entered against McClatchey in the criminal action, *United States v. McClatchey*, No. 16-CR-00369-02 (KPF) (the "Criminal Action"). In the Criminal Action, McClatchey pled guilty to conspiracy to commit securities and wire fraud (18 U.S.C. § 1349) and securities fraud (18 U.S.C. § 1348). McClatchey was sentenced to a prison term of 5 months and ordered to pay a fine of \$10,000 and to forfeit \$76,000 jointly and severally with co-defendant Gary Pusey.
5. The complaint in the Criminal Action to which McClatchey pled guilty alleged that: (i) from February 2014 through at least September 2015, McClatchey provided material nonpublic information to co-defendant Pusey about impending mergers and acquisitions that McClatchey acquired as part of his employment with Barclays; (ii) Pusey subsequently executed securities transactions in at least ten different securities with profits of approximately \$76,000; and (iii) Pusey gave McClatchey thousands of dollars in cash in exchange for the tips.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in McClatchey'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 McClatchey be, and hereby is barred from association with

any broker, dealer, investment adviser, municipal securities dealer, municipal advisors, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, McClatchey 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 McClatchey 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 McClatchey, 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