

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4792 / October 11, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18249**

<p><b>In the Matter of</b></p> <p style="text-align:center"><b>Sam Sadeghi,</b></p> <p><b>Respondent.</b></p>
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**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Sam Sadeghi (“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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 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. Respondent Sadeghi, age 28, is a resident of Newcastle, Washington. In 2015, Sadeghi served as an investment adviser to Maziar Rezakhani (“Rezakhani”). Sadeghi

provided securities research and trading advice to Rezakhani, and in connection with this work was entitled to 10% of Rezakhani's trading profits. Sadeghi has never been registered with the Commission in any capacity.

2. On October 10, 2017, a final judgment was entered by consent against Respondent permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder in a civil action entitled Securities and Exchange Commission v. Brett Kennedy, et al. (Civil Action No. 17-cv-01344-RSL), in the United States District Court for the Western District of Washington.

3. The complaint in the District Court action alleged, *inter alia*, that Sadeghi, while serving as an investment adviser to Rezakhani, participated in an insider trading scheme with Rezakhani. The complaint further alleged that on April 22, 2015, Sadeghi and Rezakhani met with Brett Kennedy ("Kennedy"), who worked as a Financial Analyst at Amazon.com, Inc. ("Amazon"). During that meeting, Kennedy disclosed to Sadeghi and Rezakhani confidential Q1 2015 earnings information for Amazon which, as they knew, was material non-public information. Sadeghi asked Kennedy for details about the information and was aware that Rezakhani planned to pay Kennedy for the information. The next day, on April 23, 2015, Rezakhani purchased 4,400 shares of Amazon stock. Later that day, Amazon announced its Q1 2015 earnings, which beat Wall Street expectations, and its stock price increased. Upon Sadeghi's advice, Rezakhani immediately sold his 4,400 shares of Amazon and realized profits of \$115,977.39. Based on their compensation agreement, Sadeghi was entitled to receive 10% of the profits from the Amazon trades.

4. The conduct that is the basis of Respondent's permanent injunction occurred while Respondent was acting as an investment adviser.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Sam Sadeghi 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 with the right to reapply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by 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 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