

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83688 / July 23, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18611

In the Matter of

RICHARD T. CUNNIFFE,

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 Richard T. Cunniffe (“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 paragraph III. 3 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Exchange Act of 1934, 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. From June 2012 through March 2015, Cunniffe was associated with Chatsworth Securities LLC, a registered broker-dealer headquartered in Greenwich, CT.

2. On May 14, 2016, Cunniffe pleaded guilty to: (i) conspiracy to commit securities fraud and fraud in connection with a tender offer in violation of 18 U.S.C. § 371; (ii) conspiracy to commit wire fraud in violation of 18 U.S.C. § 1349; (iii) three counts of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. §§ 240.10b5 and 240.10b5-2, and 18 U.S.C. § 2; and (iv) securities fraud in connection with a tender offer in violation of 15 U.S.C. §§ 78n(e) and 78ff before the United States District Court for the Southern District of New York, in *United States v. Richard Cunniffe*, 15 Cr. 287 (S.D.N.Y.)(LTS). On November 6, 2017, Cunniffe was sentenced to one year of probation for each count, to be served concurrently, and ordered to forfeit of \$900,000 and perform community service.

3. The counts of the criminal Information to which Cunniffe pled guilty alleged, among other things, that from in or about February 2011 through in or about April 2015, Cunniffe conspired to commit insider trading in connection with the securities of Kendle International, Inc., Kinetic Concepts, Inc., Gen-Probe, Inc., Lincare Holdings, Inc., and CareFusion Corp. In addition, the Information also alleged that Cunniffe purchased call option contracts in Gen-Probe, Inc., Lincare Holdings, Inc., and CareFusion Corp. on the basis of material, nonpublic information he received from another individual.

IV.

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

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