

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83742 / July 31, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18618

In the Matter of

FRED TINKER,

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Fred Tinker (“Tinker” 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

Summary

1. These proceedings involve insider trading by Fred Tinker, a Vice President of Finance at Synaptics Inc. (“Synaptics”). In July and August 2015, Tinker learned, in the course of his employment, material nonpublic information regarding a potential acquisition of Synaptics by a Chinese investment group. While he was aware of that information, in August and September of 2015, Tinker purchased a total of 10,000 Synaptics shares in his wife’s brokerage account. On

September 30, 2015, Bloomberg reported that Synaptics had rejected an acquisition offer from a Chinese investment group, that talks were ongoing, and that Synaptics may be holding out for a higher price. Shares of Synaptics closed at \$80.41 on October 1, 2015, up 24% from the \$64.77 closing price on September 29, 2015. Tinker generated \$89,171.88 in unrealized gain from these trades.

Respondent

2. Fred Tinker, age 64, resides in Los Altos, CA. Tinker joined Synaptics in 2009 and in 2014 became the Vice President of Finance. On April 2, 2018, Tinker resigned from Synaptics.

Other Relevant Entities

3. Synaptics Inc., a Delaware corporation headquartered in San Jose, CA, is a developer of touch, display, and biometrics products. At all relevant times, Synaptics' common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and was quoted on the NASDAQ Global Select Market under the ticker symbol SYNA.

Facts

4. When Tinker joined Synaptics, he received the company's insider trading policy, which prohibited employees from trading in Synaptics stock while in possession of material nonpublic information. He also participated in annual trainings and received written company policies cautioning him to safeguard confidential information concerning Synaptics and not to use that information for his own benefit. Tinker understood that he had a duty not to buy or sell Synaptics stock on the basis of material nonpublic information that he received in the course of his employment.

5. From June 2015 to September 2015, Synaptics and a Chinese investment group held meetings and exchanged communications concerning a potential combination. On July 6, 2015, Synaptics received a written indication of interest from the Chinese investment group to acquire Synaptics. Shortly thereafter, the Chinese investment group and Synaptics signed a Non-Disclosure Agreement. Synaptics received the first due diligence request list from the Chinese investment group in July 2015. Representatives of Synaptics and the Chinese investment group met on August 10 and 11, 2015, to exchange additional due diligence information and discuss the proposed acquisition. During August and September of 2015, Synaptics and the Chinese investment group continued exchanging information and negotiating over the acquisition price.

6. Tinker was aware of the proposed acquisition of Synaptics by July 20, 2015. That day, a senior executive informed Tinker that the potential acquisition was "highly confidential." During July and August of 2015, Tinker worked on financial projections and other due diligence tasks in preparation for the August 10 and 11, 2015 meetings between Synaptics and the Chinese investment group. Tinker knew or was reckless in not knowing that the information regarding the potential acquisition was both material and nonpublic, and thus Tinker traded in Synaptics stock on the basis of inside information.

7. On August 11, 2015, after obtaining this material nonpublic information about the potential acquisition, Tinker purchased 2,000 Synaptics shares in his wife's brokerage account. Tinker purchased an additional 3,000 shares on August 13, 2,000 additional shares on August 18, 2,000 additional shares on August 25, and an additional 1,000 shares on September 1, 2015, all in his wife's brokerage account. Tinker placed each of these five trades from Synaptics' San Jose office. After each trade, Tinker received at his personal email address trade notifications and confirmations from his wife's broker.

8. Tinker knew, or was reckless in not knowing, that these purchases were a breach of his duty of trust and confidence to his employer and its shareholders.

9. On September 30, 2015, Bloomberg reported that Synaptics had rejected an acquisition offer from a Chinese investment group, that talks were ongoing, and that Synaptics may be holding out for a higher price. Shares of Synaptics closed at \$80.41 on October 1, 2015, up 24% from the \$64.77 closing price on September 29, 2015.

10. Based on the increase in Synaptics' stock price, Tinker generated unrealized gain of \$89,171.88 from the 10,000 Synaptics shares he purchased in his wife's brokerage account between August 11 and September 1, 2015. Tinker did not sell his shares right away. He continued working on the proposed acquisition over the next several months. Tinker ultimately sold his shares on May 2, 2016.

Violations

11. As a result of the conduct described above, Tinker violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

IV.

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

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Tinker cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent shall pay disgorgement of \$89,171.88, prejudgment interest of \$8,506.64 and a civil penalty of \$89,171.88, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: (1) Respondent shall pay disgorgement of \$89,171.88 and prejudgment interest of \$8,506.64 within 10 days of the entry of the Order; (2) \$22,292.97 within 90 days of the entry of the Order; (3) \$22,292.97 within 180 days of the entry of the Order; (4) \$22,292.97 within 270 days of the entry of the Order; and (5)

\$22,292.97 within one year of the entry of the Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 and pursuant to 31 U.S.C. §3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Fred Tinker as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Erin Schneider, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, San Francisco Regional Office, 44 Montgomery Street, Suite 2800, San Francisco, CA 94104.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Brent J. Fields
Secretary