

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87840 / December 23, 2019

INVESTMENT ADVISERS ACT OF 1940
Release No. 5421 / December 23, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19630

In the Matter of

BILL TSAI,

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 Bill Tsai (“Tsai” 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 Respondent's Offer, the Commission finds that:

1. Tsai, age 23, is a resident of New York, New York. Between July 2018 and August 2019, Tsai worked as an analyst in the New York office of Investment Bank A, an entity dually registered with the Commission as a broker-dealer and as an investment adviser.

2. On December 16, 2019, a final judgment was entered by consent against Tsai, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Bill Tsai, Civil Action Number 1:19-cv-07501, in the United States District Court for the Southern District of New York (the "Civil Action").

3. The Commission's complaint in the Civil Action alleged that Tsai engaged in insider trading while employed as a junior analyst at Investment Bank A, where, in the course of his work, he learned in March 2019 that an affiliate of the private equity firm Siris Capital Group, LLC ("Siris") had agreed to acquire the digital printing technology company Electronics for Imaging, Inc. ("EFII"). Shortly thereafter, Tsai misappropriated this material nonpublic information by purchasing out-of-the-money EFII call options in a personal brokerage account that he had concealed from his employer. After EFII and Siris publicly announced the acquisition agreement on April 15, 2019, Tsai sold his EFII options, reaping ill-gotten gains of approximately \$98,750.

4. On September 19, 2019, Tsai pleaded guilty to criminal conduct relating to certain matters alleged in the complaint in the Civil Action. Specifically, in United States v. Tsai, No. 19-cr-00675-VM (S.D.N.Y.), Tsai pleaded guilty to one count of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2 before the United States District Court for the Southern District of New York.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Tsai'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 Tsai 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 Tsai 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary