

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89816 / September 10, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19980

In the Matter of

CRAIG P. MOYES

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 Craig P. Moyes (“Moyes” 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

This matter involves insider trading in the securities of Swift Transportation Company ("Swift") by Craig Moyes ("Moyes"), the chief executive officer ("CEO") and partial owner of a company in West Jordan, Utah ("Company"). On April 6, 2017, less than two business days before a merger announcement involving Swift, Moyes purchased Swift stock shortly after two phone calls with an insider to the Swift merger, referred to herein as the "Swift Executive." His purchases were based on using material nonpublic information he obtained regarding the Swift merger. Moyes' timely purchase of Swift stock before the merger announcement resulted in unrealized gains of \$58,096.

Respondent

1. **Craig Moyes**, age 76, is a resident of West Jordan, Utah. Moyes is the CEO and part owner of the Company in West Jordan, Utah, and a former employee of Swift. Moyes worked at Swift from 1990 to 1992.

Other Relevant Entity

2. **Swift** was a Delaware corporation headquartered in Phoenix, Arizona that engaged in transportation services. Swift merged with Knight Transportation, Inc. ("Knight") on September 10, 2017, becoming Knight-Swift Transportation Holdings Inc. Swift's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the New York Stock Exchange under the ticker "SWFT." Swift filed periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act and related rules thereunder. Knight-Swift Transportation Holdings Inc. trades on the New York Stock Exchange under the ticker "KNX."

Background

3. Moyes and the Swift Executive maintain a close personal and business relationship. Moyes and the Swift Executive regularly communicate by telephone and in person.

4. Moyes was not an active or sophisticated stock trader and invested in few securities. Moyes did periodically maintain positions in Swift stock. Before his April 6, 2017 purchases of Swift stock, Moyes' last purchase of Swift stock was one year earlier, in April 2016. Between July 2016 and December 2016, Moyes liquidated virtually his entire position in Swift stock, and he made no purchases or sales of Swift stock between December 2016 and April 6, 2017.

Merger Negotiations between Swift and Knight

5. Talks between representatives of Swift and Knight progressed through the fall of 2016 and early part of 2017 and during this time the Swift Executive regularly participated in meetings and received and reviewed material, nonpublic information concerning the potential merger between Swift and Knight. In December 2016, the Swift board of directors and senior management received guidelines concerning the confidentiality of potential merger transactions.

6. On April 5, 2017, the Knight board of directors approved a package of provisions to resolve open business and legal issues in connection with the merger, including that Swift and Knight would each have fiduciary termination rights, subject to the payment of a termination fee of 3% of their respective market capitalization.

7. On that date, the Swift Executive personally agreed to pay a termination fee to Knight under certain circumstances. Thus, by April 5, 2017, the Swift Executive was effectively committed to supporting the merger.

Moyes Bought Swift Stock before the Merger Announcement

8. On the morning of April 6, 2017, Moyes received two phone calls from the Swift Executive, at 8:08 a.m. and 8:25 a.m., each lasting approximately two minutes. At 10:18 a.m. and 10:37 a.m., two hours after his calls with the Swift Executive, Moyes made two separate purchases of Swift stock—a 20,000 share purchase and a 1,300 share purchase. Moyes' purchases occurred 19 minutes apart. In total, Moyes invested over \$400,000 in Swift stock on April 6. Moyes' purchase of 21,300 shares of Swift and his total investment of over \$400,000 represented one of Moyes' largest investments in Swift stock for several years.

9. At 10:35 a.m., the Swift board convened to discuss the timing for signing the deal documents and announcing the merger.

10. Less than two business days later, on Monday, April 10, 2017, before the markets opened, Swift and Knight announced the merger agreement. Shares of Swift stock jumped following the announcement of the merger agreement, closing up 23% for the day.

11. Moyes claimed that he had a strategy of investing in Swift because he had confidence in the Swift Executive as a senior manager. But Moyes' April 6, 2017 Swift stock purchases were inconsistent with this professed strategy, because the Senior Executive was not involved in the day-to-day management of Swift at that time.

12. Moyes also maintained that he purchased Swift on April 6, 2017, because the stock price was \$20, a price he viewed as favorable, and he claimed that Swift stock had not traded at \$20 for several months. However, Swift stock traded at \$20 for 21 of the 22 trading days between March 7 and April 5, 2017. On several of those days, Swift stock traded below \$20.

13. Moyes gave misleading information to his broker about his purchases of Swift stock on April 6, 2017. When asked whether he had any connections to Swift or was related to anyone at Swift, Moyes did not reveal the extensive nature of his relationship with Swift and the Swift Executive. Moyes denied that he had any type of business relationship with Swift.

14. When the broker contacted Moyes a second time with questions about his April 6, 2017 trades, Moyes stated that he was not interested in answering questions and hung up.

15. Moyes made unrealized gains of \$58,096 on his April 6, 2017 Swift stock purchases.

16. Moyes obtained material nonpublic information concerning the merger, and he knowingly or recklessly traded on the basis of that information.

Violations

17. As a result of the conduct described above, Moyes 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 Moyes' Offer.

Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 21C of the Exchange Act, Respondent Moyes 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 a two time civil penalty of \$116,192, 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 within 10 days of the entry of this Order. If timely payment of the civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

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

- C. Payments by check or money order must be accompanied by a cover letter identifying Craig P. Moyes. 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 Anita Bandy, Associate Director, Division of Enforcement, U.S. Securities and Exchange Commission, 100 F Street, Washington, DC 20549-6561. 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 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.

Vanessa A. Countryman
Secretary