

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90920 / January 14, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20202

In the Matter of

THOMAS J. ROBBINS,

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 Thomas J. Robbins (“Respondent”).

II.

In anticipation 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 consent to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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. Robbins from at least 2016 orchestrated two inter-related fraudulent schemes in the form of a high-yield currency trading program and a fraudulent scheme to sell unregistered shares of ConTXT, Inc. ("ConTXT") stock. Robbins purported to have designed an algorithm capable of generating excessive returns when in fact his algorithm only lost investor funds. Robbins also remained an undisclosed principal of ConTXT due to his criminal history and engaged in the sale of their unregistered securities. Robbins, 65 years old, is a resident of Heber City, Utah.

2. On January 13, 2021, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 15(a) and 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Robbins, et al., Civil Action Number 2:21-cv-00013-RJS, in the United States District Court, District of Utah, Central Division.

3. The Commission's complaint alleged that, in connection with the sale of the foreign currency trading program and the sale of ConTXT common stock, Robbins misused and misappropriated investor funds, falsely stated to investors that their funds were invested, reported to investors that his algorithm successfully earned excessive returns, and otherwise engaged in a variety of conduct which operated as a fraud and deceit on investors. The complaint also alleged that Robbins sold unregistered securities. Finally, the Commission's complaint alleged that Robbins acted as an unregistered broker. Robbins engaged in all aspects of the distribution of ConTXT stock including, soliciting investors, negotiating prices, receiving transaction based compensation, and handling customer funds.

4. On July 22, 2020, Robbins pled guilty to one count of securities fraud and one count of money laundering in violation of 15 U.S.C. §§ 78j(b), 78ff, and 17 C.F.R. § 24.10b-5 and 18 U.S.C. § 1957 before the United States District Court for the District of Utah, in United States v. Thomas Robbins, Crim. Information No. 2:20-cr-00202-DB. On December 16, 2020, Robbins was sentenced to five years in prison and ordered to make restitution in the amount of \$10,170,700.69.

5. In connection with that plea, Robbins admitted that:

- (a) Beginning in and around 2016 and continuing to and around January 2020, I devised a scheme and artifice to defraud and to obtain money and property from investors by means of materially false statements. Specifically, I offered and sold securities to victims in the form of an investment in my foreign currency day-trading business. As part of my scheme and artifice to defraud, I reported I achieved high returns in my foreign currency day-trading business; when in fact, I lost millions of dollars and diverted investor money for my own personal use and benefit.

- (b) I made or caused to be made, one or more of the following false and fraudulent representations of material fact with the willful intent to defraud:
- 1) I spent 11 years developing an algorithm for foreign currency trading which allowed me to average returns of 5% to 30% per month;
 - 2) I worked with Montage Bank in Germany around 2005 where I was on contract to help the bank develop algorithms for their traders to use;
 - 3) I used over thirteen different brokerage firms in different countries to facilitate my foreign currency trading program;
 - 4) My trading program was compliant with the laws of the Commodities Futures Trading Commission (CFTC); and
 - 5) People who invested with me would never lose more than 5% of the net equity in their trading account due to “stop loss” measures.
- (c) I made these fraudulent representations when I knew I was not providing a legitimate investment; I lost nearly all of the money; and I used a portion of investor money on personal and living expenses; and no significant investment returns were generated.

IV.

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

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