UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102117 / January 6, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22388

In the Matter of **DAVID S. SARGENT,** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO RULE 102(e) OF THE COMMISSION'S RULES OF PRACTICE, 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 against David S. Sargent ("Respondent" or "Sargent") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.[1]

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, and the findings contained in Section III.2 below, which are admitted, Respondent

[1] Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party … to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, 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. Sargent, age 40, resides in Waltham, Massachusetts and is an attorney admitted to the Illinois bar. Sargent had a solo legal practice in Chicago, Illinois and was formerly on the faculty of a Chicago-based law school.

2. On January 11, 2022, the Commission filed a complaint against Sargent in the Securities and Exchange Commission v. David S. Sargent, et al., No. 1:22-cv-00168, in the United States District Court for the Northern District of Illinois. On December 27, 2024, the court entered an order permanently enjoining Sargent, by consent, from future violations of Section 10(b) of Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, as set forth in the judgment entered in the civil action entitled Securities and Exchange Commission v. David S. Sargent, et al., No. 1:22-cv-00168, in the United States District Court for the Northern District of Illinois. Sargent was also ordered to pay a $215,174.90 civil penalty.

3. The Commission's complaint alleged that Sargent engaged in insider trading. The complaint alleged, among other things, that Sargent purchased Chegg, Inc. stock and options based upon material nonpublic information about Chegg's positive upcoming earnings release that was tipped to him by friend and former colleague, who was employed at Chegg, Inc. As alleged in the complaint, Sargent purchased Chegg, Inc. stock and options days before the earnings release and sold them after the earnings release was issued for a profit of $107,587.45.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice, effective immediately, that:

A. Sargent is suspended from appearing or practicing before the Commission as an attorney.

B. After five years, from the date of the Order, Respondent may request that the Commission consider Respondent's reinstatement by submitting an application to the attention of the Office of the General Counsel.

C. In support of any application for reinstatement to appear and practice before the Commission as an attorney, Respondent shall provide a certificate of good standing from each state bar where Respondent is a member.

D. In support of any application for reinstatement, Respondent shall also submit a signed affidavit truthfully stating, under penalty of perjury:

1. That Respondent has complied with the Commission suspension Order, and with any related orders and undertakings including any orders in Securities and Exchange Commission v. David S. Sargent et al., Civil Action Number 22-cv-168 (N.D. Ill.), or any related Commission proceedings, including any orders requiring payment of disgorgement or penalties;

2. That Respondent is not currently suspended or disbarred as an attorney by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession;

3. That Respondent, since the entry of the Order, has not been convicted of a felony or a misdemeanor involving moral turpitude that would constitute a basis for a forthwith suspension from appearing or practicing before the Commission pursuant to Rule 102(e)(2);

4. That Respondent, since the entry of the Order:

    a. has not been charged with a felony or a misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice, except for any charge concerning the conduct that was the basis for the Order;

    b. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, and has not been enjoined from violating the federal securities laws, except for any finding or injunction concerning the conduct that was the basis for the Order;

    c. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;

    d. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof to have committed an offense (civil or criminal) involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order;

    e. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, civilly or criminally, with having committed an act of

moral turpitude, except for any charge concerning the conduct that was the basis for the Order; and

f. has not been subject to disciplinary action by a bar, court or agency of any state for violations of applicable rules of professional conduct, except for any charge concerning the conduct that was the basis for the Order;

5. That Respondent's conduct is not at issue in any pending investigation of the Commission's Division of Enforcement or any criminal law enforcement investigation;

6. That Respondent is not the subject of any complaints to, or investigations by, the bar or court of any state, territory, district, commonwealth, or possession, except to the extent that such complaints concern the conduct that was the basis for the Order;

7. That Respondent has complied with any and all orders, undertakings, or other remedial, disciplinary, or punitive sanctions resulting from any action taken by the bar or court of any state, territory, district, commonwealth, or possession, or other regulatory body; and

8. That Respondent undertakes to notify the Office of General Counsel immediately in writing if any information submitted in support of the application for reinstatement becomes materially false or misleading or otherwise changes in any material way while the application is pending.

E. Respondent shall also provide a detailed description of:

1. Respondent's professional history since the imposition of the Order, including

(a) all job titles, responsibilities and role at any employer;

(b) the identification and description of any work performed for entities regulated by the Commission, and the persons to whom Respondent reported for such work; and

2. The circumstances under which Respondents' membership in a state bar or any court for which Respondent was a member has lapsed or otherwise is no longer active and an explanation of why for each; and

3. Respondent's plans for any future appearance or practice before the Commission.

F. The Commission may conduct its own investigation to determine if the foregoing attestations are accurate.

G. If Respondent provides the documentation and attestations required in this Order and the Commission (1) discovers no contrary information therein, and (2) determines that Respondent truthfully and accurately attested to each of the items required in Respondent's affidavit, and the Commission discovers no information, including under Paragraph I, indicating that Respondent has violated a federal securities law, rule or regulation or rule of professional conduct applicable to Respondent since entry of the Order (other than by conduct underlying Respondent's original Rule 102(e) suspension), then, unless the Commission determines that reinstatement would not be in the public interest, the Commission shall reinstate the respondent for cause shown.

H. If Respondent is not able to provide the documentation and truthful and accurate attestations required in this Order or if the Commission has discovered contrary information, including under Paragraph F, the burden shall be on the Respondent to provide an explanation as to the facts and circumstances pertaining to the matter setting forth why Respondent believes cause for reinstatement nonetheless exists and reinstatement would not be contrary to the public interest. The Commission may then, in its discretion, reinstate the Respondent for cause shown.

I. If the Commission declines to reinstate Respondent pursuant to Paragraphs G and H, it may, at Respondent's request, hold a hearing to determine whether cause has been shown to permit Respondent to resume appearing and practicing before the Commission as an attorney.

By the Commission.

Vanessa A. Countryman
Secretary