

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 10368 / June 1, 2017**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 80839 / June 1, 2017**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 3872 / June 1, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18005**

**In the Matter of**

**David R. Humphrey, CPA**

**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 R. Humphrey ("Respondent" or "Humphrey") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.<sup>1</sup>

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<sup>1</sup> 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 . . . accountant . . . who has been by name . . . permanently 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 the rules and regulations thereunder.

## 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 paragraph III. 2 below and consents to the entry of this Order Instituting Public 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. Humphrey, age 60, previously held a license as a Certified Public Accountant in Colorado, which expired on May 31, 2000. He has not had an active license since that time.
2. On May 23, 2017, a final judgment was entered by consent against Humphrey, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder in the civil action entitled Securities and Exchange Commission v. David R. Humphrey, Civil Action Number 17:CV:850, in the United States District Court for the District of Columbia. The Court ordered Humphrey to pay \$56,591 in disgorgement and prejudgment interest and a \$51,917 civil money penalty.
3. The Commission's complaint alleged that Humphrey, a former Commission employee, ignored the ethics rules and engaged in a multi-year scheme to trade in options and other prohibited securities on his own behalf and on behalf of his mother and a childhood friend ("Friend"). During this time, Humphrey took affirmative steps to conceal his trading from the Ethics Office and others. Significantly, he never sought pre-clearance from the Ethics Office for these trades and he filed forms with the Ethics Office that falsely represented his securities holdings. He also made misleading representations on forms filed with broker-dealers and he failed to disclose to his Friend that this trading violated government ethics rules and would result in his submitting false annual certifications of his trading activity to the Commission. When confronted by agents of the Commission's Office of Inspector General in 2014, Humphrey falsely denied that he had traded in options or in his mother's brokerage account while employed at the Commission.

**IV.**

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

Accordingly, it is hereby ORDERED, effective immediately, that:

A. David R. Humphrey is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Brent J. Fields  
Secretary