

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 81741 / September 27, 2017**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4779 / September 27, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18226**

**In the Matter of**

**AVANEESH**  
**KRISHNAMOORTHY,**

**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 Avaneesh Krishnamoorthy (“Krishnamoorthy” 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. Avaneesh Krishnamoorthy, age 42, is a citizen of India and resides in North Brunswick, New Jersey. From approximately 2015 until at least April 2017, an Investment Bank—registered with the Commission as a broker-dealer since 1969 and as an investment adviser since 2012—employed Krishnamoorthy in its Manhattan office as a vice president and market risk specialist in its risk management department.

2. On April 24, 2017, the Commission filed a civil action in the United States District Court for the Southern District of New York against Respondent in *SEC v. Avaneesh Krishnamoorthy*, 17-CV-2953 (AJN). On September 26, 2017, the Court entered a final judgment permanently enjoining Krishnamoorthy, by consent, from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

3. The Commission's complaint alleges that in November and December 2016, while employed at the Investment Bank, Krishnamoorthy learned highly confidential details about a private equity firm's planned acquisition of NeuStar, Inc. ("NeuStar") in a "going private" transaction the Investment Bank was considering financing. Krishnamoorthy later profitably traded NeuStar securities in his own account and, directly or indirectly, in his wife's account—accounts that Krishnamoorthy had not disclosed to his employer, in violation of its policies—based on this material, nonpublic information.

4. On August 10, 2017, Krishnamoorthy pleaded guilty to one count of securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17 Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2, before the United States District Court for the Southern District of New York, in *United States v. Krishnamoorthy*, 17-CR-323 (JMF).

5. The count of the criminal information to which Krishnamoorthy pleaded guilty alleged, among other things, that Krishnamoorthy willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails and the facilities of national securities exchanges, in connection with the purchase and sale of securities, used and employed manipulative and deceptive devices and contrivances by: (a) employing devices, schemes, and artifices to defraud, (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, on the basis of material, nonpublic information obtained from his employer, Krishnamoorthy executed and caused to be executed trades in the securities of NeuStar, Inc.; Cabela's Inc.; and Axiall Corporation.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Krishnamoorthy'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 Krishnamoorthy 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 Krishnamoorthy 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, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) 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.

Brent J. Fields  
Secretary