

Press Release

SEC Charges Wall Street Investment Banker With Insider Trading in Former Girlfriend's Account to Pay Child Support

FOR IMMEDIATE RELEASE

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Washington D.C., Feb. 21, 2014— The Securities and Exchange Commission today announced an emergency action against a New York City-based investment banker charged with insider trading for nearly \$1 million in illicit profits.

The SEC alleges that while working on Wall Street, Frank “Perk” Hixon Jr. regularly logged into the brokerage account of Destiny “Nicole” Robinson, the mother of his young child. He executed trades based on confidential information he obtained on the job, sometimes within minutes of learning it. Illegal trades also were made in his father’s brokerage account. When his firm confronted him about the trading conducted in these accounts, Hixon Jr. pretended not to recognize the names of his father or his child’s mother. However, text messages between Hixon Jr. and Robinson suggest he was generating the illegal proceeds in lieu of formal child support payments.

In a parallel action, the U.S. Attorney’s Office for the Southern District of New York today announced criminal charges against Hixon Jr.

“Hixon Jr. violated the trust of his employer and clients by abusing his special access to nonpublic market-moving information,” said David Woodcock, director of the SEC’s Fort Worth Regional Office. “Hixon Jr. went to great lengths to hide his wrongdoing and even denied knowing his father or the mother of his child.”

A federal judge has granted the SEC’s request and issued an emergency order freezing Robinson’s brokerage account, which the SEC alleges contains the majority of proceeds from Hixon Jr.’s illegal trading with a balance of approximately \$1.2 million.

According to the SEC’s complaint unsealed today in federal court in Austin, Texas, Hixon Jr. illegally tipped or traded in the securities of three public companies. He traded ahead of several major announcements by his client Westway Group in 2011 and 2012. He traded based on nonpublic information he learned about potential client Titanium Metals Corporation ahead of its merger announcement in November 2012. And Hixon even illegally traded in the securities of his own firm Evercore Partners prior to its announcement of record earnings in January 2013. Hixon Jr. generated illegal insider trading profits of at least \$950,000.

According to the SEC’s complaint, when Hixon Jr.’s employer asked him in 2013 whether he knew anything about suspicious trading in accounts belonging to Destiny Robinson and his father Frank P. Hixon Sr., who lives in suburban Atlanta, Hixon Jr. denied recognizing either name. When later confronted with information that he did in fact know these individuals, Hixon Jr. continued his false claims, saying he didn’t know Robinson as “Destiny” and asserting in a sworn declaration that when approached he didn’t recognize the name of the city where his father lived for more than 25 years. Hixon Jr. was subsequently terminated by his employer.

The SEC’s complaint alleges that Hixon Jr. violated the antifraud provisions of the Securities Exchange Act of 1934. In addition to the asset freeze, the complaint seeks permanent injunctions, disgorgement of ill-gotten gains

with prejudgment interest, and financial penalties. Hixon Sr. and Robinson have been named as relief defendants for the purposes of recovering the illegal trading profits held in their accounts.

The SEC's investigation has been conducted by Tamara McCreary, Ty Martinez, and Jonathan Scott of the Fort Worth Regional Office. The SEC's litigation will be led by Timothy Evans and David Reece. The SEC appreciates the assistance of the U.S. Attorney's Office for the Southern District of New York, Federal Bureau of Investigation, and Financial Industry Regulatory Authority.

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Related Materials

- [SEC complaint](#)