

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74249 / February 11, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16383

In the Matter of

CHARLES L. HILL, JR.,

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT
TO SECTION 21C OF THE
SECURITIES EXCHANGE ACT OF
1934 AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Charles L. Hill, Jr. (“Hill” or the “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. SUMMARY

1. Hill engaged in insider trading, in violation of Section 14(e) of the Exchange Act and Rule 14e-3 thereunder, in connection with securities of Radiant Systems, Inc. (“Radiant”).

2. In May 2011, NCR Corporation (“NCR”), a point-of-sale technology company based in Duluth, Georgia, began discussions with Radiant, another point-of-sale technology company based in Alpharetta, Georgia, about NCR’s potential acquisition of Radiant. Radiant’s Chief Operating Officer (“COO”), who first learned details about the acquisition in May 2011, discussed material, nonpublic information about the acquisition, ultimately structured to include a tender offer, in confidence with his close personal friend of approximately 40 years (“Radiant’s COO’s friend,” or the “COO’s friend”). Radiant’s COO’s friend, in turn, relayed the material, non-public information he learned from Radiant’s COO to Hill. Radiant’s COO’s friend had also been a close friend of Hill’s for approximately 20 years.

3. At the time Hill received material, non-public information concerning NCR's acquisition of Radiant from the COO's friend, Hill was aware of the friendship between Radiant's COO's friend and Radiant's COO, and of Radiant's COO's position at Radiant.

4. Between June 1, 2011, and July 8, 2011, before news of the potential acquisition became public, Hill purchased 101,600 shares of Radiant stock for approximately \$2.1 million.

5. On July 11, 2011, after the close of the markets, NCR and Radiant announced that NCR would acquire Radiant in a tender offer. On July 12, 2011, Radiant's stock price increased by more than 30 percent on the news. That same day, Hill sold all of his Radiant stock, realizing gains of approximately \$744,000.

B. RESPONDENT

6. **Hill**, age 54, is a resident of Atlanta, Georgia. Hill is a self-employed real estate developer. Hill has never been registered with the Commission.

C. OTHER RELEVANT INDIVIDUALS AND ENTITIES

7. **Radiant**, a Georgia corporation, was headquartered in Alpharetta, Georgia. Its common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ. On August 24, 2011, Radiant was acquired by NCR. In connection with the acquisition, Radiant's stock was delisted from NASDAQ and deregistered with the Commission.

8. **NCR**, a Maryland corporation, is headquartered in Duluth, Georgia. Its common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the New York Stock Exchange.

9. **Radiant's COO's friend**, age 52, is a resident of Brooklyn, New York. Between May 2011 and August 2011, Radiant's COO's friend resided in Atlanta, Georgia. Radiant's COO's friend is a self-employed artist. Radiant's COO's friend has never been registered with the Commission.

10. **Radiant's COO**, age 50, is a resident of Atlanta, Georgia. Radiant's COO is currently a Senior Vice President at NCR. Radiant's COO has never been registered with the Commission.

D. RADIANT'S COO LEARNS DETAILS ABOUT THE CONTEMPLATED ACQUISITION OF RADIANT BY NCR

11. In early May 2011, NCR's Chief Executive Officer, ("NCR's CEO") called Radiant's Chief Executive Officer ("Radiant's CEO") to express an interest in a potential business combination.

12. On May 12, 2011, NCR sent a letter to Radiant expressing a non-binding indication of interest concerning the acquisition of Radiant at a price of \$24 to \$26 per share, and requesting a period of exclusive negotiation rights. At that time, Radiant was trading at approximately \$20 per share.

13. On May 24, 2011, Radiant's board of directors convened for a special meeting to discuss a potential transaction with NCR, and authorized continued negotiations with NCR, including allowing NCR to conduct due diligence, and the engagement of an investment bank to ascertain whether there were other parties interested in acquiring Radiant.

14. On June 2, 2011, NCR began conducting due diligence in connection with the potential acquisition of Radiant.

15. On June 13, 2011, NCR made a written offer to Radiant to acquire Radiant stock at \$26 per share.

16. On June 30, 2011, Radiant's board of directors approved a related exclusivity agreement with NCR.

17. On July 11, 2011, Radiant and NCR executed a related merger agreement, which was structured to include a tender offer from NCR for Radiant stock.

18. Radiant's COO first learned material, nonpublic information concerning NCR's contemplated acquisition of Radiant in early May 2011 after his brother, who then served as Radiant's CEO and as a member of Radiant's board of directors, told him about NCR's CEO's expression of interest in a potential business combination.

19. Beginning in May 2011, Radiant's CEO continued to discuss details concerning the evolving transaction with Radiant's COO. Radiant's COO was also directly involved in the related due diligence process during the negotiations between NCR and Radiant.

20. In connection with the potential acquisition, Radiant's COO also negotiated his employment terms with NCR in the event the merger was consummated.

E. RADIANT'S COO SHARED MATERIAL, NON-PUBLIC INFORMATION WITH THE COO'S FRIEND

21. Radiant's COO and the COO's friend have maintained a close personal friendship since childhood. They both attended the University of Georgia, where they were members of the same fraternity. After college, they remained close personal friends, both residing in Atlanta, Georgia. Given this close relationship, Radiant's COO considered the COO's friend to be like a close family member. Radiant's COO and the COO's friend routinely shared confidential, personal information with each other.

22. In 2011, Radiant's COO's friend was aware of Radiant COO's position at Radiant.

23. During the period from early May to July 11, 2011 (the "relevant period"), Radiant's COO and the COO's friend frequently communicated via telephone or text message, and on some days exchanged multiple telephone calls and text messages. Also during the relevant period, Radiant's COO and the COO's friend, who both resided in the Atlanta metropolitan area, met in person.

24. During the relevant period, Radiant's COO shared material, nonpublic information with the COO's friend concerning NCR's potential acquisition of Radiant.

F. RADIANT'S COO'S FRIEND SHARED MATERIAL, NON-PUBLIC INFORMATION LEARNED FROM RADIANT'S COO WITH HILL

25. Radiant's COO's friend and Hill have been close friends for more than 20 years. During the relevant period, Radiant's COO's friend and Hill frequently communicated via telephone or text message, and on some days exchanged multiple telephone calls and texts. During the relevant period, Radiant's COO's friend and Hill also periodically met in person as they both resided in the Atlanta metropolitan area.

26. During the relevant period, Hill was aware of the relationship between the COO's friend and Radiant's COO, as well as Radiant's COO's position at Radiant. The COO's friend also knew that Hill was an acquaintance of the Radiant COO.

27. During the relevant period, Radiant's COO's friend shared material, non-public information that he had learned from Radiant's COO with Hill concerning the potential acquisition of Radiant by NCR.

28. Hill knew or had reason to know that the information acquired from Radiant's COO's friend concerning NCR's potential acquisition of Radiant was nonpublic, and had been acquired directly or indirectly from Radiant, or an officer or employee thereof.

G. HILL TRADED RADIANT STOCK

29. Prior to May 2011, Hill previously had never traded Radiant securities, and had not purchased a security for at least four years prior to purchasing Radiant stock.

30. In late May 2011, Hill opened two new brokerage accounts, intending to purchase Radiant stock in those accounts.

31. From June 1, 2011 through July 8, 2011, Hill purchased shares of Radiant stock in his two newly opened brokerage accounts, and in each of his three daughters' custodial brokerage accounts, for which Hill was authorized to make trading decisions.

32. On June 1, 2011, Hill purchased 4,500 shares of Radiant stock.

33. On June 3, 2011, Hill purchased 50,000 shares of Radiant stock. These purchases represented over 10% of the total Radiant trading volume that day (467.4 thousand shares)

34. On June 24, 2011, Hill purchased 13,000 shares of Radiant stock.

35. On July 1, 2011, Hill purchased 20,000 shares of Radiant stock.

36. On July 5, 2011, Hill purchased 4,100 shares of Radiant stock.

37. On July 8, 2011, Hill purchased 10,000 shares of Radiant stock.

38. Hill purchased all Radiant stock at prices ranging between approximately \$19.97 per share and \$21.95 per share.

39. As of July 8, 2011, the last trading day before the acquisition announcement, Hill's Radiant shares, including those shares in his daughters' accounts, were valued at approximately \$2.2 million dollars. This represented a significant portion of both his liquid and his overall net worth, and was substantially more than his annual income.

40. Hill purchased all Radiant stock while in possession of material information related to NCR's tender offer for Radiant stock.

41. Hill purchased all Radiant stock knowing, or with reason to know, that the information concerning the tender offer was nonpublic.

42. Hill purchased all Radiant stock knowing, or with reason to know, that the information had been acquired directly or indirectly from Radiant, or an officer, director or employee thereof.

43. Hill purchased all Radiant stock after NCR had taken substantial steps to commence a tender offer for Radiant stock.

44. On July 11, 2011, Radiant stock closed at \$21.45 per share. After market close, the merger agreement between Radiant and NCR was publicly announced via press releases.

45. On July 12, 2011, Radiant stock price increased by more than 30 percent. That day, Hill sold the entirety of his 101,600 Radiant shares at prices ranging from \$27.98 to \$28.03, realizing illicit gains of approximately \$744,000.

H. VIOLATIONS

46. As a result of the conduct described above, Hill violated Section 14(e) of the Exchange Act and Rule 14e-3 thereunder, which prohibit any fraudulent, deceptive, or manipulative acts or practices in connection with any tender offer.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it appropriate that cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. Whether, pursuant to Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Section 14(e) of the Exchange Act and Rule 14e-3 thereunder, whether Respondent should be ordered to pay a civil penalty pursuant to Section 21B(a) of the Exchange Act, and whether Respondent should be ordered to pay disgorgement, including prejudgment interest, pursuant to Sections 21B(e) and 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be

deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary