U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 23910 / August 16, 2017

Securities and Exchange Commission v. Edward DiMaria and Matthew Gamsey, No. 15-cv-07035 (S.D.N.Y.)

SEC Obtains Penalties and Bars Against Former Bankrate Executives

The Securities and Exchange Commission announced today that it has obtained final judgments against two former executives of Bankrate Inc.

In September 2015, the SEC charged the two executives, Edward DiMaria and Matthew Gamsey, with fraudulently manipulating the company's financial results to meet analyst expectations. The SEC also alleged that DiMaria sold Bankrate stock at a price that was artificially inflated because of the accounting manipulation. The final judgments, entered on August 16, 2017 by the Honorable Gregory Woods of the U.S. District Court for the Southern District of New York permanently enjoin:

- DiMaria from violating Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 and Rules 10b-5 and 13a-14 thereunder;
- Gamsey from violating Section 17(a)(3) of the Securities Act; and
- DiMaria and Gamsey from violating Rules 13b2-1 and 13b2-2 of the Exchange Act, and from aiding and abetting violations of Section 13(a) and 13(b)(2) of the Exchange Act and Rules 12b-20, 13a-11, and 13a-13 thereunder.

The judgments also order DiMaria to pay $231,158.56 in civil penalties, disgorgement, and prejudgment interest and Gamsey to pay a civil penalty of $60,000, and bar DiMaria from serving as an officer or director of an SEC-registered company for five years. DiMaria and Gamsey consented to the entry of the judgments without admitting or denying the SEC's allegations.

DiMaria and Gamsey also separately consented to the entry of SEC orders that suspend them from appearing and practicing before the SEC as accountants, which includes not participating in the financial reporting or audits of public companies. The SEC's orders permit DiMaria and Gamsey to apply for reinstatement after five and three years, respectively.

The SEC's investigation was conducted by Jeffrey Lyons, Kimberly Greer, and Donna Walker, and was supervised by Ian Karpel. The SEC's litigation was handled by Nicholas P. Heinke, Stephen C. McKenna, and Danielle R. Voorhees, and was supervised by Gregory A. Kasper.

https://www.sec.gov/litigation/litreleases/2017/lr23910.htm