**IN THE UNITED STATES DISTRICT COURT**
**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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| **SECURITIES AND EXCHANGE COMMISSION,**<br>**Plaintiff,**<br>**v.**<br>**MARK WAYNE RAMSEY, a/k/a CHRISTIAN RAMSEY,**<br>**Defendant.** | Civil No :<br>Jury Trial Demanded |

# COMPLAINT

Plaintiff Securities and Exchange Commission (the "Commission") files this Complaint against defendant Mark "Christian" Wayne Ramsey ("Ramsey") and alleges as follows:

## SUMMARY OF THE ACTION

1. This matter involves multiple instances of insider trading committed by Ramsey on behalf of his then-friend, roommate, and business partner Marvin Mychal-Christopher Kendricks ("Kendricks"), a former linebacker for the Philadelphia Eagles of the National Football League (the "NFL"), based on information received from Damilare Sonoiki ("Sonoiki"), who was employed as an investment banking analyst at a large investment bank (the "Investment Bank").

2. From July 2014 through November 2014, Sonoiki tipped Kendricks about at least four corporate acquisitions on which the Investment Bank was advising clients in advance of those deals being announced to the public. Based on these tips, Kendricks purchased securities of the companies that were about to be acquired and made approximately $1.2 million in illegal profits.

3. After successfully insider trading in the first company, Kendricks enlisted Ramsey to participate in the insider trading scheme. In connection with the next three corporate acquisitions, Ramsey obtained material nonpublic information from Sonoiki concerning the corporate acquisition targets, and placed illegal trades in Kendricks' trading account.

4. In connection with the scheme, Kendricks made cash payments to Sonoiki in exchange for providing the illegal tips. Ramsey was aware of these kickback payments, and, in fact, facilitated at least one of them. Additionally, in January 2015, at Ramsey's request, Kendricks wired $15,000 to one of Ramsey's ex-girlfriends in order to settle a debt owed by Ramsey. Kendricks and Ramsey also agreed to use some of the proceeds from the insider trading to finance a number of business projects that Ramsey wanted to pursue.

5. As a result of the conduct described in this Complaint, Ramsey violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5, 240.14e-3]. Alternatively, Ramsey is liable under Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting Kendricks' and Sonoiki's violations of Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5, 240.14e-3].

## NATURE OF THE PROCEEDINGS AND REQUESTED RELIEF

6. The Commission brings this action pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

7. The Commission seeks permanent injunctions against Defendant enjoining him from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, disgorgement of all ill-gotten gains together with prejudgment interest, and civil

penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1] or, alternatively, Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Commission further seeks any other relief as the Court may deem just and appropriate under Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(5)].

## JURISDICTION AND VENUE

8. This Court has jurisdiction over this action pursuant to Sections 21(d) and (e), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and (e), 78u-1, and 78aa].

9. Venue in this District is proper pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Among other things, certain of the acts, practices, and courses of business constituting the violations of the federal securities laws alleged herein occurred within the Eastern District of Pennsylvania, including Ramsey's illegal trading in Kendricks' account.

## THE DEFENDANT

10. **Ramsey**, age 29, currently resides California. From early 2014 until about early 2016, Ramsey lived with his then-friend and business partner Kendricks in Philadelphia, Pennsylvania.

## RELEVANT INDIVIDUALS AND ENTITIES

11. **Kendricks**, age 27, is a linebacker for the NFL's Seattle Seahawks and currently resides in California. From 2012 to 2018, Kendricks was a linebacker for the Philadelphia Eagles.

12. **Sonoiki**, age 27, resides in Houston, Texas. From approximately June 2013 through June 2015, Sonoiki lived in New York City and worked as an analyst in the Technology, Media, and Telecommunications ("TMT") group of the Investment Bank's investment banking division.

13. **Investment Bank,** a large investment banking, securities, and investment management firm, is headquartered in New York, New York.

14. Sonoiki tipped Kendricks and Ramsey material nonpublic information about transactions advised by the Investment Bank, including transactions involving the four publicly-traded companies identified below whose common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act.

15. **Compuware Corporation ("Compuware")** was, at all relevant times, a Michigan corporation headquartered in Detroit that manufactured computer software. Compuware's common stock was traded on NASDAQ under the ticker symbol "CPWR." On September 2, 2014, Compuware announced that it was being acquired by the private-equity firm Thoma Bravo LLC ("Thoma Bravo") in a going-private transaction. The Investment Bank advised Compuware in connection with the transaction.

16. **Move, Inc. ("Move")** was, at all relevant times, a Delaware corporation headquartered in Westlake Village, California that operated realtor.com and other real estate-related websites. Move's common stock was traded on NASDAQ under the ticker symbol "MOVE." On September 30, 2014, Move announced that it was being acquired by News Corporation ("News Corp") in a cash tender offer. The Investment Bank advised News Corp in connection with the transaction.

17. **Sapient Corporation ("Sapient")** was, at all relevant times, a digital advertising firm incorporated in Delaware and headquartered in Boston, Massachusetts. Sapient's common stock was traded on NASDAQ under the ticker symbol "SAPE." On November 3, 2014, Sapient announced that it was being acquired by the French advertising firm Publicis Groupe PLC ("Publicis") in a cash tender offer. The Investment Bank advised Sapient in connection with the

transaction.

18. **Oplink Communications, Inc. ("Oplink")** was, at all relevant times, a manufacturer of optical communications equipment incorporated in Delaware and headquartered in Fremont, California. Oplink was traded on NASDAQ under the ticker symbol "OPLK." On November 19, 2014, Oplink announced that it was being acquired by a subsidiary of Koch Industries, Inc. ("Koch") in a cash tender offer. The Investment Bank advised Koch in connection with the transaction.

## FACTS

### A. Sonoiki's Access to Material Nonpublic Information and the Investment Bank's Policies

19. In July 2013, Sonoiki joined the Investment Bank as an analyst in the investment banking division's TMT group. As an analyst, Sonoiki had access to material nonpublic information about pending business transactions being advised by the TMT group.

20. All personnel of the Investment Bank were subject to an internal compliance policy entitled, "Policies Regarding the Safeguarding of Confidential Information: the Chinese Wall and Other Information Barriers" ("Investment Bank Confidential Information Policy"), which explicitly stated: "[w]e regularly receive confidential information as part of our normal client relationships. To breach a confidence or to use confidential information improperly or carelessly would be unthinkable."

21. The Investment Bank Confidential Information Policy prohibited firm employees from trading on the basis of material nonpublic information obtained in the course of their work:

> Confidential information is information that is not publicly available…
>
> The firm takes any misuse, misappropriation, or improper dissemination of confidential information seriously. Misuse and

> misappropriation of confidential information can violate contractual obligations, laws, rules, or regulations in various jurisdictions in which the firm does business and give rise to both civil liabilities and criminal penalties for the firm and for individual employees...
>
> An employee who is aware of material nonpublic information about an issuer or its securities is prohibited from:
>
> - buying or selling the issuer's securities in personal (including certain related persons'), client, or firm accounts.
> - directing, soliciting, inducing, encouraging, or recommending the purchase or sale of those securities.

22. All personnel of the Investment Bank were also subject to an internal compliance policy entitled, "Personal Trading" ("Personal Trading Policy"), which generally prohibited employees from holding outside brokerage accounts. And even in those limited circumstances where an outside account was permitted, the Investment Bank personnel had to disclose the outside account and also pre-clear all trades with the Investment Bank. The Personal Trading Policy further stated that trading by employees must "comply with all relevant regulations, including, but not limited to, those regarding insider trading and manipulative practices[.]"

23. All of the Investment Bank's employees were provided with training on the Investment Bank Confidential Information Policy and Personal Trading Policy.

**B. <u>Kendricks and Sonoiki Hatch the Insider Trading Scheme</u>**

24. In late 2013, Kendricks met Sonoiki at a party. After that first meeting, Sonoiki and Kendricks stayed in contact and exchanged investment and business ideas over the phone. During the summer of 2014, Sonoiki began providing material nonpublic information about Investment Bank-advised deals to Kendricks. In return, Sonoiki received cash and other kickbacks from Kendricks.

**C. <u>Ramsey's and Kendricks' Relationship</u>**

25. Kendricks and Ramsey grew up and attended high school together in Fresno,

California.

26. In early 2014, Ramsey moved into Kendricks' apartment in Philadelphia and began acting as Kendricks' personal assistant, scheduling meetings and performing household chores and other tasks for Kendricks.

27. From early 2014 through 2016, Kendricks allowed Ramsey to live in his apartment without paying rent. During that same period, Kendricks also paid for Ramsey's food, certain clothing and other expenses, and for Ramsey to accompany him on a vacation to the United Kingdom.

28. Before Kendricks enlisted Ramsey to join the insider trading scheme, Kendricks and Ramsey discussed the scheme, including the fact that it involved insider trading.

29. After Ramsey joined the scheme, Kendricks, Ramsey, and Sonoiki also discussed the importance of reducing the risk of detection by keeping the size of their trades small and, when possible, using FaceTime (as opposed to the telephone) to communicate about the scheme.

30. While they were perpetrating the insider trading scheme, Ramsey and Kendricks also embarked on a number of Ramsey's business ideas. Kendricks agreed to use some of the proceeds from the insider trading scheme to finance these projects, which included building a mobile phone application relating to barbershops, founding a marketing firm, and operating a vegan sandwich restaurant. In addition to allowing Ramsey to run the restaurant out of Kendricks' apartment for a few months in 2015, Kendricks also paid other expenses associated with start-up and operation of these business projects.

## D. Sonoiki Tips Kendricks and, Later, Ramsey Information in Advance of Deal Announcements

### 1. Insider Trading in Compuware

31. In 2013, Compuware retained the Investment Bank to explore a variety of

strategic alternatives for the company. By May 2014, the Investment Bank was actively involved in discussions with the private-equity firm Thoma Bravo about a potential transaction.

32. In or around early July 2014, Sonoiki learned that the Investment Bank's TMT group was advising Compuware on a proposed transaction in which Thoma Bravo would take the company private.

33. On July 14, 2014, Sonoiki texted Kendricks to tell him he had information they could trade on.

34. Within hours of receiving Sonoiki's texts, Kendricks traveled to New York City, and met Sonoiki during the early hours of July 15, 2014, outside the Investment Bank's downtown Manhattan headquarters.

35. On July 18, 2014, Kendricks paid $850 for a luxury car service to drive Sonoiki approximately 180 miles from New York City to York, Pennsylvania so that Sonoiki could attend a nightclub event hosted by Kendricks. After the event, Sonoiki and Kendricks went to Kendricks' apartment in Philadelphia.

36. Early the next morning, July 19, 2014, while Sonoiki was still at Kendricks' apartment, a brokerage account (the "Kendricks Account") was opened in Kendricks' name at an online brokerage firm (the "Brokerage Firm"). Half an hour later, a note was created in Kendricks' phone containing Compuware's ticker symbol "CPWR."

37. The following week, Kendricks funded the Kendricks Account with $80,000 from a managed account that he held at another brokerage firm. In an apparent attempt to avoid questions from his financial advisor who managed the account, Kendricks moved the money from his managed account to a checking account and only then to the Kendricks Account.

38. During the last few days of July 2014, the Investment Bank's work on the

transaction to take Compuware private intensified. On July 29, the TMT team working on the deal provided a timeline to Thoma Bravo that contemplated a mid-August public announcement of the deal. That evening, Kendricks met Sonoiki outside the Investment Bank's lower Manhattan office, and the two spent the evening on the set of a Teyana Taylor music video in which Kendricks made a cameo appearance.

39. The next day, July 30, 2014, from his apartment in New York City's financial district, Sonoiki purchased 1,000 Compuware call options with September expiration dates at a cost of approximately $22,000 in the Kendricks Account.

40. A call option contract gives the owner the right to buy a specified amount of an underlying stock at a specified price (the "strike price"), before a specified date (the "expiration date"). The expiration date for all stock options expiring in a given month generally occurs on the third Friday of that month. A call option becomes more valuable as the price of the underlying stock increases relative to the strike price. A person who buys a call option typically believes that the value of the underlying stock will go up, and a person who buys a call option with a short-term expiration typically believes that the value of the underlying stock will go up in the short term.

41. On August 1 and August 5, 2014, following numerous phone calls to Kendricks, Sonoiki, who was in New York City, purchased 1,400 Compuware call options with September expiration dates at a cost of approximately $30,000 in the Kendricks Account.

42. On August 5, 2014, the Brokerage Firm notified Kendricks by e-mail that it had observed trading in the Kendricks Account from an internet protocol ("IP") address in New York City, suggesting that an unauthorized third-party might have access to his account.

43. On August 15, 2014, in New York City, Sonoiki purchased 150 Compuware call

options with November expiration dates at a cost of approximately $8,000 in the Kendricks Account.

44. Late on the evening of Monday, September 1, 2014 (Labor Day), the *Wall Street Journal* published an article reporting that Compuware was in advanced talks with a private-equity buyer about a going-private transaction and that a deal announcement was imminent.

45. Early the following morning, Tuesday, September 2, 2014 at 7:22 a.m., Sonoiki sent a text message to a colleague at the Investment Bank who was working on the Compuware deal, which the bank had code-named Copper: "congrats on copper btw, just saw it hit the journal. What's the price?" His colleague responded: "Thank you! $10.92 ~25% premium."

46. Later on September 2, 2014, after the market opened, Compuware's stock price rose sharply and closed at $10.59 per share, an approximately 13% increase over the closing price on the prior trading day, Friday, August 29, 2014.

47. That same day, Sonoiki sold all of the Compuware call options he had purchased in the Kendricks Account. In total, Sonoiki purchased Compuware call options in the Kendricks Account at a cost of approximately $60,000 and sold them for approximately $138,000, netting Kendricks a profit of approximately $78,000.

48. This illegal trading in Compuware options generated returns of more than 130% in a little over one month. On September 3, 2014, Kendricks expressed his satisfaction through a text message to Sonoiki telling him: "[y]ou the man."

49. Shortly after generating these illicit profits in the Kendricks Account, Sonoiki began seeking compensation from Kendricks. On September 4, 2014, Sonoiki sent a text message to Kendricks asking Kendricks to "hook [him] up" with Eagles tickets. Sonoiki received the tickets the next day.

50. Also on September 4, 2014, Sonoiki sent a series of text messages to Kendricks in which he used coded language to reference the kickbacks Kendricks had agreed to pay him: "idk when next imma be able to see you…so try to have the bread if you can…the bread in nyc just isn't the same and I really like my cheesesteaks with the stuff you all have in Philly."

51. As alleged in further detail below, in late September and October 2014, Kendricks paid Sonoiki cash kickbacks totaling approximately $10,000 in exchange for his inside information. Ramsey helped to arrange one of the meetings where Kendricks made a cash payment to Sonoiki.

**2. Insider Trading in Move**

52. By the first week of September 2014, the Investment Bank's TMT group was advising News Corp in its acquisition of the real-estate information company Move. The Investment Bank team was involved in late-stage negotiations, and expected a deal to be announced imminently. By this point, both News Corp and Move had hired lawyers and investment bankers, drafts of the merger agreement had been exchanged, conditions to a potential tender offer were being discussed between the parties, and the boards of News Corp and Move had met to evaluate the terms of the offer.

53. By September 4, 2014, a friend of Sonoiki's at the Investment Bank, who was working on the Move deal, had learned that the transaction would be announced on September 8. On September 4, Sonoiki sent a text message to Kendricks: "call me asap."

54. Kendricks, Sonoiki, and Ramsey took steps to minimize written communications. On September 5, Kendricks sent a text message to Sonoiki with a reminder: "don't write." Sonoiki responded "can you Facetime on your laptop I know." Kendricks and Sonoiki also exchanged approximately 19 phone calls on September 4 and 5.

55. On Friday, September 5, 2014, Kendricks called the Brokerage Firm in response to the earlier inquiries the firm had made about third-party access to the Kendricks Account. Because Kendricks had not responded timely to the Brokerage Firm's inquiries, the firm had placed a block on the account. Desperate to get the hold lifted, Kendricks told a Brokerage Firm representative on a recorded call: "I am trying get [the block] lifted before the market closes…I really need to do that." Ramsey was present when Kendricks spoke with a representative of the Brokerage Firm regarding the block on the Kendricks Account.

56. Kendricks told the Brokerage Firm that he would be the only person with access to the Kendricks Account, and the firm lifted the hold.

57. The next trading day, Monday, September 8, 2014, the Kendricks Account purchased 224 Move call options with September and October expiration dates at a cost of approximately $20,000.

58. Kendricks, who was in the midst of the NFL football season, enlisted Ramsey to place trades in the Kendricks Account using Kendricks' computer. Kendricks authorized and encouraged Ramsey to act on his behalf and trade for him based on tips from Sonoiki. On September 15, 2014, Kendricks texted Ramsey: "[d]elegation has been passed on to you," and, on September 21, 2014: "stop being so scared of [Sonoiki]…yeah it's all good…Just talk to him."

59. After Kendricks had enlisted Ramsey to assist him, Kendricks still remained involved in the scheme. Sonoiki sometimes called Kendricks directly, and Ramsey updated Kendricks when he had received new information from Sonoiki and when he was planning to trade on it.

60. On or around September 15, 2014, the Investment Bank team working on the

Move transaction learned that the deal would be announced soon. On September 15, Sonoiki, Kendricks, and Ramsey exchanged calls, after which Ramsey purchased 67 Move call options with October expiration dates at a cost of approximately $9,000 in the Kendricks Account.

61. The next day, September 16, 2014, Ramsey and Sonoiki exchanged text messages and phone calls. At 3:09 p.m., Ramsey messaged Sonoiki: "just call me, and I can Writer [sic] it down and do it on his laptop." A few minutes later, after trying unsuccessfully to connect via FaceTime, Ramsey and Sonoiki spoke several times by telephone. During these calls, Sonoiki tipped Ramsey concerning the Move acquisition. Shortly thereafter, Ramsey accessed the Kendricks Account and sold some of the short term Move call options that were due to expire on September 19, and then purchased an additional 50 Move call options with October expiration dates at a cost of approximately $5,000.

62. On September 17, 2014, Ramsey texted Sonoiki: "[d]id you need me to get on and do something?" Approximately forty-five minutes later, Ramsey again accessed the Kendricks Account and attempted to sell the remainder of the MOVE call options that were about to expire on September 19. At around the same time, Ramsey also used the Kendricks Account to purchase 32 additional Move call options with October expiration dates at a cost of approximately $3,000.

63. On September 19, 2014, Sonoiki sent Kendricks a text message asking whether Kendricks could "hook [him] up with tix for [S]unday," whether he could see Kendricks on Sunday, and whether he could collect an "envelope" from Kendricks. That Sunday, Sonoiki and a friend attended the Eagles game against the Washington Redskins using tickets Kendricks provided to Sonoiki. After the game, Kendricks paid Sonoiki approximately $6,000 in cash.

64. On September 23, 2014, the Investment Bank team working on the Move

transaction learned that the new target date for an announcement of the deal was the following Monday, September 30. That morning, Ramsey texted Sonoiki: "I just had a meeting rescheduled earlier .... it might overlap through 9:30 ... if discussion doesn't take too long I can make it back in time. I will take Mychal's computer with me, but if I can't log on appropriately I will just write it down." Later that day, following several calls between Ramsey and Sonoiki, Ramsey accessed the Kendricks Account and purchased 330 Move call options with October and November 2014 expiration dates at a cost of approximately $33,000.

65. On September 30, 2014, before the market opened, News Corp and Move announced that News Corp would acquire all outstanding Move shares in a tender offer priced at $21 per share. Following the September 30 announcement, Move's stock price rose sharply and closed at $20.96, an increase of approximately 37% over the stock's closing price of $15.29 on September 29.

66. On October 2 and 3, 2014, Ramsey sold the Move call options in the Kendricks Account. In total, the Kendricks Account purchased Move call options at a cost of approximately $71,000, and sold them for approximately $350,000, netting Kendricks a profit of approximately $279,000.

67. This illegal trading in Move call options generated returns of more than 392% in less than one month.

**3. Insider Trading in Sapient**

68. By early October 2014, Sonoiki learned that the Investment Bank's TMT group was advising Sapient regarding a potential tender offer by Publicis to acquire the company. By this time, both Sapient and Publicis had engaged investment bankers and lawyers, Publicis had made a proposal to purchase Sapient in a tender offer, and senior managers of the two companies

had met to discuss the offer, including the offer price.

69. During the first week of October 2014, Sonoiki and Ramsey exchanged more than 40 phone calls. During these calls, Sonoiki tipped Ramsey concerning the Sapient acquisition. Following the phone calls, on October 6 and 7, Ramsey used the Kendricks Account to purchase 1,523 Sapient call options with October 2014 and January 2015 expiration dates at a cost of approximately $93,000.

70. On October 7, 2014, Sonoiki sent a text message to Kendricks, asking for four tickets to that Sunday's Eagles game. Sonoiki received the tickets from Kendricks, and, on Sunday, October 12, used the tickets to attend the Eagles game against the New York Giants.

71. On October 9, 2014, after telephone calls with Sonoiki, Ramsey purchased 36 Sapient call options with October 2014 and January 2015 expiration dates at a cost of approximately $12,000 in the Kendricks Account.

72. On October 14, 2014, after telephone calls with Sonoiki, Ramsey accessed the Kendricks Account and sold Sapient call options that were about to expire on October 17. Ramsey then purchased another 185 Sapient call options with November 2014 expiration dates at a cost of $41,000 in the Kendricks Account.

73. In October 2014, Ramsey and Sonoiki exchanged text messages about Sonoiki's plans to travel from New York to Philadelphia by train during the early morning for Sonoiki to receive a cash kickback. In an October 17, 2014, message, Ramsey told Sonoiki, in reference to the money Kendricks owed Sonoiki, "[b]y end of next week or its [sic] from my own pocket." In or around mid to late October 2014, Sonoiki met Kendricks and Ramsey at Philadelphia's 30th Street Station and received approximately $4,000 in cash.

74. On November 3, 2014, Sapient announced that Publicis had agreed to acquire the

company through a tender offer priced at $25 per share, a significant premium to the company's then-current stock price. That day, Sapient's stock price rose sharply and closed at $24.60, an increase of approximately 42% over the stock's closing price of $17.32 on October 31.

75. On November 6, Ramsey sold the Sapient call options in the Kendricks Account. In total, the Kendricks Account purchased Sapient call options at a cost of approximately $146,000 and sold them for approximately $635,000, netting Kendricks a profit of approximately $489,000.

76. The illegal trading in Sapient call options generated returns of more than 335% in approximately one month.

**4. Insider Trading in Oplink**

77. By late October 2014, Sonoiki learned that the Investment Bank's TMT Group was advising Koch concerning a tender offer to acquire Oplink. By this time, Koch and Oplink had retained investment bankers and lawyers and had exchanged numerous term sheets, as well as a draft merger agreement, setting forth how Oplink would be acquired through a tender offer. Senior managers of the two companies had met numerous times, including to conduct due diligence and to negotiate the price and terms of the transaction. Oplink was now entertaining several offers from other companies and was pushing Koch to work quickly toward a mid-November deal announcement.

78. On October 31, 2014, following several calls from Sonoiki to Kendricks and Ramsey—during which, on at least one occasion, Sonoiki tipped information concerning the Oplink acquisition—Ramsey purchased 27 Oplink call options with an expiration date of January 2015 at a cost of approximately $9,000 in the Kendricks Account.

79. On November 13 and 17, 2014, after telephone calls with Sonoiki, Ramsey

purchased 2,498 additional Oplink call options with expiration dates of December 2014 and January 2015 at a cost of approximately $438,000 in the Kendricks Account.

80. On November 19, 2014, Oplink announced that Koch would be acquiring the company in a tender offer. Oplink's stock price rose sharply and closed at $24.18, an increase of approximately 14% over the stock's closing price of $21.25 on November 18.

81. On November 21 and 24, 2014, Ramsey sold the Oplink call options in the Kendricks Account. In total, the Kendricks Account purchased Oplink call options at a cost of approximately $446,000 and sold them for approximately $798,000, netting Kendricks a profit of approximately $352,000.

82. The illegal trading in Oplink call options generated returns of more than 78% in less than one month.

## THE SCHEME ENDS

83. In May 2015, Sonoiki's employment with the Investment Bank was terminated and he lost access to confidential nonpublic deal information.

84. In total, Kendricks received profits totaling approximately $1.2 million from the scheme. Ramsey was directly involved in placing the trades with respect to illegal profits totaling approximately $1.12 million.

85. Kendricks paid Sonoiki approximately $10,000 in cash for his tips, among other benefits, including Eagles tickets and access to the perks of Kendricks' celebrity.

86. Kendricks agreed with Ramsey that some of the profits from their insider trading would fund Ramsey's business projects. While they were perpetrating the insider trading scheme, Kendricks allowed Ramsey to operate a vegan sandwich restaurant out of Kendricks' apartment and paid other expenses associated with operating this business and other projects that Ramsey was pursuing. Additionally, in January 2015, Kendricks wired $15,000 of his insider

trading profits to Ramsey's ex-girlfriend in order to settle one of Ramsey's debts.

## CLAIMS FOR RELIEF

## FIRST CLAIM

### Fraud in Connection With the Purchase or Sale of Securities
### Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

87. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 86, inclusive, as if they were fully set forth herein.

88. At the time that Sonoiki tipped Kendricks and Ramsey as alleged above, Sonoiki was in possession of material nonpublic information about potential corporate transactions that he obtained because of his employment with the Investment Bank.

89. The Investment Bank treated information about these transactions as confidential, including through policies and procedures designed to protect such information and to prohibit its employees from trading on such information. Specifically, Sonoiki was prohibited, by the Investment Bank's internal compliance procedures, from trading on the basis of material nonpublic information and trading in undisclosed, outside accounts.

90. Sonoiki knew or was reckless in not knowing that the information he used to trade in the Kendricks Account or used to tip Kendricks and Ramsey was material and nonpublic, and that he owed the Investment Bank, its clients, and/or its clients' shareholders a fiduciary duty, or obligations arising from a similar relationship of trust or confidence, to keep the information confidential, and to refrain from trading on it or tipping others to trade.

91. Sonoiki breached a fiduciary duty, or a similar duty of trust and confidence, to the Investment Bank, its clients, and/or its clients' shareholders, by tipping Kendricks and Ramsey to trade on the basis of material nonpublic information he obtained through his employment with the Investment Bank.

92. Sonoiki tipped Kendricks and Ramsey for benefits including cash payments, football tickets, a luxury car service ride, and invitations to a nightclub event and the set of a music video.

93. Ramsey knew or recklessly disregarded the fact that the information that Sonoiki tipped to Kendricks and Ramsey for trading Move, Sapient, and Oplink securities in the Kendricks Account was material and nonpublic.

94. Ramsey knew, should have known, recklessly disregarded or consciously avoided knowing that that the information that Sonoiki tipped to Kendricks and Ramsey for trading Move, Sapient and Oplink securities in the Kendricks Account was disclosed or misappropriated in breach of a fiduciary duty or obligation arising from a similar relationship of trust or confidence.

95. By engaging in the conduct described above, Ramsey, knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

(a) employed devices, schemes, or artifices to defraud;

(b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or

(c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security.

96. By engaging in the foregoing conduct, Ramsey violated and, unless enjoined, will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5

thereunder [17 C.F.R. § 240.10b-5].

## SECOND CLAIM

### Fraud in Connection With a Tender Offer
### Violations of Section 14(e) of the Exchange Act and Rule 14e-3 Thereunder

97. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 86, inclusive, as if they were fully set forth herein.

98. The corporate transactions involving Move, Sapient, and Oplink were each structured as tender offers.

99. By September 8, 2014, the date of the first illegal trade by the Kendricks Account in Move securities alleged herein, substantial steps to complete News Corp's tender offer to acquire Move had already been taken. Among other things, News Corp and Move had exchanged drafts of merger agreements detailing the terms of a tender offer and the companies' respective boards had met to review the potential transaction.

100. By October 6, 2014, the date of the first illegal trade by the Kendricks Account in Sapient securities alleged herein, substantial steps to complete Publicis' tender offer to acquire Sapient had already been taken. Among other things, Publicis had made a proposal to purchase Sapient in a tender offer, and senior managers of the two companies had met to discuss the offer.

101. By October 31, 2014, the date of the first illegal trade by the Kendricks Account in Oplink securities alleged herein, substantial steps to complete Koch's tender offer to acquire Oplink had already been taken. Among other things, senior managers at Koch and Oplink had met numerous times to discuss a potential tender offer, including to conduct due diligence and to negotiate the price and terms of the transaction.

102. Sonoiki obtained material nonpublic information about the contemplated tender offer transactions from his employer, the Investment Bank.

103. At the time that Ramsey traded in Move, Sapient, and Oplink securities as described herein, Ramsey was in possession of material nonpublic information regarding the Move, Sapient, and Oplink tender offers that he knew or had reason to know was nonpublic and acquired directly or indirectly from someone working on behalf of the offeror or issuer.

104. By reason of the foregoing, Ramsey violated, unless enjoined, will continue to violate, Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

## THIRD CLAIM

### Aiding and Abetting Kendricks' and Sonoiki's Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

105. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 96, inclusive, as if they were fully set forth herein.

106. By engaging in the conduct described above, Kendricks and Sonoiki directly or indirectly violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

107. By receiving tips from Sonoiki and placing trades in Move, Sapient, and Oplink securities in the Kendricks Account, and by helping to arrange cash payments to Sonoiki, as detailed herein, Ramsey knowingly or recklessly substantially assisted Kendricks' and Sonoiki's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

108. By reason of the forgoing, Ramsey aided and abetted Kendricks' and Sonoiki's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and, as a consequence, Ramsey is liable under Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

## FOURTH CLAIM

**Aiding and Abetting Kendricks' and Sonoiki's Violations of Section 14(e) of the Exchange Act and Rule 14e-3 Thereunder**

109. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 86 and 97 through 104, inclusive, as if they were fully set forth herein.

110. By engaging in the conduct described above, Kendricks and Sonoiki directly or indirectly violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

111. By placing the trades in Move, Sapient, and Oplink securities in the Kendricks Account, and by helping to arrange cash payments to Sonoiki, as detailed herein, Ramsey knowingly or recklessly substantially assisted Kendricks' and Sonoiki's violations of Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

112. By reason of the forgoing, Ramsey aided and abetted Kendricks' and Sonoiki's violations of Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3] and, as a consequence, Ramsey is liable under Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

## PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

**I.**

Permanently restraining and enjoining Ramsey from, directly or indirectly, violating Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78n(e)] and

Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5 and 240.14-e3];

**II.**

Ordering Ramsey to disgorge all ill-gotten gains or unjust enrichment derived from the activities set forth in this Complaint, together with prejudgment interest thereon;

**III.**

Ordering Ramsey to pay civil penalties to Section 21A of the Exchange Act [15 U.S.C. § 78u-1] or, alternatively, Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

**IV.**

Granting such other and further relief as this Court may determine to be just and necessary.

Dated: May 21, 2019

Respectfully submitted,

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