UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9488 / November 27, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3728 / November 27, 2013

INVESTMENT COMPANY ACT OF 1940
Release No. 30814 / November 27, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15629

In the Matter of **MARIE L. HUBER and JESS E. JONES,** **Respondents.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTION 203(f) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940, against Marie L. Huber ("Huber") and Jess E. Jones ("Jones").

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the "Offers") 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, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 203(f) of the Investment Advisers Act of

1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offers the Commission finds that:

Respondents

1. Marie L. Huber, age 35, resides in Cambridge, Massachusetts. From January 2007 to February 2011, Huber was an analyst at "Hedge Fund Adviser A." Huber has not been associated with a registered investment adviser since that time. Huber has a Bachelor's degree in Biochemistry and a Master's degree in Bioscience Enterprise from Cambridge University in the United Kingdom. Huber is not a registered adviser and does not hold any securities licenses.

2. Jess E. Jones, age 34, resides in Reno, Nevada. From June 2007 to January 2011, Jones was an analyst at "Hedge Fund Adviser B." Jones's focus was the health care industry. Jones has a Bachelor's degree from the University of Utah in Salt Lake City, Utah, and an M.D. and a Master's Degree in Business Administration from Columbia University in New York, New York. Jones is not a registered adviser and does not hold any securities licenses.

Other Relevant Entities

1. "Hedge Fund Adviser A" (hereinafter referred to as "HFA-A") is an investment adviser that has been registered with the Commission since 2009. HFA-A is a Delaware corporation with its principal office in New York, New York.

2. "Hedge Fund Adviser B" (hereinafter referred to as "HFA-B") is an investment adviser that has been registered with the Commission since 2006. HFA-B is a Delaware corporation with its principal office in New York, New York.

3. Dendreon Corporation ("Dendreon") is a Delaware corporation with its principal office in Seattle, Washington. Dendreon is a biotechnology company that developed and markets Provenge (Sipuleucel-T), which is an immunotherapy treatment for late-stage prostate cancer. Provenge is Dendreon's only commercialized product. Dendreon has common stock registered with the Commission under Section 12(b) of the Exchange Act. The company's common stock (symbol "DNDN") trades on the NASDAQ Stock Market.

Background

1. On April 29, 2010, the Food and Drug Administration ("FDA") approved Provenge for the treatment of late-stage prostate cancer. In early June 2010, the FDA released documents related to its decision to approve Provenge ("the FDA

documents"). After reviewing and analyzing the FDA documents, Huber concluded that the Provenge treatment was hastening the death of patients. In June 2010, Huber began drafting a report for HFA-A, entitled "Provenge PhIII Trials – The Alternative Explanation of Survival Results" (hereinafter referred to as the "Alternative Explanation"), which set forth her analysis.[1] Huber shared her draft report with a number of individuals, including Respondent, Jess Jones.

2. During the period of June 17, 2010 through July 12, 2010, Huber purchased $125,431 in July Dendreon put options and $110,627 in August put options.[2] Huber also purchased put options in her mother's account, and shared her analysis with friends and family who subsequently traded in Dendreon securities. The July put options that Huber purchased were set to expire on July 17, 2010, and had strike prices ranging from $10 to $30. All of the put options were "out-of-the-money" and most of them had strike prices of $25 or less. Dendreon common stock was selling in the low to mid $30s at the time. During the same period, Jones purchased $3,095 in July Dendreon put options and $36,651 in August put options. The put options that Jones purchased were also out-of-the-money and had strike prices ranging from $21 to $30. In addition, Jones advised family and friends to purchase Dendreon put options.[3]

3. On June 30, 2010, the Centers for Medicare & Medicaid Services ("CMS") opened a national coverage analysis for Provenge, and requested public comments concerning the efficacy of Provenge and whether it should be covered by Medicare and/or Medicaid. Huber encouraged HFA-A to submit the report she prepared on Provenge to CMS. In early July 2010, HFA-A had not yet determined when to submit the Alternative Explanation to CMS in response to the request for comments. As the July 17, 2010 put option expiration date neared, Respondents were concerned that HFA-A was not going to submit the report to the CMS website prior to the expiration of their put options. As a result, Respondents arranged to disseminate the Alternative Explanation on their own prior to option expiration.

4. On July 12, 2010, Huber gave Jones a flash drive which contained documents relating to the Alternative Explanation, including copies of the Alternative Explanation, a distribution list of email addresses, and a version of the email text that Jones subsequently used to disseminate the report.[4]

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[1] A version of the Alternative Explanation was subsequently published in the "Journal of the National Cancer Institute" on February 22, 2012. The findings in this Order do not address the conclusions set forth in the Alternative Explanation.

[2] Huber did not receive approval for these trades as required by HFA-A's trading policies.

[3] Jones did not receive approval for these trades as required by HFA-B's trading policies.

[4] That evening, Jones created an email account using the name Aaron Adams and Dendreon's ticker symbol DNDN (aa.adams.dndn@gmail.com) and sent emails attaching the Alternative Explanation to seven individuals in the financial community. Those emails contained the following message: "Thought you guys might want to see this before everyone else . . . [.]" The following day, on July 13, Jones anonymously posted the Alternative Explanation on the Pharmalot blog and the Yahoo! DNDN Message Board.

5. On the evening of July 14, 2010, Jones created an email account using the name Jonathan White and Dendreon's ticker symbol DNDN (jon.white.dndn@gmail.com) and sent emails attaching the Alternative Explanation to more than 450 email addresses from a distribution list that Huber had provided. Most of the email recipients were affiliated with the medical and pharmaceutical industries, and approximately 15 of the recipients were in the financial industry. The "Jonathan White" emails contained the following text, the substance of which was contained on the flash drive which Huber provided to Jones:

> BCC list: 500 members of the medical, scientific, regulatory, and legal communities
>
> Dear Colleague,
> The document attached . . . was written by a group of scientists and physicians whose concern for their safety has forced them into hiding. In it they postulate a design flaw in the Provenge PhIII trials with potentially profound implications. Those who previously voiced legitimate scientific concerns regarding this drug had their lives threatened, were forced to employ body-guards and have been traumatized into silence. Every dissenting voice is squashed. This fear extended to the FDA reviewers, who stated if it doesn't get approved this time, there will be bloodshed. It is our constitutional right to express our opinions. If money and power can scare dissenters into silence, it is a sad day indeed for our nation and for humankind.
>
> I call upon you to read this argument and make your own independent, critical assessment of its merits. If you see the merit of the concerns it voices, I call upon you to express those views to the FDA and CMS (Leslye Fitterman, PHD; Leslye.fitterman3@cms.hhs.gov) who have been trusted with the power of protecting the American public.
>
> In my personal opinion (and that of select esteemed colleagues) that a legitimate concern has been raised, which is that the immune cells that are explicitly removed from placebo patients in the Provenge trials could have significantly compromised these patients and their ability to fight their cancer. This possibility must be explored as an alternative explanation for these trial results, because if it is right, it implies that Provenge treatment is harmful to patients because of all the immune cells that are lost during this treatment, and not prolonging life at all!
>
> If any of you reach the same independent assessment of this piece as I do, it is our moral obligation to have a voices heard and demand this matter is investigated. We must stand up against those that

wish to use the power of the sword to threaten legitimate scientific discourse and concern for patient safety. We cannot allow the big money invested in this drug to feed on the fear and desperation of cancer patients and their families to co-opt their voice to silence those very people that are trying to protect them.

Sincerely,
A concerned physician, scientist and citizen

p.s. Scientific progress since 1999, when the FDA agreed to the design of these trials, has significantly increased our understanding of immune aging. Now that we know that the aged immune system cannot replace lost cells in the way that the youthful immune system can, we should identify the possible mistakes of our earlier ignorance. We infected thousands of people with HIV and Hepatitis C through blood infusions before we discovered that these are blood-bourn pathogens. We gave thalidomide to thousands of pregnant women before we understood that this was causing birth defects. We used epo to drive hemoglobin levels to unhealthy levels until we learned that this is harmful. We make mistakes, and scientific progress reveals those mistakes. The sooner we rectify earlier mistakes, the sooner we curtail the unintentional harm we are causing.

6. On July 14, 2010, Dendreon shares closed at $33.99 on volume of 4,042,300. On July 15, 2010, after the "Jonathan White" emails were sent, Dendreon shares fell 7.2% intraday ($31.54) and closed down 4.5% ($32.45).[5] Trading volume on July 15 was 9,084,700, nearly double the average volume for the three trading days before and after July 15. That day, Huber sold 376 July put option contracts with strike prices of $27 and $30 for total proceeds of $2,841, and Jones sold 50 August put option contracts with a strike price of $28 for proceeds of $8,522. However, Huber and Jones suffered significant trading losses because the vast majority of their put option contracts remained unsold or unexercised because they were so far "out-of-the-money."

7. On July 14, Huber told her boss at HFA-A that there had been a "leak" of the Alternative Explanation. Huber told her boss and colleagues that she did not know who "leaked" the Alternative Explanation, but that given the "leak," HFA-A should quickly submit to CMS as public comment the most up-to-date version of the report. On July 15, 2010, on HFA-A's behalf, outside counsel submitted the Alternative Explanation to CMS on behalf of an unidentified client, and CMS posted the report on its website as part of the public comments.[6]

[5] On July 15, the pharmaceutical sector was slightly up (0.1%), and the DJIA, S&P 500, and NASDAQ were flat (<0.001%).

[6] The submission contained a disclosure stating that the report "was prepared by an investment adviser which may from time to time have a long or short interest in companies that are directly or indirectly affected by

8. The text of the July 14 "Jonathan White" emails omitted to state material facts necessary to make the statements made not misleading. The emails stated that the Alternative Explanation was "written by a group of scientists and physicians" and was signed "A concerned physician, scientist and citizen." These statements were materially misleading because the Respondents were hedge fund analysts who held Dendreon put option contracts that were about to expire. These facts were material because investors would have considered the identity, motive, and financial self-interest of Respondents important to assessing the report and any decision to buy or sell the securities of Dendreon.

9. Section 17(a)(2) of the Securities Act prohibits any person, in the offer or sale of any securities, to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. As a result of the conduct described above,[7] Respondents willfully[8] violated Section 17(a)(2) of the Securities Act.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Section 8A of the Securities Act, Section 203(f) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that**:**

A. Respondents Huber and Jones cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act.

B. Respondents Huber and Jones be, and hereby are suspended for six months from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent, and prohibited for six months from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

C. Respondents Huber and Jones shall each, within 10 days of the entry of this

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the matters referred to in this paper." The findings in this Order do not address this disclosure.

[7] The Respondents' conduct described above was, at a minimum, negligent. Negligent conduct can violate Section 17(a)(2). See, e.g., SEC v. Hughes Capital Corp., 124 F.3d 449, 453-54 (3d Cir. 1997).

[8] A willful violation of the securities laws means merely "'that the person charged with the duty knows what he is doing. It does not mean that, in addition, he must suppose that he is breaking the law.'" Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting Hughes v. SEC, 174 F.2d 969, 977 (D.C. Cir. 1949)).

Order, pay a civil money penalty in the amount of $25,000 to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

(1) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or
(2) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying them as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Brian O. Quinn, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5030.

By the Commission.

Elizabeth M. Murphy
Secretary