

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100280 / June 6, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21954

In the Matter of

ANDERS J. LINDGREN,

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

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 Anders J. Lindgren (“Lindgren” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

Summary

1. This matter involves insider trading by Lindgren, a Finnish citizen, who traded the securities of CinCor Pharma, Inc. (“CinCor”) in advance of the January 9, 2023 public announcement that AstraZeneca PLC (“AstraZeneca”) had agreed to acquire CinCor in an all-cash tender offer transaction valued at \$1.8 billion. In advance of the announcement, Lindgren, who was

then an Associate Director of AstraZeneca’s Deal Finance and M&A team, learned material, nonpublic information concerning the prospective acquisition. Lindgren purchased 50 shares of CinCor stock in his wife’s brokerage account and 940 out-of-the-money call options in his own account. Following the public announcement, CinCor’s stock price increased by approximately 135%, and Lindgren’s trading generated a profit of \$682,123.

Respondent

2. **Anders J. Lindgren**, age 36, is a Finnish citizen currently residing in Jakobstad, Finland. From August 2017 through May 2023, Lindgren was employed at AstraZeneca in its Cambridge, England office and was a member of its Deal Finance and M&A team, holding the title of Manager and then Associate Director.

Related Parties

3. **CinCor Pharma, Inc.** was a clinical-stage biopharmaceutical company focusing on cardio-renal diseases with its headquarters in Waltham, Massachusetts. Prior to its acquisition by AstraZeneca, the company’s common stock traded under the ticker “CINC” on the NASDAQ.

4. **AstraZeneca PLC** is a biopharmaceutical company based in Cambridge, England. It is listed on the NASDAQ under the ticker “AZN.”

Facts

A. Background of the Merger

5. AstraZeneca and CinCor conducted merger negotiations on at least three separate occasions. The first two negotiations took place in 2021 and did not result in a deal. Lindgren was on the AstraZeneca deal team that worked on those 2021 negotiations. At the time, AstraZeneca employees referred to the negotiations using the code name “Project Cider.” In August 2022, the companies revived their negotiations. Lindgren was not formally assigned to the deal team but was kept apprised of developments. AstraZeneca employees referred to the 2022 negotiations as “Project Cider/Cinnamon” and later “Project Cinnamon.”

6. The companies finalized their agreement on January 8, 2023 for a total purchase value of \$1.8 billion inclusive of certain contingent value rights. They announced the deal on January 9, 2023 prior to market open. On the day of the announcement, CinCor’s stock price increased by 135% to close at \$27.70 per share, up from \$11.78 per share at market close on the prior trading day.

B. Lindgren Learned of Material, Nonpublic Information Related to the Potential Acquisition of CinCor

7. Lindgren was aware that AstraZeneca revived merger negotiations with CinCor because he received updates from a colleague on the deal team. For example, on August 22, 2022, Lindgren learned from a colleague that “Cider [is] to be revisited on Wednesday.” His colleague also forwarded to him discounted cash flow analyses for the deal, to which Lindgren responded

“do you think Cider will happen[?]” On September 21, 2022, Lindgren learned from his colleague that AstraZeneca had extended an offer to CinCor.

8. On October 4, 2022, Lindgren and other Deal Finance and M&A team members received an email regarding Project Cider/Cinnamon stating that a non-binding offer had “been agreed with counterparty, Due diligence underway with functional teams ... [and] Deal sign planned for end of October.” Lindgren knew that “Project Cider/Cinnamon” referred to CinCor because “Cider” was the code name for CinCor when he worked on the negotiations in 2021. In fact, on October 10, 2022, he wrote an email to a colleague acknowledging that “Cider/Cinnamon” was “by far [one of] the largest projects we have on-going currently.”

9. On October 11, 2022, Lindgren and other Deal Finance and M&A team members received financial reports regarding the deal. Then on October 31, 2022, in response to an internal request for members of the Deal Finance and M&A department to provide updates on the deals they were working on, a colleague responded to the entire department via email – including Lindgren – and stated “I have updated the Cinnamon deal sign to Q4 2022 and close to Q1 2023.” Two days later, Lindgren began purchasing CinCor securities.

C. Lindgren Bought CinCor Securities

10. As an Associate Director in AstraZeneca’s Deal Finance and M&A team, Lindgren was subject to the company’s insider trading policy, which forbid insider trading in the securities of AstraZeneca and its “deal targets.” Lindgren received annual training regarding, and confirmed that he understood, AstraZeneca’s insider trading policies. Yet, on November 2, 2022, just two days after learning that the CinCor deal was slated to close “Q1 2023,” Lindgren purchased 50 shares of CinCor stock in his wife’s brokerage account. Over the next six weeks, Lindgren placed over a dozen trades to acquire a total of 940 out-of-the-money call options in CinCor with expiration dates in Q1 and Q2 2023. After the announcement, Lindgren’s trading generated a profit of \$682,123 as of market close on January 9, 2023.

11. As a result of the conduct described above, Lindgren violated Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities and fraudulent acts or practices in connection with a tender offer.

Disgorgement

The disgorgement and prejudgment interest ordered in paragraph IV.C. is consistent with equitable principles, does not exceed Respondent’s net profits from his violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in paragraph IV.C. shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Lindgren's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Lindgren cease and desist from committing or causing any violations and any future violations of Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder.

B. Lindgren be, and hereby is, barred from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] for a period of five (5) years from the entry of this Order.

C. Respondent shall pay disgorgement of \$682,123, prejudgment interest of \$36,994 and civil penalties of \$682,123, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments:

1. Due within 10 days of notice provided by the Commission to Interactive Brokers (U.K.) Limited of the entry of this Order: The entire balance of Respondent's account no. XXXX3519;
2. Due within 180 days of the entry of this Order: \$120,000;
3. Due within 365 days of the entry of this Order: the remaining balance due.

Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. §3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) 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
- (3) 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 Anders J. Lindgren 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 Joseph G. Sansone, Chief, Market Abuse Unit, Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY 10004-2616.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary