

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Release No. 11362 / January 24, 2025

SECURITIES EXCHANGE ACT OF 1934

Release No. 102275 / January 24, 2025

ADMINISTRATIVE PROCEEDING

File No. 3-22445

In the Matter of

JOHN A. HEROPOULOS

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933 AND 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 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against John A. Heropoulos (“Heropoulos” 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 8A of the Securities Act of 1933 and 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 finds¹ that:

Summary

1. This matter involves insider trading by Heropoulos, a Regional Sales Director at Lantheus Holdings, Inc. ("Lantheus"), in the securities of Lantheus in advance of the February 24, 2022 announcement of Lantheus's financial results for its fiscal quarter and full year that ended December 31, 2021. Between February 11 and February 23, 2022, while aware of material nonpublic information about Lantheus's upcoming financial results, Heropoulos purchased Lantheus stock and call options and sold put options for a premium in advance of the February 24, 2022 earnings announcement. Following Lantheus's announcement of adjusted earnings per share for the fourth quarter of 2021 of \$0.25 instead of the estimated \$0.17 per share and adjusted earnings per share for the full year of 2021 of between \$1.95 and \$2.05 per share instead of the estimated \$0.89 per share, Lantheus stock increased by over 60%. As a result of his trading, Heropoulos obtained realized and unrealized gains of approximately \$60,587.72.

Respondent

2. Heropoulos, age 60, is a resident of Canton, Ohio. Heropoulos was employed at Lantheus as a Regional Sales Director for Lantheus's prostate cancer diagnostic imaging product ("Drug A") from August 2021 to September 2022.

Relevant Entity

3. Lantheus Holdings, Inc. is incorporated in Delaware with headquarters in North Billerica, Massachusetts. Lantheus is a producer of medical diagnostic and therapeutic devices. Lantheus's common stock is registered with the Commission under Section 12(b) of the Exchange Act and is traded on NASDAQ under the stock symbol "LNTH".

Facts

4. Heropoulos began working for Lantheus, in August 2021 as a Regional Sales Director responsible for sales of Lantheus's prostate cancer diagnostic imaging product, Drug A.

5. When he began working at Lantheus, Heropoulos was subject to and received training on Lantheus's policies and procedures concerning insider trading and nonpublic information. In particular, Lantheus's Policy on Insider Trading and Communications with the Public prohibited company personnel who were aware of material nonpublic information relating

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

to Lantheus from buying or selling any Lantheus securities. It further prohibited trading in Lantheus options because, according to the policy, “a transaction in options is, in effect, a bet on the short-term movement of the Company’s stock and, therefore, creates the appearance that trading is based on inside information.”

6. As a Regional Sales Director, Heropoulos regularly participated in meetings with Lantheus’s sales leadership to discuss Drug A’s sales, progress, and projections throughout his employment at Lantheus. Heropoulos also had access to, and received weekly emails summarizing, Lantheus’s company-wide sales data for Drug A. In January and February 2022, this data indicated that Lantheus’s sales of Drug A had substantially increased from the prior periods and Lantheus was continuing to set multiple new sales records for Drug A. Additionally, Heropoulos received projected 2022 sales and revenue for Drug A, which in early 2022 had substantially increased from Lantheus’s earlier projections. Heropoulos knew that Drug A sales were a significant driver of Lantheus’s financial results for its fourth quarter of 2021, which ended on December 31, 2021. None of this information was available to the public prior to Lantheus’s February 24, 2022 earnings announcement.

7. After receiving a series of emails showing the record sales and increased projections for 2022 sales and revenue for Drug A, Heropoulos made the following transactions in Lantheus stock and options between February 11, 2022 and February 23, 2022 in two brokerage accounts under his control:

- a. bought to open 15 Lantheus call options in two series;
- b. sold to open 10 Lantheus put options for a premium; and
- c. purchased 1,500 shares of Lantheus stock.

8. Both series of call options were significantly out of the money based on the closing price of Lantheus stock on the days Heropoulos purchased the options.

9. Before the market opened on February 24, 2022, Lantheus announced adjusted earnings per share of \$0.25 versus the estimated \$0.17 for the fourth quarter of 2021 and earnings per share of between \$1.95 and \$2.05 versus the estimated \$0.89 for full year 2021. The press release showed that Drug A sales comprised more than 25% of Lantheus’s fourth quarter revenue. Following the announcement, shares of Lantheus stock increased from \$28.86 per share to close at \$46.63 on February 25, 2022, an increase of over 60%.

10. Through his trading, Heropoulos obtained realized and unrealized gains of approximately \$60,587.72, based on the February 25, 2022 closing prices of \$46.63 for LNTH stock, and \$16.90 and \$17.80, respectively, for the two options series.

11. Heropoulos knew, consciously avoided knowing, or was reckless in not knowing that the information he possessed concerning Lantheus’s sales results as of the dates of his trading in February 2022 was material and nonpublic. Heropoulos also knew, consciously avoided knowing, or was reckless in not knowing that by trading while aware of confidential information about Lantheus’s sales results that he learned during the course of his employment, he breached the duty of trust and confidence and the duty of confidentiality owed to Lantheus.

Violations

12. As a result of the conduct described above, Heropoulos violated Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities upon the purchaser, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

Disgorgement and Civil Penalties

13. The disgorgement and prejudgment interest ordered in paragraph IV.B. 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.B. 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 and in the public interest to impose the sanctions agreed to in Respondent Heropoulos's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to 8A of the Securities Act and Section 21C of the Exchange Act, Respondent Heropoulos cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent Heropoulos shall pay disgorgement of \$60,587.72, prejudgment interest of \$10,371.58, and a civil penalty of \$60,587.72, 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: \$26,309.42 within fourteen (14) days of the entry of Order; \$26,309.40 within ninety (90) days of the entry of this Order; \$26,309.40 within one hundred eighty (180) days of the entry of this Order; \$26,309.40 within two hundred seventy (270) days of the entry of this Order; and \$26,309.40 within three hundred sixty (360) days of the entry of this Order.

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.

C. 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 John Heropoulos as the 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 Assistant Director Anne C. McKinley, Division of Enforcement, Securities and Exchange Commission, Chicago Regional Office, 175 W. Jackson Boulevard, Suite 1450, Chicago, IL 60604.

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