UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102515 / March 4, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22458

In the Matter of **Jeffrey Suchecki,** **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 Jeffrey Suchecki ("Suchecki" 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

This matter involves insider trading by Suchecki in the securities of Fate Therapeutics, Inc. ("Fate") in advance of Fate's public disclosures regarding positive clinical results in patients enrolled in two cancer immunotherapy clinical trials Fate was conducting in 2020. Suchecki was an employee of Fate and, between August 2020 and December 2020, he received material, non-public information on multiple occasions about positive patient responses in the trials. Suchecki helped Fate prepare for the public disclosure of this positive clinical data from the trials, and he created materials to display certain of the data at a prominent medical conference.

Suchecki purchased 1,905 shares of Fate common stock between October and December 2020 while aware of the material, non-public information, knowingly or recklessly breaching a duty of trust and confidence he owed to Fate. Following disclosure of the clinical trial results in December 2020, Fate's common stock rose nearly 40% and the value of Suchecki's holdings appreciated by approximately $65,000.

Respondent

1. **Suchecki**, age 46, is a resident of San Francisco, California. Between March 2020 and January 2023, Suchecki was an employee of Fate. Prior to working at Fate, Suchecki was employed by two other publicly traded biopharmaceutical companies. Suchecki is not registered with the Commission in any capacity.

Other Relevant Entity

2. **Fate Therapeutics, Inc.** is a Delaware corporation with its principal place of business located in San Diego, California. Fate is a clinical-stage biopharmaceutical company engaged in developing programmed cellular immunotherapies for patients with cancer and autoimmune diseases. Fate's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the Nasdaq Global Market under the ticker symbol "FATE."

Background

3. Fate hired Suchecki in March 2020 as an Associate Director of Program Management in the company's Clinical Translation department. In that role, Suchecki managed aspects of certain exploratory research related to Fate's ongoing development of cellular immunotherapies for cancer patients. In or around September 2020, Suchecki transitioned to a new role in the company's Clinical Development department, maintaining the same title as an Associate Director.

4. During the relevant time, Suchecki was not required to seek pre-clearance of his trades from Fate because he had not been designated an "Insider" pursuant to the company's Special Trading Procedures for Insiders. He was, however, required to comply with Fate's insider trading policy, which he received as part of his onboarding process at Fate. The policy prohibited trading of Fate securities while in "possession of material, nonpublic information" about Fate. The

policy defined material information as "any type of information that could reasonably be expected to affect the market price of the Company's securities" and provided that "information, results and/or future announcements related to clinical trials" should be considered "carefully" to determine whether such information was material.

5. In addition to receiving Fate's insider trading policy, Suchecki received and signed Fate's Proprietary Information and Inventions Agreement ("PIIA"). Pursuant to the PIIA, Suchecki acknowledged that Fate is publicly traded, he "may learn of material, non-public information" regarding Fate, and he agreed that he would not buy or sell any Fate securities "while in possession of material, non-public information regarding" the company.

6. In his role at Fate, Suchecki received information regarding Fate's clinical trials. Two of the immunotherapies developed by Fate, known as FT516 and FT596, were being studied in 2020 in separate Phase 1 clinical trials. FT516 and FT596 were both therapies for sub-types of lymphoma and leukemia.

7. Suchecki periodically bought shares of Fate stock after arriving at the company. However, in August 2020, Suchecki sold his entire Fate position, at which point he held no Fate common stock.

Suchecki Learns Material, Non-public Information Regarding Fate's FT596 Trial

8. On June 8, 2020, Fate publicly disclosed that a patient enrolled in Fate's FT596 trial ("Patient 2") experienced a "partial response"—a pre-defined reduction in tumor size—following an initial cycle of treatment. Prior to publicizing this result, an internal email among Fate's leadership referred to the findings as "material information" that should not be communicated outside the recipients of the email. Suchecki understood that partial responses, in general, and that this particular partial response, represented positive news for the company.

9. Fate leadership considered the June 2020 Patient 2 partial response to be a milestone for the company, as it was, according to Fate's Senior Vice President of Clinical Development, "the first clear evidence of clinical activity from [its] iPSC derived immune cell program."

10. Following Patient 2's partial response, Fate administered a second cycle of treatment to the same patient. Fate had disclosed in June 2020 that it intended to seek consent from the federal government to re-treat the patient with FT596 but declined to confirm the patient's re-dosing on an August 2020 earnings call and kept the fact that Patient 2 had been re-dosed confidential until November 2020.

11. In late July 2020, Fate senior leadership learned that FT596 Patient 2 experienced a partial response to the *second* cycle of treatment, with an additional 33% reduction in the size of the patient's tumor. Fate kept these results confidential until December 2020 when it presented the news at an annual medical conference for hematologic disease sponsored by the American Society for Hematology ("ASH"), one of the premier medical conferences for hematological conditions, like lymphoma.

12. Suchecki learned about FT596 Patient 2's further partial response as early as August 10, 2020, when he received draft slides discussing the patient's treatment. The slide deck referenced the patient's "[p]artial metabolic response" and the additional 33% reduction in tumor size following retreatment. Suchecki understood that a reduction in tumor size was positive news.

13. Suchecki received additional material, non-public information about FT596 Patient 2's second cycle treatment and results. On September 3, 2020, a Fate Clinical Trial Manager circulated to Suchecki and others a draft brochure regarding FT596, which included information about Patient 2's partial response and further reduction in tumor size. On September 8, 2020, Suchecki received a clinical development update related to Fate's active trials, which included information regarding FT596 Patient 2's second cycle of treatment and the "continued decrease in tumor size." The same update noted that Fate had submitted an abstract concerning FT596 to ASH and expected to be notified of its acceptance to the conference on October 5, 2020.

14. On October 4, 2020, Suchecki learned that ASH had accepted Fate's abstract regarding FT596, which was styled as a clinical case study of Patient 2, for presentation at the ASH conference. An internal email explained that the ASH conference is a "major medical conference" and noted these types of clinical data presentations are "important events" for Fate.

15. Beginning in October 2020, Suchecki compiled information for and formatted the ASH conference poster presentation regarding FT596 Patient 2's treatment and responses. In so doing, Suchecki continued to receive information in October and November 2020 regarding Patient 2. This included images of certain scans used to monitor the evolving response of the patient to treatment and data regarding the reduction in size of the patient's tumor. In an October 6, 2020 email to Suchecki, a Fate executive relayed that, for the ASH conference presentation, Fate would need to obtain "[p]ictures of the post Cycle 2 PET-CT scan showing evolving response following FT596 retreatment." Suchecki also received a draft slide deck referencing Patient 2's "evolving response" following a second FT596 dose and slides referencing the patient's "further improvement following second cycle."

16. Suchecki understood the significance of the data regarding Patient 2. He took the data he received and formatted it in an "intuitive" way onto a poster for presentation at the ASH conference, prominently displaying Patient 2's response to the second cycle of FT596 treatment.

17. On November 5, 2020, Fate announced that it had administered a second dose of FT596 to Patient 2, but it did not announce the results of the dose. Fate announced that it would be providing a clinical update on the patient's second treatment cycle at the ASH conference. In response to a question from a stock analyst regarding speculation that Patient 2 had achieved a complete response, Fate expressly declined to confirm how Patient 2 "did or did not respond to the second dose." The same day, Fate announced that ASH had accepted 12 of its abstracts for presentation at the conference, including the "clinical case study of a patient treated with FT596."

18. Shortly after Fate's November 5, 2020 announcement regarding the upcoming ASH conference presentations, stock analysts covering Fate posted bulletins discussing the importance to investors of the expected announcements regarding the FT596 trial and the response of Patient 2

to treatment. One analyst stated, "[t]he company will present 12 abstracts at ASH, but many investors will be singularly focused on the outcome of a single…patient who received a second dose of FT596 after achieving a [partial response]. We would view the deepening of that patient's response as an important milestone that could further de-risk Fate's iPSC platform…." Another analyst noted, "[o]f 12 FATE-sponsored abstracts… the most significant for FATE shares, in our view, is the presentation of initial Ph[ase] 1 clinical data for FT596" and later stated that "[u]pdated data at ASH showing continued durability/further response in this patient and evidence of safe, easy to manage, and effective re-administration of FT596 would be an important de-risking event for the company's iPSC-derived NK cell platform that could continue to drive positive sentiment, in our view."

Suchecki Learns Material, Non-Public Information Regarding Fate's FT516 Trial

19. In August 2020, Suchecki received pharmacokinetic, or "PK" data—information about a drug's distribution in the body, and when it clears the body—concerning certain patients from the FT516 and FT596 trials. The slides provided to Suchecki included a "PK Summary" for 10 patients with charts documenting the levels of the therapies from those trials in patients' bodies. A Fate executive separately referred to PK data as "material non-publicly disclosed information."

20. In early September 2020, Suchecki transitioned from Fate's Clinical Translation Department to its Clinical Development Department. Suchecki remained involved with "data visualization and analytics" across the organization but also gained oversight of several of Fate's ongoing clinical trials, including the FT516 trial in its entirety. The FT516 trial treated, among others, three B-cell lymphoma patients and one follicular lymphoma patient (the "follicular lymphoma patient").

21. On October 8, 2020, Suchecki received an internal email with information related to an anticipated ASH investor event regarding the power of a novel receptor used by Fate in its FT516 immunotherapy. The attached slides noted that the presentation would cover the biology of the relevant receptor and the mechanism of the particular therapy. The slides also included a placeholder for discussion of the follicular lymphoma patient, with the caveat to "[c]onsider mentioning this patient only if compelling data available."

22. On October 16, 2020, Suchecki received a follow-up email regarding the FT516 poster preparation from Fate's Senior Vice President of Clinical Development, which noted that the follicular lymphoma patient previously discussed showed "evidence of activity"—*i.e.*, the patient had a positive clinical response—and should be included in the presentation.

Suchecki Trades Fate Common Stock

23. On October 6, 2020, while aware of material, non-public information about the FT596 and FT516 studies, Suchecki purchased 828 shares of Fate common stock for approximately $35,000. Suchecki sold shares of another company at a loss to fund his Fate stock purchase.

24. On November 24, 2020 while aware of material, non-public information about the FT596 and FT516 studies, including additional information about the FT516 study, Suchecki purchased another 1,000 shares of Fate common stock for approximately $56,000.

25. On December 4, 2020, at 3:00 P.M., while aware of material, non-public information about the FT596 and FT516 studies, Suchecki purchased an additional 77 shares of Fate common stock for approximately $4,700. This trade occurred just one hour before Fate released results concerning FT516.

26. By December 4, 2020, Suchecki had acquired and held 1,905 shares of Fate, all of which he purchased on the basis of material, non-public information.

27. On December 4, 2020, Fate's securities closed at a price of $60.79.

Fate Discloses Patient Results from its FT516 and FT596 Trials

28. On Friday, December 4, 2020, after market hours, Fate released positive results regarding its FT516 trial in a press release with the headline, "Fate Therapeutics Reports Positive Interim Data from its Phase 1 Study of FT516 in Combination with Rituximab for B-cell Lymphoma." The press release reported that three out of four patients receiving the therapy showed "objective responses," including patients that achieved "complete" responses," meaning no evidence of disease. Suchecki understood the significance of these results, and he confirmed that such responses are important to Fate as they "show the potential of the medicine." The December 4, 2020 release was the first public disclosure by Fate regarding these positive results.

29. On Sunday, December 6, 2020, Fate issued a press release disclosing, for the first time publicly, that FT596 Patient 2 had achieved a partial response from a second dose of the therapy.

30. On Monday December 7, 2020, following the release of positive news regarding the FT516 and FT596 patient responses, Fate's common stock closed at $83.77, an approximately 38% rise in the price of Fate's securities from the previous trading day's closing price.

31. The value of Suchecki's Fate stock position rose approximately $64,618 following the announcements. Suchecki was let go as part of a reduction-in-force at Fate in early 2023 and sold his Fate shares after leaving the company.

32. Suchecki bought Fate common stock in October, November, and December 2020 on the basis of material, non-public information. This was specifically prohibited by Fate's insider trading policy and the PIIA that Suchecki executed. As a result, he breached his duty to Fate. Suchecki also knew or was reckless in not knowing that he breached his duty to Fate at the time of these Fate common stock purchases.

Violations

33. As a result of the conduct described above, Suchecki violated 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

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 to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that**:**

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

B. Respondent shall pay disgorgement of $64,618, prejudgment interest of $15,831, and a civil money penalty of $64,618 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:

- Within 15 days of the entry of the Order, Respondent shall pay $80,000;
- Respondent shall pay the balance of within 90 days of the entry of the Order.

Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 as to disgorgement and pursuant to 31 U.S.C. § 3717 as to the civil money penalty. 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 Jeffrey Suchecki 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 D. Mark Cave, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

C. 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