UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106364 / September 15, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22723

In the Matter of **JACK E. ALEXANDER,** **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 Jack E. Alexander ("Alexander" 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 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[1] that:

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[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.

Summary

1. On August 31, 2022, Alexander engaged in insider trading by selling Okta, Inc. ("Okta") common stock and purchasing Okta put options. Alexander, a former Okta employee, made these trades just minutes after his friend and former colleague Andrew T. Neller ("Neller"), who was still an Okta employee, warned Alexander that Okta would likely be lowering its financial guidance and advised Alexander to buy Okta put options.

2. On August 4, 2022, Neller attended a confidential, companywide meeting and learned that Okta had missed its internal financial projections for the first half of the fiscal year. He also learned that Okta's internal financial plan for the year was wrong, that it was too optimistic, and that it needed to be adjusted. Neller further learned that Okta was suffering significant attrition in its sales force and was having difficulty integrating Auth0, Inc., a company it had acquired.

3. On August 31, 2022, Neller sent text messages to Alexander warning Alexander that Okta would likely be lowering its financial guidance and advising Alexander to buy Okta put options. After receiving these messages, Alexander sold all his Okta stock and purchased $31,567.92 worth of Okta put options.

4. After the markets closed on August 31, 2022, Okta announced that, while its financial results for the quarter ended July 31, 2022 had beaten expectations, it was lowering its full-year guidance for calculated billings, a key non-GAAP metric. It attributed the reduction principally to employee attrition and problems with the Auth0 integration.

5. The following day, September 1, Okta's stock price fell 34%, from $91.40 to $60.60 per share. That morning, Alexander sold all the Okta put options he had bought the previous day, realizing profits of $170,859.52. By selling his Okta stock on August 31, Alexander avoided losses of $59,381.78.

Respondent

6. Jack E. Alexander, age 62, resides in Rescue, California. He was a sales manager at Okta from February 2019 to June 2021.

Other Relevant Person and Entity

7. Andrew T. Neller, age 62, resides in South Lyon, Michigan. He was a sales manager at Okta from July 2019 to February 2023.

8. Okta, Inc. is a San Francisco, California-based provider of employee and customer identity authentication services. The company's common stock is listed on the Nasdaq Stock Market and trades under the ticker "OKTA." Okta's common stock has been registered with the Commission under Section 12(b) of the Exchange Act since March 27, 2017.

Facts

9. At all relevant times, Okta had an insider trading policy that prohibited employees from trading Okta securities on the basis of material nonpublic information. The policy also prohibited employees who possessed such information from giving trading advice about Okta or from tipping material nonpublic information to anyone else who might then trade. Alexander completed trainings on this policy in 2019 and 2020.

10. In 2022, Okta regularly held companywide "All-Hands" meetings. The meetings were held in-person at Okta's headquarters, and employees could join remotely via videoconference. The meetings were open only to Okta personnel.

11. Neller joined Okta's August 4, 2022 All-Hands meeting remotely. Shortly after the meeting began, Okta's CEO revealed that Okta had missed its internal financial targets for the first half of the fiscal year. He also said that Okta's financial plan for the year was wrong, that it was too optimistic, and that it needed to be adjusted. The CEO said that he was talking about the company's internal financial plan, but he also acknowledged that the company's internal financial plan and external financial guidance were related. The CEO shared that employee attrition, especially in Okta's sales team, was too high. He also explained that Okta was having difficulty integrating Auth0, a company it had recently acquired. The CEO admonished everyone at the meeting to keep this information confidential.

12. Neller and Alexander were friends from their time working together at Okta. On August 31, at 11:35 a.m. Eastern Time, Neller sent a text message to Alexander stating: "Hey hope your doing well! Not sure if you still have any Okta stock but expecting a pretty rough day tomorrow. Earnings tonight and I think it will be our first miss. . . ." One minute later, Alexander replied: "Ah. How to short? I saw the entire commercial recruiting team was laid off last week." At 11:40 a.m., Neller responded: "That or sell it and buy it back lower. [Okta's CEO] mentioned on our All-Hands Call they were going to have to lower our growth rate with the street. If that happens it will be rough. We have a 'replan' now. Actually lowering quotas to retain reps. . . ."

13. At 11:41 a.m., Alexander logged into an online brokerage account he owned. At 11:44 a.m., he sold all the Okta common stock he owned, 1,958 shares, for $178,036.58.

14. At 12:02 p.m., Neller sent Alexander a text message stating: "Buy Sept 9, $87 put options. Another option that will protect your downside." At 12:08 p.m., Alexander logged into another online brokerage account he owned. At 12:33 p.m., he bought $31,567.92 worth of Okta put options expiring on September 9, 2022 with an $87 strike price.

15. After the markets closed on August 31, 2022, Okta announced its financial results for the quarter ended July 31, 2022 and held an earnings call. On the call, Okta's CEO revealed that the company's "top line metrics were not where we wanted them to be due to challenges related to the integration of the Auth0 and Okta sales organizations as well as modest macro headwinds." He further explained: "We've experienced heightened attrition within the go-to-market organization as well as some confusion in the field, both of which have impacted our business momentum." Okta's CFO quantified the impact of these challenges: "We are lowering

our calculated billings outlook for the year by approximately $140 million due to the outlook headwinds outlined earlier. We now expect calculated billings for FY '23 to be approximately $2.04 billion to $2.05 billion . . . ." The CFO later elaborated: "A little over half [of the outlook reduction] was the sales integration issues. Second biggest was really the attrition issue we've talked about in the field."

16. The following day, September 1, 2022, Okta's stock price fell 34%, from $91.40 to $60.60 per share. Alexander sold all the options he had bought the previous day, realizing profits of $170,859.52. By selling his Okta stock on August 31, Alexander avoided $59,381.78 in losses.

Violations

17. As a result of the conduct described above, Alexander 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 and Civil Penalties

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 Alexander'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 $230,241.30, prejudgment interest of $32,215.35, and a civil penalty of $230,241.30 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: $200,000.00 within 10 days of the entry of this order and the remaining balance by August 31, 2027. Payments shall be applied first to post-order interest, which accrues pursuant to SEC Rule of Practice 600 and 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 Jack E. Alexander 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 Jason H. Lee, Associate Director, Division of Enforcement, Securities and Exchange Commission, 44 Montgomery Street, Suite 700, San Francisco, CA 94104.

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