UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106952 / November 23, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22788

In the Matter of

MUTHUSAMY SHANMUGAM

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 Muthusamy Shanmugam ("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 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:

[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. These proceedings arise out of insider trading based on tips provided by Muthusamy Shanmugam to two of his family members, Sankar Shanmugam and Sathish Kumar Palaniappan ("Palaniappan"), in the common stock of Alimera Sciences, Inc. ("Alimera") in advance of a June 24, 2024 announcement that Alimera and ANI Pharmaceuticals, Inc. ("ANI") had entered into a merger agreement (the "Announcement"). On the day of the Announcement, the price of Alimera's stock increased approximately 75% over the prior day's closing price.

2. As an ANI executive officer and director, Respondent acquired material nonpublic information regarding the Alimera-ANI transaction and shared that information in June 2024 with his son, Sankar Shanmugam, and brother-in-law, Palaniappan.

3. Based on the material nonpublic information that Respondent shared, Sankar Shanmugam and Palaniappan purchased Alimera stock prior to the Announcement, making a total of $58,206 in illicit profits.

4. By engaging in this conduct, Respondent violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Respondent

5. Muthusamy Shanmugam, age 59, is a resident of Delray Beach, Florida. He is a pharmaceutical industry entrepreneur and businessman. Since 2021, he has been an executive officer of ANI, serving in the roles of Head of Research and Development and as Chief Operating Officer of ANI's New Jersey operations. From 2021 until his resignation on August 23, 2026, Respondent also served as a member of ANI's Board of Directors.

Other Relevant Individuals and Entities

6. Sankar Shanmugam, age 31, is Respondent's son and a resident of Moorestown, New Jersey. During the relevant period, Sankar Shanmugam and his family resided with Respondent, and Sankar Shanmugam was employed by various businesses controlled and operated by Respondent. Also, Sankar Shanmugam worked at ANI from 2021 until January 2024.

7. Sathish Kumar Palaniappan, age 51, is Respondent's brother-in-law and a resident of Bordentown, New Jersey. He and Respondent have a close personal relationship. They spent time together during the relevant period and, in or around May 2024, Respondent helped one of Palaniappan's family members get a job.

8. ANI Pharmaceuticals, Inc. is a diversified bio-pharmaceutical company, organized under the laws of Delaware. ANI develops, manufactures, and markets branded and generic prescription pharmaceuticals. ANI's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and, at all relevant times, was traded on the NASDAQ under the ticker symbol ANIP.

9. Alimera Sciences, Inc. is a Delaware company that develops and commercializes prescription ophthalmic retinal pharmaceuticals. Alimera was acquired by ANI in September 2024, and since then has been an ANI subsidiary. Prior to the merger with ANI, Alimera's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NASDAQ under the ticker symbol ALIM.

Background

Respondent Had Material Nonpublic Information and a Duty to Maintain its Confidentiality

10. At all relevant times, Respondent was subject to ANI's Insider Trading Policy ("Policy") that prohibited directors, officers and certain other persons associated with ANI from disclosing nonpublic information about ANI. ANI's Policy further stated that family members of directors, officers, and certain other persons associated with ANI must not trade in the securities of any company about which the director, officer, or other covered person had obtained material nonpublic information through that person's relationship with ANI.

11. In 2023, Respondent received training on and certified that he read and understood the Policy.

12. From at least May 3, 2024, through at least June 24, 2024, through emails and participation in board meetings, Respondent received material non-public information about a potential transaction between ANI and Alimera, including updates concerning bid deadlines and ANI's receipt of an exclusivity period in which to finalize negotiations and documents.

13. For instance, on Friday, June 7, 2024, Respondent and other members of ANI's Board of Directors received a confidential email from ANI's CEO stating that, "We have made very good progress on evaluating the Alimera … acquisition that we had spoken about at the May Board meeting." The CEO also informed the Board that "final bids" were due on Friday, June 14.

14. The following Monday, June 10, 2024, Respondent and other members of ANI's Board of Directors received a confidential email from an ANI executive stating that "core diligence is nearly complete," "our deal thesis is very much in-tact," and "[f]inancing pathways are on track."

15. The next morning, June 11, 2024, Respondent attended a meeting of ANI's Board of Directors at which the Board approved management to prepare a final bid, subject to the Board's final sign off at a meeting closer in time to June 14.

16. Respondent knew, was reckless in not knowing, or consciously avoided knowing that the information he received about the proposed ANI-Alimera transaction was confidential and constituted material, nonpublic information.

Respondent Tipped His Son to Trade in Alimera Securities

17. Respondent and his son have a close personal relationship. They lived and worked together during the relevant period.

18. In May and June 2024, Respondent communicated with his son, Sankar Shanmugam, frequently, in person, or by phone, text, or WhatsApp.

19. On the afternoon of June 7, 2024, Respondent and Sankar Shanmugam, along with other family members, flew together from New Jersey to Florida and spent the weekend together, until Respondent returned alone to New Jersey on the morning of June 10, 2024.

20. On June 11, 2024, Respondent attended a meeting of ANI's Board of Directors where the Board approved management to move forward with a final, non-binding bid on June 14 to acquire Alimera. On that same evening, beginning at 7:07 PM ET, Respondent had a twenty-five-minute telephone call with Sankar Shanmugam.

21. On the morning of June 12, 2024, Respondent had multiple phone calls with Sankar Shanmugam. Thereafter, at 12:21 PM ET, Sankar requested $25,000 from one of the businesses that Respondent controls and operates. At 12:35 PM ET, Sankar Shanmugam placed his first ever order to purchase Alimera securities, buying 334 shares.

22. On June 13, 2024, before the markets opened, Respondent approved his son's request for $25,000. Beginning approximately nine minutes after this approval, Sankar Shanmugam and Respondent conducted three telephone calls. Following each of these calls—and within minutes after the completion of two of them—Sankar Shanmugam logged into his brokerage account and purchased shares of Alimera stock. In all, on June 13, 2024, Sankar Shanmugam purchased 5,269 Alimera shares. The next day, June 14, 2024, which Respondent was previously informed was the deadline for ANI to submit its final, non-binding bid to Alimera, Sankar Shanmugam purchased another 646 Alimera shares.

23. During the period of June 17 through June 20, 2024, Respondent received additional updates on the progress of ANI's merger efforts. First, on the morning of Monday, June 17, 2024, ANI's CEO informed the Board of Directors, including Respondent, that "We are in a 2-player shoot-out at this time and are progressing the merger agreement and other documents."

24. Two days later, early in the morning on June 19, 2024, ANI's CEO emailed Respondent and other members of ANI's Board of Directors that Alimera had granted ANI's request for a 36-hour exclusivity period, meaning, until June 20, at 7:00 AM to complete negotiations. Later that evening, ANI's Board of Directors, including Respondent, attended a meeting where ANI's CEO told the Board the terms of ANI's best and final bid and informed the Board that he expected negotiations to progress over the course of the day on June 20.

25. Over the period of June 17 through June 19, 2024, Respondent continued to communicate over the phone with his son, Sankar Shanmugam, who was traveling in China at the time. Beginning late in the evening in China (late morning U.S. Eastern time) on June 20, the day ANI's exclusivity period was to expire, and continuing into the early morning hours the following day in China (mid-afternoon U.S. Eastern time), Sankar Shanmugam resumed his Alimera trading, placing a total of 13 market and limit purchase orders and acquiring an additional 5,563 shares, his largest single-day purchase of Alimera shares.

26. In all, over the period of June 12 through June 20, 2024, Sankar Shanmugam purchased a total of 11,812 shares of Alimera.

27. Sankar Shanmugam purchased those shares based on material nonpublic information relating to ANI's impending acquisition of Alimera that he received from phone calls and/or in-person communications with Respondent, in breach of his duty of trust and confidence owed to ANI. Respondent knew, was reckless in not knowing, or consciously avoided knowing that the information shared with his son was material and nonpublic, and that his son would use that information to trade Alimera securities. Due to his close familial relationship with his son, Respondent received a personal benefit in exchange for tipping this material nonpublic information to Sankar Shanmugam.

Respondent Tipped His Brother-in-Law to Trade in Alimera Securities

28. Respondent and his brother-in-law have a close personal relationship. During the relevant period, they lived close to one another and saw each other often.

29. In May and June 2024, Respondent communicated with his brother-in-law, Palaniappan, frequently, in person, or by phone, text, or WhatsApp.

30. Palaniappan has invested in private companies controlled and operated by Respondent, including a substantial initial investment in one such company on or about June 10, 2024.

31. Palaniappan asked Respondent to join him for dinner on June 10, and Respondent agreed to meet the next day, June 11, 2024.

32. On June 11, 2024, after Respondent attended a meeting of ANI's Board of Directors where the Board approved management to move forward with a final, non-binding bid on June 14 to acquire Alimera, Respondent and Palaniappan met and had dinner.

33. On the morning of June 12, 2024, Respondent had multiple separate phone calls with Palaniappan. At 1:29 PM ET, Palaniappan placed his first ever order to purchase Alimera securities, buying 3,000 shares.

34. Following his opening purchase of 3,000 shares of Alimera, on the afternoon of June 12, 2024, Palaniappan placed a second market order and purchased another 2,000 Alimera shares.

35. On June 13, after arranging for a second investment in a company controlled and operated by Respondent, Palaniappan continued to purchase shares of Alimera in advance of ANI's June 14 bid submission deadline, buying a total of 5,000 additional shares.

36. On June 17, 2024, Palaniappan purchased another 2,000 Alimera shares, concluding his accumulation of Alimera shares, which collectively totaled 12,000 shares.

37. Palaniappan purchased those shares based on information relating to ANI's impending acquisition of Alimera that he received from phone calls and/or in-person communications with Respondent in breach of his duty of trust and confidence owed to ANI. Respondent knew, was reckless in not knowing, or consciously avoided knowing that the information shared with his brother-in-law was material and nonpublic, and that his brother-in-law would use that information to trade Alimera securities. Due to his close familial relationship with his brother-in-law, Respondent received a personal benefit in exchange for tipping this material nonpublic information to Palaniappan.

After the Announcement Sankar Shanmugam and Palaniappan Each Sold Thousands of Alimera Shares

38. On June 24, 2024, before the market opened, ANI and Alimera issued a joint press release announcing that they had entered into a definitive agreement, pursuant to which ANI would acquire Alimera for $5.50 per share in cash at closing and a non-tradable contingent value right. The share price of Alimera opened at $5.55 per share, an increase of more than 75% from the previous day's closing price of $3.15 per share, and closed at $5.54 per share.

39. Later that morning, June 24, 2024, Respondent, who was traveling in India at the time, had two short calls with Sankar Shanmugam followed by a brief call with Palaniappan.

40. Following these calls, both Sankar Shanmugam and Palaniappan began selling their Alimera shares. Sankar Shanmugam placed a single order to sell all 11,812 of his Alimera shares and made a total of $28,981 in profits. Within twenty minutes of speaking to Respondent, Palaniappan sold 5,000 Alimera shares and sold another 5,000 Alimera shares later that day.

41. Two days later, Palaniappan sold his remaining 2,000 Alimera shares. Through these sales, he made a total of $29,225 in profits.

Violations

42. As a result of the conduct described above, Respondent violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

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 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, or that is required to file reports pursuant to Section 15(d), of the Exchange Act [15 U.S.C. §78l] for a period of four (4) years from the entry of this Order.

C. Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of $58,206.00 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). If timely payment of the civil money penalty 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 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 Muthusamy Shanmugam 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.

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