UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106953 / November 23, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22789

In the Matter of **SANKAR 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 Sankar 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 an insider trading scheme conducted by Muthusamy Shanmugam and his youngest son, Sankar Shanmugam, 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, Muthusamy Shanmugam acquired material nonpublic information regarding the Alimera-ANI transaction and shared that information with his son in June 2024.

3. Based on the material nonpublic information that Muthusamy Shanmugam shared, Sankar Shanmugam purchased Alimera stock prior to the Announcement, making a total of $28,981 in illicit profits.

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

Respondent

5. Sankar Shanmugam, age 31, is a resident of Moorestown, New Jersey. Sankar Shanmugam is Muthusamy Shanmugam's youngest son. During the relevant period, Sankar Shanmugam and his family resided in Muthusamy Shanmugam's New Jersey and Florida residences, and Sankar Shanmugam was employed by businesses belonging to Muthusamy Shanmugam. Also, Sankar Shanmugam worked at ANI from the time it acquired Novitium Pharma, LLC in 2021 until January 2024.

Other Relevant Individuals and Entities

6. Muthusamy Shanmugam, age 59, is a resident of the State of Florida, who splits time between his residential properties in Delray Beach, Florida, Allentown, New Jersey, and Tamil Nadu, India. He is a pharmaceutical industry entrepreneur and businessman. Since 2021, when he sold his private company Novitium Pharma, LLC to ANI, 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, Muthusamy Shanmugam also served as a member of ANI's Board of Directors.

7. ANI Pharmaceuticals, Inc. is a diversified bio-pharmaceutical company, organized under the laws of Delaware, with offices and manufacturing facilities in Baudette, Minnesota, East Windsor, New Jersey, and, since September 2024, Alpharetta, Georgia. 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 Securities Exchange Act

of 1934 and, at all relevant times, has traded on the NASDAQ Global Market under the ticker symbol ANIP.

8. Alimera Sciences, Inc., a Delaware company, 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 Securities Exchange Act of 1934 and traded on the NASDAQ Global Market under the ticker symbol ALIM. Alimera develops and commercializes prescription ophthalmic retinal pharmaceuticals with the stated goal of improving the retinal health of patients through long-term treatment of chronic retinal diseases.

Background

Muthusamy Shanmugam Had Material Nonpublic Information and a Duty to Maintain its Confidentiality

9. At all relevant times, Muthusamy Shanmugam was subject to ANI's Insider Trading Policy ("Policy"). The Policy in effect in 2024 expressly applied to, among others, directors and officers of ANI and family members who resided with them or were subject to their influence and control, as well as entities affiliated with them. The Policy prohibited such persons from "trading in the securities of ANI, and in certain cases, the securities of other companies, while in the possession of material nonpublic information . . . and [from] disclosing any nonpublic information about ANI, whether it may be deemed material or not, in particular for the purpose of 'tipping.'"

10. The Policy further stated that "directors, officers, employees and consultants of ANI and their immediate family members must not . . . [t]rade or otherwise transact in any securities issued by any other company about which that director, officer, employee, or consultant has obtained material, nonpublic information through his or her relationship with ANI (such as information regarding purchases or sales of businesses or information obtained during the negotiation or implementation of major contracts)."

11. As a former employee of ANI and resident of Muthusamy Shanmugam's household, at all relevant times, Sankar Shanmugam was also subject to the Policy.

12. From at least May 3, 2024, through at least June 24, 2024, Muthusamy Shanmugam participated in ANI Board meetings and communications in which he learned that Alimera was conducting a competitive, multi-round sales process, and received updates concerning the status of the process, including bid deadlines, bid amounts, and finally, ANI's receipt of an exclusivity period in which to finalize negotiations and documents.

13. For instance, on Friday, June 7, 2024, Muthusamy Shanmugam and other members of ANI's Board of Directors received a detailed confidential email from ANI's CEO stating that, "We have made very good progress on evaluating the Alimera (Codename: Alligator) acquisition that we had spoken about at the May Board meeting." The CEO walked the Board through the

terms of ANI's non-binding bid, the strategic rationale, financial rationale, and deal financing. He also shared a positive due diligence update. The CEO also informed the Board that "final bids" were due on Friday, June 14.

14. The following Monday, June 10, 2024, Muthusamy Shanmugam and other members of ANI's Board of Directors received a confidential email from an ANI executive that noted "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, Muthusamy Shanmugam attended a meeting of ANI's Board of Directors. There, ANI's CEO reviewed Alimera's primary assets to be acquired, the due diligence efforts undertaken to date by numerous internal functional teams and external advisors, their findings, and the expected synergies between Alimera and ANI's Rare Disease segment. The Board approved management to move forward with a final, non-binding bid on June 14, subject to their final sign off on the exact terms at a future meeting closer to June 14.

Sankar Shanmugam Trades in Alimera Securities Based on Material Nonpublic Information and Procures a $25,000 Payment for Use in Buying More Alimera Shares

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

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

18. On June 11, 2024, Muthusamy Shanmugam 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, Muthusamy Shanmugam had a twenty-five-minute telephone call with Sankar Shanmugam.

19. On the morning of June 12, 2024, Muthusamy Shanmugam had multiple phone calls with Sankar Shanmugam. Thereafter, at 12:35 PM ET, Sankar Shanmugam placed his first ever order to purchase Alimera securities, buying 334 shares.

20. On June 12, 2024, at 12:21 PM ET, fourteen minutes before he placed his first order to purchase shares of Alimera, Sankar Shanmugam messaged an accountant employed by Muthusamy Shanmugam's private companies, including a company herein referred to as "Company A." Sankar Shanmugam, who was a salaried employee of Company A, asked the accountant to send him a payment of $25,000 from Company A's bank account, instructing the accountant to process the payment via a Form 1099 from Company A.

21. On June 13, 2024, before the markets opened, the accountant emailed Muthusamy Shanmugam requesting he approve the attached Form 1099 to Sankar Shanmugam as an

independent contractor. Instead, Muthusamy Shanmugam instructed that the payment to Sankar Shanmugam be characterized as a "loan to his account" and directed the accountant to "[s]end 25 k" to his son.

22. Beginning approximately nine minutes after Muthusamy Shanmugam approved the payment, Sankar Shanmugam and Muthusamy Shanmugam 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 Muthusamy Shanmugam 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, Muthusamy Shanmugam received additional updates on the progress of ANI's merger efforts. First, on the morning of Monday, June 17, 2024, Muthusamy Shanmugam and ANI's Board of Directors were informed in an email from ANI's CEO, "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 Muthusamy Shanmugam and other members of ANI's Board of Directors to let them know 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 Muthusamy Shanmugam, 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, Muthusamy Shanmugam 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, 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 Alimera shares based on material nonpublic information relating to ANI's impending acquisition of Alimera that he received from Muthusamy Shanmugam. Sankar Shanmugam knew, was reckless in not knowing, or consciously avoided knowing his father received a personal benefit due to their close familial relationship when Muthusamy Shanmugam gave Sankar Shanmugam material nonpublic information. Given Sankar Shanmugam's knowledge of Muthusamy Shanmugam's position at ANI and of the insider trading policies at ANI, Sankar Shanmugam knew, was reckless in not knowing, or consciously avoided knowing that Muthusamy Shanmugam gave him material nonpublic information in breach of the

duty of trust and confidence Muthusamy Shanmugam owed to ANI. Sankar Shanmugam also knew, was reckless in not knowing, or consciously avoided knowing that the information he received from his father and on the basis of which he purchased shares in Alimera was material and nonpublic.

After Speaking with Muthusamy Shanmugam on the Morning of the Announcement Sankar Shanmugam Sold Thousands of Alimera Shares

28. At 6:50 AM ET on the morning of June 24, 2024, before the market open, 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, and closed at $5.54 per share.

29. Later that morning, June 24, 2024, Muthusamy Shanmugam, who was traveling in India at the time, had two short calls with Sankar Shanmugam. Following these calls, Sankar Shanmugam placed a single order to sell all 11,812 of his Alimera shares and made a total of $28,981 in illicit profits.

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

Disgorgement

31. 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 Sankar Shanmugam 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, within 10 days of the entry of this Order, pay disgorgement of $28,981.00, prejudgment interest of $5,023.33, and a civil money penalty in the amount of $28,981.00 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 disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. 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 Sankar 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.

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