SHARON B. BINGER
BingerS@sec.gov
G. JEFFERY BOUJOUKOS
BoujoukosJ@sec.gov
BRENDAN P. MCGLYNN
McGlynnB@sec.gov
DAVID L. AXELROD
AxelrodD@sec.gov
MICHAEL J. RINALDI (Pa. Bar No. 89693)
RinaldiM@sec.gov
PATRICIA A. PAW
PawP@sec.gov

Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
One Penn Center
1617 JFK Boulevard, Suite 520
Philadelphia, Pennsylvania 19103
Telephone: (215) 597-3100
Facsimile: (215) 597-2740

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. MICHAEL J. FEFFERMAN, CHAD E. WIEGAND, and AKIS C. ERACLEOUS, Defendants, and ERACLES PANAYIOUTOU, Relief Defendant.	Case No. '15CV1276 MMADHB **COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS**

Plaintiff Securities and Exchange Commission (the "Commission") alleges as follows:

SUMMARY OF THE ACTION

1. This is an insider trading case involving the securities of Ardea Biosciences, Inc. ("Ardea"), a California-based biotechnology company. In advance of four separate announcements between April 2009 and April 2012, Michael J. Fefferman ("Fefferman"), who was Ardea's Senior Director of Information Technology, tipped his brother-in-law Chad E. Wiegand ("Wiegand") material, nonpublic information relating to Ardea. The material, nonpublic information was related to pharmaceutical trials, an agreement with another company to license a cancer drug, and, finally, an acquisition of Ardea by AstraZeneca PLC ("AstraZeneca").

2. At the time, Wiegand was a registered representative associated with a registered broker-dealer ("Broker A"). After receiving the information from his brother-in-law, Wiegand purchased Ardea securities in the accounts of his brokerage customers and received commissions on the transactions. Wiegand also tipped his friend and business associate, Akis C. Eracleous ("Eracleous"), another registered representative at Broker A. As described in more detail herein, Eracleous purchased Ardea common stock for himself and tipped (i) a friend and business associate ("Business Partner") and (ii) a brokerage customer and mutual friend of his and Business Partner ("Customer A"). Eracleous also purchased or caused to be purchased Ardea securities in the account of his brokerage client and cousin Relief Defendant Eracles Panayioutou ("Panayioutou").

3. Using the material, nonpublic information tipped by Fefferman, the insider trading alleged in this complaint resulted in illegal trading profits totaling approximately $530,000 (including those obtained by Relief Defendant Panayioutou). The conduct of Defendants Fefferman, Wiegand, and Eracleous was in violation of duties owed to the stockholders of Ardea to keep the information at issue confidential.

4. By knowingly or recklessly engaging in the conduct described in this complaint, Defendants Fefferman, Wiegand, and Eracleous all violated and, unless enjoined and restrained, will continue to violate Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

JURISDICTION AND VENUE

5. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1] to enjoin such acts, practices, and courses of business and to obtain disgorgement, prejudgment interest, civil money penalties, and such other and further relief as the Court may deem just and appropriate.

6. The Court has jurisdiction over this action pursuant to Sections 21(e), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(e), 78u-1, and 78aa].

7. Venue in this district is proper pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Among other things, certain of the acts, practices, and courses of business constituting the violations of the federal securities laws alleged herein occurred with the Southern District of California.

DEFENDANTS

8. **Michael J. Fefferman**, age 43, lives in Escondido, California. From 2007 until January 2014, Fefferman was Ardea's Senior Director of Information Technology and, as a result, had access to material, nonpublic information about the company. Fefferman has been friends with Wiegand since approximately the mid-1990s when they worked together at a brokerage firm. Fefferman married Wiegand's step-sister in 2002. Fefferman and Wiegand considered each other to be a close personal friend, and they and their families socialized together frequently. Fefferman knew that Wiegand had financial difficulties and occasionally gave or loaned money to Wiegand to help him financially. Fefferman has entered into a tolling agreement in this matter.

9. **Chad E. Wiegand**, age 42, lives in Lakeside, California. Wiegand has been a registered representative since 1990, and was employed by Broker A, a dually-registered investment adviser and broker-dealer, from December 2008 through March 19, 2013, when he was terminated from his employment. Wiegand holds Series 7, 24, 63, and 66 securities licenses. He currently manages investments for his clients through his business, Wiegand Asset Management, an investment adviser registered only with the State of California. Wiegand, Eracleous, and Business Partner have been friends since at least 2000, and all three joined Broker A as registered representatives on the same day in December 2008. Wiegand has entered into a tolling agreement in this matter.

10. **Akis C. Eracleous**, age 48, lives in San Diego, California. Eracleous has been employed as a registered representative since 1993, holds Series 7 and 63 securities licenses, and was employed by Broker A from December 8, 2008, through April 12, 2013, when he resigned. While at Broker A, Eracleous and the Business Partner jointly managed their customer accounts and had an arrangement to split the commissions from these accounts. Eracleous has been close friends with Wiegand since the 1990s and knew that Fefferman was Wiegand's brother-in-law and worked at Ardea. Eracleous has entered into a tolling agreement in this matter.

RELIEF DEFENDANT

11. **Eracles Panayioutou**, age 56, lives in Toms River, New Jersey. He is Eracleous's cousin and was a brokerage client of both Eracleous and the Business Partner at the time of the conduct described in this complaint. Panayioutou has entered into a tolling agreement in this matter.

RELATED PARTIES

12. **Business Partner**, age 46, lives in San Diego, California, and was a registered representative at Broker A from December 2008 until April 17, 2013, when he resigned. Business Partner managed customer accounts with Eracleous at

Broker A and at other registered broker-dealers where they both worked. Business Partner has been friends with Wiegand and Eracleous since approximately 2000.

13. **Customer A**, age 48, lives in San Diego, California, and is employed as an insurance agent. Customer A was a brokerage customer and friend of Eracleous and Business Partner at the time of the conduct described in this complaint.

14. **Ardea Biosciences, Inc.**, a Delaware corporation, was a biotechnology company focused on the development of therapies for various diseases, headquartered in San Diego, California. The company's stock was registered under Section 12(b) of the Exchange Act [15 U.S.C. § 78l(b)] and was traded on the NASDAQ Global Select Market until June 19, 2012, when it became a wholly-owned subsidiary of AstraZeneca. As a result of the acquisition by AstraZeneca, Ardea terminated its registration with the Commission.

15. **AstraZeneca PLC** is a pharmaceutical company headquartered in London, England, and is a foreign issuer with American Depository Shares listed on the New York Stock Exchange under the ticker symbol "AZN." AstraZeneca's stock is registered pursuant to Section 12(b) of the Exchange Act [15 U.S.C. § 78l(b)], and the company files periodic reports and statements with the Commission.

FACTS

A. Fefferman Learned Material, Nonpublic Information Relating to Ardea During the Course of His Employment As Ardea's Senior Director of Information Technology

16. As Senior Director of Information Technology at Ardea, Fefferman learned material, nonpublic information relating to Ardea and its business, products, and potential corporate transactions, including the information discussed in more detail in this complaint.

17. At all times pertinent to this complaint, Fefferman was subject to a duty to Ardea's shareholders to keep material, nonpublic information regarding Ardea

confidential. Further, on or about December 3, 2007, Fefferman signed Ardea's Code of Business Conduct and Ethics, which specifically prohibited trading on or tipping material, nonpublic corporate information.

18. Wiegand and Eracleous knew or were reckless in not knowing that the information they received, as set forth in this complaint, was material, nonpublic information, and their purchases of Ardea securities alleged herein were in violation of their duties.

B. <u>Over the Course of Three Years, Fefferman Repeatedly Tipped Wiegand Material, Nonpublic Information Relating to Ardea</u>

1. The April 28, 2009, Announcement

19. In or about March 2009, Fefferman became aware, through his position at Ardea, that Ardea would soon publicly announce a global agreement with Bayer HealthCare, LLC (the "Bayer announcement") concerning the licensing of an Ardea developmental cancer treatment. Knowing that the announcement was likely to have a positive impact on Ardea's stock price, Fefferman tipped this information about the Bayer announcement to Wiegand so that Wiegand could trade on it. Fefferman told Wiegand that the Bayer agreement was a big event at Ardea and that Ardea was "going to get a lot of money." Wiegand in turn tipped the inside information about the Bayer announcement in or about March 2009 to Eracleous, who, in turn, shared it with Panayioutou and the Business Partner.

20. From March 12, 2009, through April 28, 2009, and after being tipped by Fefferman, Wiegand purchased or caused to be purchased 7,650 Ardea shares in 9 accounts held by his brokerage customers.

21. From March 20, 2009, through March 31, 2009, and after being tipped by Wiegand, Eracleous purchased 3,001 Ardea shares in his personal brokerage account. Eracleous also purchased, with Panayioutou's consent, 5,000 Ardea shares in Panayioutou's brokerage account on April 1, 2009.

22. From March 20, 2009 to April 9, 2009, and after being tipped by Eracleous, the Business Partner bought 1,500 Ardea shares in his personal brokerage account and 1,085 Ardea shares in his wife's account.

23. On April 27, 2009, shares of Ardea stock closed at $11.68 per share. The next day, April 28, Ardea publicly announced the Bayer agreement. On April 28, following the announcement, shares of Ardea closed at $13.11 per share, an increase of approximately 12% from the prior day's closing price.

24. Following the Bayer announcement, the Ardea shares purchased in advance of the announcement on the basis of material, nonpublic information were sold as follows:

a. Eracleous sold or caused to be sold shares from Panayioutou's account, and illegal trading profits of approximately $13,504 were realized.

b. The Business Partner sold or caused to be sold Ardea shares from his brokerage account and his wife's account, and illegal trading profits of approximately $5,693 were realized.

c. Eracleous sold Ardea shares from his brokerage account, and illegal trading profits of approximately $5,184 were realized.

d. Wiegand sold or caused to be sold Ardea shares from his customers' accounts, and illegal trading profits of approximately $19,132 were realized.

2. The December 1, 2009, Announcement

25. In or about November 2009, Fefferman became aware that Ardea soon would publicly announce positive news regarding the initial testing of a drug, RDEA594, for the treatment of gout (the "RDEA594 announcement"). Knowing that the announcement was very likely to have a positive impact on Ardea's stock price, Fefferman tipped this information to Wiegand so that Wiegand could trade on it. Wiegand, in turn, shared the RDEA594 announcement information with Eracleous.

26. On November 30, 2009, and after being tipped by Fefferman, Wiegand purchased or caused to be purchased 1,000 Ardea shares in the account of one of his brokerage customers.

27. On November 30, 2009, Eracleous, after being tipped by Wiegand, purchased or caused to be purchased, with Panayioutou's consent, 5,000 Ardea shares in Panayioutou's brokerage account.

28. On December 1, 2009, following the RDEA 594 announcement, Ardea's stock price closed at $14.17 per share, an increase of approximately 5% from the prior day's closing stock price.

29. Following the RDEA 594 announcement, the Ardea shares purchased in advance of the announcement on the basis of material, nonpublic information were sold as follows:

a. Wiegand sold or caused to be sold the 1,000 shares of Ardea stock purchased in his client's brokerage account, and illegal trading profits of approximately $820 were realized.

b. Eracleous sold or caused to be sold, with Panayioutou's consent, the 5,000 shares of Ardea stock purchased in Panayioutou's account, and illegal trading profits of approximately $4,165 were realized.

3. The March 31, 2010, Announcement

30. In or about March 2010, Fefferman became aware that Ardea would soon publicly announce positive news regarding the second phase of testing for the company's experimental gout treatment known as RDEA594 (the "RDEA594 phase two announcement"). Knowing that the announcement was very likely to have a positive impact on Ardea's stock price, Fefferman tipped this information to Wiegand so that he could trade on it. Wiegand then shared the RDEA594 phase two announcement information with Eracleous.

31. On or about the morning of March 31, 2010, Eracleous, after being tipped by Wiegand, purchased or caused to be purchased, with Panayioutou's consent, 5,000 shares of Ardea stock in Panayioutou's brokerage account.

32. The RDEA594 phase two announcement was publicly made late in the day on March 31, 2010 after the close of the market. The next day, April 1, Ardea's stock price closed at $20.50 per share, an increase of approximately 12% percent from the prior day's closing price.

33. On April 1, 2010, following the RDEA594 phase two announcement, Eracleous sold or caused to be sold, with Panayioutou's consent, the 5,000 shares of Ardea stock purchased in Panayioutou's account, which had been purchased on the basis of material, nonpublic information, and illegal trading profits of approximately $26,592 were realized.

4. The April 23, 2012, Acquisition Announcement

(a) Fefferman, on Account of His Position at Ardea, Became Aware of Material, Nonpublic Information About a Possible Sale of the Company

34. Ardea's management began contemplating a possible sale of the company at least as early as September 2011. From at least September 2011 through April 2012, several companies expressed interest in acquiring Ardea and held discussions with Ardea management and conducted due diligence.

35. In February and March 2012, AstraZeneca made two non-binding proposals to purchase Ardea starting at $24.17 per share. The offers were contingent upon AstraZeneca's completion of further due diligence, which AstraZeneca conducted at Ardea's San Diego offices from approximately March 19, 2012, through March 22, 2012.

36. As the Senior Director of Information Technology at Ardea, Fefferman was substantially involved in facilitating the due diligence process beginning in late 2011. Fefferman created electronic "data rooms" that contained proprietary

information about Ardea and its business operations and arranged for several different companies, including AstraZeneca, to have access to the data rooms as part of their due diligence. As work on a potential acquisition progressed, Fefferman obtained additional material, nonpublic information, including regarding the certainty of an acquisition, its timing, and the premium to be paid for Ardea stock.

37. On or about April 15, 2012, AstraZeneca increased its offer to purchase Ardea to a price of $30 per share, which reflected a substantial premium over the trading price of Ardea stock at that time. Ardea's board of directors rejected the AstraZeneca offer, but Ardea management continued negotiations with AstraZeneca and other companies.

38. On April 19, 2012, Ardea executives requested that AstraZeneca and one other company submit final purchase offers by Friday, April 20, 2012. Only AstraZeneca responded, submitting an offer of $32 per share. Ardea's board of directors accepted AstraZeneca's offer on April 20, 2012.

39. Fefferman, because of his position at Ardea, knew material, nonpublic information about AstraZeneca's efforts to acquire Ardea, including regarding AstraZeneca's offers in February, March and April 2012.

40. Ardea and AstraZeneca jointly announced the proposed merger agreement before the opening of securities trading on Monday, April 23, 2012 (the "acquisition announcement").

41. On Friday, April 20, 2012, the last trading day before the acquisition announcement, Ardea's stock price closed at $20.84 per share. On April 23, 2012, following the acquisition announcement, Ardea's stock price closed at $31.62 per shares, an approximately 52% increase from the prior trading day's closing price.

(b) Wiegand Purchased Ardea Stock for his Customers Based upon Material, Nonpublic Information Tipped by Fefferman about the Ardea Acquisition Negotiations

42. Fefferman tipped Wiegand material, nonpublic information about the possible acquisition of Ardea several months before the acquisition announcement. Beginning in late 2011, Fefferman told Wiegand that he believed Ardea was going to be acquired based on the fact that he had given access to Ardea's data rooms to several pharmaceutical companies conducting due diligence.

43. During the weekend of April 14, 2012, Wiegand visited Fefferman's home. During the visit, Fefferman told Wiegand that an Ardea acquisition would occur soon.

44. During telephone conversations between Fefferman and Wiegand on April 16, 18, and 19, 2012, Fefferman told Wiegand more details about the possible acquisition of Ardea. Beginning at 12:23 p.m. Pacific time, approximately five minutes after Wiegand concluded his telephone call with Fefferman on April 19, 2012, Wiegand began purchasing a total of 8,100 shares of Ardea stock in 15 of his brokerage customer accounts. Wiegand made these purchases based on the material, nonpublic information tipped to him by Fefferman.

45. On Friday, April 20, 2012, at 11:52 a.m. Pacific time, Fefferman called Wiegand. Fefferman told Wiegand that he hoped Wiegand had bought Ardea stock, and confirmed to Wiegand that the acquisition was proceeding along. While on the telephone with Fefferman, Wiegand began purchasing an additional 11,500 Ardea shares in 17 of his customer accounts. In total, Wiegand purchased 19,600 Ardea shares in 19 customer accounts based upon the material, nonpublic information about the Ardea acquisition he received from Fefferman.

46. After the acquisition announcement, Wiegand sold or caused to be sold all of the 19,600 shares of Ardea stock held by his brokerage customers, and illegal trading profits of $215,297 were realized.

(c) Wiegand Tipped Eracleous, Who Purchased Ardea Securities on Behalf of Panayioutou

47. Beginning in late 2011 and continuing through the week leading up to the acquisition announcement, Wiegand told Eracleous information that Fefferman had told Wiegand about the Ardea acquisition efforts. Among other things, Wiegand and Eracleous spoke by telephone and communicated through text messages on multiple occasions between April 16 and 20, 2012.

48. Around April 17 or 18, 2012, Wiegand told Eracleous that it was time to begin buying Ardea. Eracleous understood Wiegand's statement to mean that the Ardea acquisition would occur soon.

49. Eracleous spoke by telephone and communicated through text messages with Panayioutou several times from April 17 through 19, 2012. During these communications, Eracleous recommended that Panayioutou buy Ardea call option contracts. A call option contract is an instrument that, generally speaking, provides the holder with the right, but not the obligation, to buy an underlying security for a certain price during a particular time period.

50. Within minutes of concluding a telephone call with Wiegand at approximately 12:17 p.m. Pacific time on April 19, 2012, Eracleous called Panayioutou. Just minutes later, at 12:24 p.m. Pacific time, Eracleous and the Business Partner purchased or caused to be purchased, on the basis of material, nonpublic information regarding the acquisition announcement, and with Panayioutou's consent, 200 Ardea call option contracts in Panayioutou's brokerage account.

51. On April 23, 2012, after the acquisition announcement, Eracleous sold or caused to be sold Panayioutou's 200 call option contracts, and illegal trading profits of $162,037 were realized. In or around July 2012, Panayioutou gave Eracleous $10,000 in cash, which Eracleous shared with the Business Partner.

(d) Business Partner and Customer A Were Tipped About the Acquisition Announcement

52. After receiving material, nonpublic acquisition announcement information from Wiegand during the week of April 16, 2012, Eracleous tipped information to Business Partner and Customer A.

53. Among other things, on or about April 16, 2012, Eracleous and the Business Partner discussed purchasing Ardea securities based upon material, nonpublic information related to the acquisition announcement.

54. During the morning of April 20, 2012, Eracleous and the Business Partner called Customer A and asked him to purchase Ardea securities on behalf of all three of them. Eracleous, the Business Partner, and Customer A decided that Customer A would fund the purchase of Ardea call option contracts in a brokerage account held by Customer A at a brokerage firm other than Broker A. Eracleous, the Business Partner, and Customer A agreed to divide the illegal profits from the Ardea securities trading by allotting fifty percent to Customer A and twenty-five percent each to Eracleous and the Business Partner.

55. During one or more telephone calls on the morning of April 20, 2012, the Business Partner instructed Customer A on how to purchase 100 call option contracts.

56. At 12:58 p.m. Pacific time, on April 20, 2012, Customer A purchased 100 Ardea call option contracts in a brokerage account held in his name at the brokerage firm other than Broker A. Customer A had no prior trading history involving Ardea securities in either his Broker A or other brokerage account.

57. Customer A sold all of his Ardea call option contracts after the public acquisition announcement, and illegal trading profits of $83,493 were realized. Following the sale, on April 24, 2012, Customer A transferred $50,000 from this brokerage account to his personal bank account.

58. From April 25 through 30, 2012, through April 30, 2012, Customer A withdrew a total of $43,000 in cash from his bank account. In or around early May 2012, Eracleous and the Business Partner met Customer A at Customer A's home. During the visit Customer A gave Eracleous and the Business Partner envelopes each containing approximately $20,000 in cash, which represented the portion of the Ardea securities trading profits Eracleous and the Business Partner had agreed to accept from Customer A.

CLAIMS FOR RELIEF

FIRST CLAIM

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

(Against Defendants Fefferman, Wiegand, and Eracleous)

59. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1 through 58, inclusive, as if they were fully set forth herein.

60. The information concerning the Bayer announcement, the RDEA594 announcement, the RDEA594 phase two announcement, and the acquisition announcement, respectively, that Fefferman tipped to Wiegand and that Wiegand and others further tipped, as alleged above, was material and nonpublic.

61. At all times relevant to the complaint, Defendants acted knowingly or recklessly.

62. By engaging in the conduct described above, Defendants, directly or indirectly, in connection with the purchase or sale of securities, by use of the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

a. employed devices, schemes or artifices to defraud;

b. made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or

c. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security.

63. Members of the investing public who were trading in Ardea securities at the same time as the Defendants and Relief Defendant were harmed by the Defendants' gaining of an advantageous market position through insider trading.

64. By engaging in the foregoing conduct, Defendants violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 2401.10b-5].

SECOND CLAIM

Claim with Respect to the Relief Defendant

(Against Relief Defendant Panayioutou)

65. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1 through 64, inclusive, as if they were fully set forth herein.

66. Relief Defendant received gains from trades based on material, nonpublic information, over which he has no legitimate claim.

67. Relief Defendant obtained the trading profits described above as part, and in furtherance of, the securities law violations alleged above, under circumstances in which it is not just, equitable, or conscionable for him to retain the funds.

68. By reason of the foregoing, Relief Defendant has been unjustly enriched and must disgorge the amount of his ill-gotten gains.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter Judgments:

I.

Permanently restraining and enjoining Defendants and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

II.

Ordering Defendants Wiegand and Eracleous to disgorge all unlawful trading profits and other ill-gotten gains received as a result of the conduct alleged in the complaint, together with prejudgment interest thereon, including, as to both Defendant Wiegand and Defendant Eracleous, the trading profits and other ill-gotten gains of their direct and downstream tippees, and prejudgment interest thereon.

III.

Ordering all Defendants to pay civil penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-a].

IV.

Ordering the Relief Defendant to disgorge all trading profits and other ill-gotten gains to which he does not have a legitimate claim that he received as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon.

V.

Granting such other and further relief as this court may deem just and equitable.

Respectfully submitted,

s/ Michael J. Rinaldi

MICHAEL J. RINALDI

Attorney for Plaintiff Securities and Exchange Commission
Email: RinaldiM@sec.gov

Dated: June 9, 2015

JS 44 (Rev. 12/12)

CIVIL COVER SHEET

'15CV1276 MMADHB

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS

Securities and Exchange Commission

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys *(Firm Name, Address, and Telephone Number)*
Michael J. Rinaldi, Esq., Securities and Exchange Commission, One Penn Ctr., 1617 JFK Blvd., Ste. 520, Phila., Pa., 19103, (215) 597-3100

DEFENDANTS

Defendants Michael J. Fefferman, Chad E. Wiegand, and Akis C. Eracleous, and Relief Defendant Eracles Panayioutou

County of Residence of First Listed Defendant San Diego County, Cal.
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys *(If Known)*
(see attachment)

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

- ☒ 1 U.S. Government Plaintiff
- ☐ 3 Federal Question *(U.S. Government Not a Party)*
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity *(Indicate Citizenship of Parties in Item III)*

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*
(For Diversity Cases Only)

	PTF	DEF		PTF	DEF
Citizen of This State	☐ 1	☐ 1	Incorporated *or* Principal Place of Business In This State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated *and* Principal Place of Business In Another State	☐ 5	☐ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

CONTRACT
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans)
- ☐ 153 Recovery of Overpayment of Veteran's Benefits
- ☐ 160 Stockholders' Suits
- ☐ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

REAL PROPERTY
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

TORTS

PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Federal Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury
- ☐ 362 Personal Injury - Medical Malpractice

PERSONAL INJURY
- ☐ 365 Personal Injury - Product Liability
- ☐ 367 Health Care/ Pharmaceutical Personal Injury Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

CIVIL RIGHTS
- ☐ 440 Other Civil Rights
- ☐ 441 Voting
- ☐ 442 Employment
- ☐ 443 Housing/ Accommodations
- ☐ 445 Amer. w/Disabilities - Employment
- ☐ 446 Amer. w/Disabilities - Other
- ☐ 448 Education

PRISONER PETITIONS

Habeas Corpus:
- ☐ 463 Alien Detainee
- ☐ 510 Motions to Vacate Sentence
- ☐ 530 General
- ☐ 535 Death Penalty

Other:
- ☐ 540 Mandamus & Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition
- ☐ 560 Civil Detainee - Conditions of Confinement

FORFEITURE/PENALTY
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 690 Other

LABOR
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Management Relations
- ☐ 740 Railway Labor Act
- ☐ 751 Family and Medical Leave Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Employee Retirement Income Security Act

IMMIGRATION
- ☐ 462 Naturalization Application
- ☐ 465 Other Immigration Actions

BANKRUPTCY
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

PROPERTY RIGHTS
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 840 Trademark

SOCIAL SECURITY
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405(g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405(g))

FEDERAL TAX SUITS
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS—Third Party 26 USC 7609

OTHER STATUTES
- ☐ 375 False Claims Act
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced and Corrupt Organizations
- ☐ 480 Consumer Credit
- ☐ 490 Cable/Sat TV
- ☒ 850 Securities/Commodities/ Exchange
- ☐ 890 Other Statutory Actions
- ☐ 891 Agricultural Acts
- ☐ 893 Environmental Matters
- ☐ 895 Freedom of Information Act
- ☐ 896 Arbitration
- ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision
- ☐ 950 Constitutionality of State Statutes

V. ORIGIN *(Place an "X" in One Box Only)*

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District *(specify)*
- ☐ 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing *(Do not cite jurisdictional statutes unless diversity)*:
15 U.S.C. § 78j(b)

Brief description of cause:
insider trading

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND $

CHECK YES only if demanded in complaint:
JURY DEMAND: ☐ Yes ☒ No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE _____ DOCKET NUMBER _____

DATE
06/09/2015

SIGNATURE OF ATTORNEY OF RECORD
s/ Michael J. Rinaldi

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

SHARON B. BINGER
BingerS@sec.gov
G. JEFFERY BOUJOUKOS
BoujoukosJ@sec.gov
BRENDAN P. MCGLYNN
McGlynnB@sec.gov
DAVID L. AXELROD
AxelrodD@sec.gov
MICHAEL J. RINALDI (Pa. Bar No. 89693)
RinaldiM@sec.gov
PATRICIA A. PAW
PawP@sec.gov

Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
One Penn Center
1617 JFK Boulevard, Suite 520
Philadelphia, Pennsylvania 19103
Telephone: (215) 597-3100
Facsimile: (215) 597-2740

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. MICHAEL J. FEFFERMAN, CHAD E. WIEGAND, and AKIS C. ERACLEOUS, Defendants, and ERACLES PANAYIOUTOU, Relief Defendant.	Case No. _____ **ATTACHMENT TO CIVIL COVER SHEET**

ATTORNEY INFORMATION

Counsel to Defendant Michael J. Fefferman:
John Kirby, Esq.
Law Offices of John D. Kirby, A.P.C.
1010 Second Ave., Ste. 2400
San Diego, Cal. 92101
(619) 272-6564

Counsel to Defendant Chad E. Wiegand:
Joseph M. McMullen, Esq.
Law Offices of Joseph M. McMullen
225 Broadway, Ste. 1460
San Diego, Cal. 92101
(619) 800-1563

Counsel to Defendant Akis C. Eracleous:
Jeremy D. Warren, Esq.
Warren & Burstein
501 W. Broadway, Ste. 240
San Diego, Cal. 92101

Counsel to Relief Defendant Eracles Panayioutou:
Michael Lipman, Esq.
Duane Morris LLP
750 B St., Ste. 2900
San Diego, Cal. 92101
(619) 744-2209