ADMINISTRATIVE PROCEEDINGS
File Nos. 3-17578; 3-17579; 3-17580; 3-17581

SEC Charges Four Individuals with Insider Trading in Pharmaceutical Company Stock Prior to Acquisition Announcement

September 26, 2016 – The Securities and Exchange Commission today announced that two distinct groups of traders have agreed to settle charges that they traded on inside information in advance of the May 6, 2015 announcement that Connecticut-based Alexion Pharmaceuticals, Inc. would acquire the outstanding shares of Synageva BioPharma Corp., based in Massachusetts.

An SEC investigation determined that Vijay S. Rajan of Bolingbrook, Illinois learned about the impending transaction in April 2015, through his work as an information technology executive at Alexion. Rajan violated his confidentiality obligations to Alexion by trading Synageva stock based on nonpublic information concerning the transaction, reaping over $10,000 in illicit profits. Rajan also tipped his friend and former colleague, Syed A. Hashim of Alpharetta, Georgia. Hashim purchased Synageva stock prior to the announcement and earned over $35,700 in profits.

The second trader group includes Frank P. Barucci (Barucci Sr.) and Frank S. Barucci (Barucci Jr.), a father and son who live in the New Haven, Connecticut area. The SEC's investigation found that, in March 2015, Barucci Jr. learned material nonpublic information concerning the transaction from an individual with whom he had a close personal relationship, who at the time was an Alexion employee. Barucci Jr. obtained this information in confidence, yet he misappropriated the information by both trading Synageva and tipping Barucci Sr. Barucci Sr. and Barucci Jr. generated ill-gotten gains of over $31,300 and $40,300 respectively.

The SEC's orders instituting settled administrative proceedings find that Barucci Sr., Barucci Jr., Hashim, and Rajan violated the antifraud provisions and the tender offer-specific antifraud provisions of the Securities Exchange Act of 1934, Sections 10(b) and 14(e) and Rules 10b-5 and 14e-3. Without admitting or denying the findings, Respondents agreed to entry of a cease-and-desist order and to pay the following amounts which include disgorgement of their respective illicit profits, plus interest and penalties: Barucci Sr., $63,558.18; Barucci Jr., $97,532.59; Hashim, $72,643.68; and Rajan, $38,260.29.

The SEC's continuing investigation is being conducted by Jeffrey D. Felder and supervised by James A. Scoggins of the Denver Regional Office. The SEC appreciates the assistance of the Financial Industry Regulatory Authority (FINRA).

See also: Order (Barucci, 3-17578)
Order (Barucci, 3-17579)
Order (Rajan, 3-17580)
Order (Hashim, 3-17581)