

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83857 / August 16, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18645

In the Matter of

HONGLAN WANG,

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 Honglan Wang (“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 or denying the findings herein, except as to the Commission’s jurisdiction over her 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 finds¹ that:

1. This matter involves insider trading by Respondent, an employee of MyoKardia, Inc. ("MyoKardia" or the "Company"), in advance of the Company's August 7, 2017 announcement reporting positive results of a drug trial. The day of the announcement, MyoKardia's stock price closed 83 percent higher than the previous trading day's closing price. Prior to the announcement, Wang learned of material non-public information about the drug trial as part of her employment. She then purchased 8,600 shares of MyoKardia common stock, which she sold on August 7, 2017 after the announcement, realizing a profit of \$134,000. Shortly thereafter, Wang self-reported her actions to the Commission staff, before the staff had begun an investigation into trading surrounding the Company's announcement.

Respondent

2. Honglan Wang, age 51, resides in Redwood City, California and has been employed by MyoKardia as a research scientist since 2014.

Other Relevant Entity

3. MyoKardia, based in South San Francisco, California, is a clinical-stage biopharmaceutical company engaged in the business of discovering, developing and commercializing therapies for the treatment of certain cardiovascular diseases. MyoKardia's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on The NASDAQ Global Select Market under the symbol "MYOK."

Facts

4. According to documents publicly filed with the Commission, MyoKardia has not yet received regulatory approval to commercialize or sell any product, but has five products in its development pipeline. One is a drug called mavacamten, which is designed to treat a rare type of heart disease. In 2016, MyoKardia began a phase 2 clinical trial of mavacamten. According to the Company, mavacamten is its leading drug candidate and, if approved, could potentially be the first drug of its type to treat the disease.

5. Respondent worked at MyoKardia as a research scientist, but was not involved in the drug trial. At a June 19, 2017 meeting open to all MyoKardia employees, Wang learned about positive developments in the mavacamten drug trial, which were not publically known at the time. Employees who attended the meeting were instructed to keep the information shared at the meeting confidential.

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.

6. The week after the meeting (before the developments were publically announced), Respondent purchased 8,600 shares of MyoKardia common stock. After the Company announced the positive developments in the mavacamten drug trial to the public on August 7, 2017, she sold the shares and realized a profit of \$134,000.

7. As a MyoKardia employee, Respondent was subject at all relevant times to the Company's insider trading policy, which prohibited employees from trading in MyoKardia securities while in possession of material non-public information about the Company. Respondent was also subject to a blackout period imposed by MyoKardia prohibiting employees from trading in the Company's stock during specified time periods, which included the dates of Respondent's purchase and sale transactions of 8,600 shares of MyoKardia common stock. At all relevant times, Respondent was aware of these restrictions.

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

Wang's Cooperation

9. In determining to accept the Offer, the Commission considered the cooperation afforded by Respondent to the Commission staff, including voluntarily coming forward, reporting her trades and working promptly with the staff to resolve the matter.

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 shall pay disgorgement of \$134,000 and prejudgment interest of \$3,698.94, and a civil money penalty in the amount of \$67,000 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 of disgorgement and prejudgment interest shall be made within 14 days of the entry of this Order. If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to Commission Rule of Practice 600. Payment of the civil money penalty shall be made in the following installments: \$11,166.66 within 30 days; \$11,166.66 within 60 days; \$11,166.66 within 90 days; \$11,166.66 within 120 days; \$11,166.66 within 150 days; and \$11,166.70 within 180 days of the entry of this Order. If any such payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil money penalties, plus any additional interest shall accrue pursuant to 31 U.S.C. § 3717, shall be due and payable immediately, without further application; and

C. 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 Honglan Wang as the 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 Jeremy E. Pendrey, Assistant Regional Director, Securities and Exchange Commission, 44 Montgomery Street, Suite 2800, San Francisco, California 94104-4802.

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, she shall not argue that she is entitled to, nor shall she 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 she 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.

Brent J. Fields
Secretary