

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89178 / June 29, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19840

In the Matter of

DanDan Wu

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 DanDan Wu (“Wu” or “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 Wu, a former Director of International Marketing of Joy Global Inc. (“Joy Global,” NYSE: “JOY”). Between June 29 and July 20, 2016, while in possession of material nonpublic information regarding the impending acquisition, Wu purchased 6,100 shares of Joy Global stock and 50 Joy Global call options ahead of the public

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.

announcement that the company would be acquired by Komatsu Ltd. (“Komatsu”). After the announcement on July 21, 2016, Wu sold these securities for a profit of \$41,906.

Respondent

2. Wu, age 46, resides in Milwaukee, Wisconsin. Wu is a former Director of International Marketing of Joy Global.

Facts

3. Wu served as a Director of International Marketing of Joy Global beginning in September 2014. Wu was terminated from Joy Global effective July 4, 2016 due to a reduction in force.

4. As an employee of Joy Global, Wu was bound by the company’s Insider Trading Policy which prohibited trading in Joy Global securities while in possession of material non-public information, including possible mergers or acquisitions.

5. In addition, on May 10, 2016, Wu certified that she had reviewed and understood her obligation to comply with Joy Global’s Worldwide Business Conduct Policy, which, among other things, explained that U.S. securities laws prohibit trading Joy Global shares while in possession of material nonpublic information, including information about potential acquisitions.

6. During June 2016, Wu learned about the potential merger between Joy Global and Komatsu.

7. On June 27, 2016, Wu wired \$100,000 to her brokerage account.

8. Between June 29 and July 19, 2016, Wu purchased 6,100 shares of Joy Global stock in her brokerage account.

9. On July 18, 2016, Wu submitted an application for authorization to trade options.

10. On July 19, 2016, Wu called her brokerage firm to inquire about the status of her application and repeatedly asked for assurance that she would be able to trade options before the close of trading the following day.

11. On July 20, 2016, after the brokerage firm approved her application to trade options, Wu bought 50 out-of-the-money Joy Global call option contracts.

12. Before trading opened on July 21, 2016, Komatsu announced its acquisition of Joy Global at a price of \$28.30 per share.

13. Wu sold the 6,100 Joy Global shares and 50 call options on July 21, 2016 for a profit of \$41,906.

Violation

14. As a result of the conduct described above, Wu violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Wu'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, within 14 days of the entry of this Order, pay disgorgement of \$41,906, prejudgment interest of \$7,998.33, and a civil money penalty in the amount of \$41,906 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 disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and if timely payment of the civil monetary 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 DanDan Wu 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 Kathryn A. Pyszka, Division of

Enforcement, Securities and Exchange Commission, 175 W. Jackson Boulevard, Suite 1450, Chicago, IL 60604.

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, 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.

Vanessa A. Countryman
Secretary