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JUDGE BATTS

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

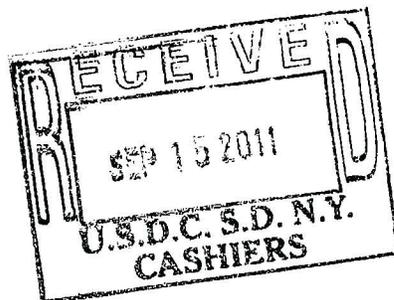
**SCOTT ALLEN and
JOHN MICHAEL BENNETT**

Defendants,

-and-

BRIDGET LEARY BENNETT,

Relief Defendant.



COMPLAINT

ECF CASE

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against defendants Scott Allen (“Allen”) and John Michael Bennett (“Bennett”), and relief defendant Bridget Leary Bennett (“Bridget Bennett”), alleges as follows:

SUMMARY

1. This case involves an insider trading scheme that generated over \$2.6 million in illicit profits from trading in advance of two acquisition announcements. The scheme involved Allen, a former Principal of a leading global human resources consulting firm; and Allen’s friend, Bennett, a former securities industry professional.

2. Through his work, Allen obtained material, nonpublic information (“inside information”) in advance of: (i) the April 10, 2008 announcement that Takeda Pharmaceutical Company (“Takeda”) had agreed to acquire Millennium Pharmaceuticals, Inc. (“Millennium”) through a cash tender offer; and (ii) the September 3, 2009 announcement that Dainippon Sumitomo Pharma Co. Ltd. (“DSP”) had agreed to acquire Sepracor Inc. (“Sepracor”) through a cash tender offer. In both instances, Allen misappropriated the inside information from his employer and its clients in breach of the duty of confidentiality he owed to them by tipping Bennett, who, in turn, shared the information with his friend and business partner (“Trader A”). After receiving this information, Bennett and Trader A traded prior to the public announcements of the acquisitions, and collectively reaped over \$2.6 million in ill-gotten profits. The trades made by Bennett alone generated over \$1.1 million in ill-gotten profits.

3. Certain of the insider trading described in the Complaint was conducted through brokerage accounts Bennett held jointly with his wife, Bridget Bennett. Accordingly, Bridget Bennett is named as a relief defendant in this action.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

4. The Commission brings this action pursuant to the authority conferred upon it by Section 21(d) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78u(d)]. The Commission seeks permanent injunctions against each of the defendants, enjoining them from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, disgorgement of all profits realized or other ill-gotten gains from the unlawful insider trading activity set forth in this Complaint, together with prejudgment interest, on a joint and several basis. The Commission also brings this ac-

tion pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1] for civil penalties against the defendants under the Insider Trading and Securities Fraud Enforcement Act of 1988. The Commission further seeks a final judgment ordering the relief defendant to disgorge her ill-gotten gains and to pay prejudgment interest thereon. Finally, the Commission seeks any other relief the Court may deem appropriate pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)].

JURISDICTION AND VENUE

5. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

6. Venue lies in this Court pursuant to Sections 21(d), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u-1 and 78aa]. Certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within the Southern District of New York. Bennett worked at various businesses that maintained offices in New York, New York, and resided in New York, New York from at least 2001 to 2008. From at least 2008 to 2010, Allen maintained an office in New York, New York. In addition, many of the communications in furtherance of the insider trading alleged in this Complaint were made from, to, or within the Southern District of New York.

DEFENDANTS

7. **Allen**, age 45, resides in Atlanta, Georgia, and was a Principal of a leading global human resources consulting firm headquartered in New York, New York, until October 2010. From at least February 2008 to October 2010, Allen conducted business from his employer's New York and Atlanta offices in its private equity and acquisitions business.

8. **Bennett**, age 48, resides in Norwalk, Connecticut. From at least March 2001 to 2008, Bennett lived in New York, New York. Between 2005 and 2007, Bennett worked for a major Wall Street investment bank. Since at least January 2008, Bennett has been a co-owner with Trader A of an independent film production company.

RELIEF DEFENDANT

9. **Bridget Bennett**, age 42, resides in Norwalk, Connecticut. From at least March 2001 to 2008, Bridget Bennett lived in New York, New York with her husband, Bennett. Bridget Bennett had joint brokerage accounts with Bennett at TD Ameritrade (from at least July 2007 to April 2009) and at E*Trade (from at least April 2009 to March 2010).

RELEVANT ENTITIES

10. **Takeda** is a Japanese pharmaceutical company, headquartered in Osaka, Japan.

11. **Millennium**, originally formed as a Delaware corporation in 1993, is a biotechnology company that was registered with the Commission pursuant to Section 12(b) of the Exchange Act until it was acquired by Takeda on May 14, 2008. Until May 2008, Millennium's common stock traded on the Nasdaq, and it filed periodic reports, including Forms 10-K and 10-Q, with the Commission pursuant to Section 13(a) of the Exchange Act.

12. **Sepracor**, a Delaware corporation, is a biotechnology company headquartered in Marlborough, Massachusetts, that was registered with the Commission pursuant to Section 12(b) of the Exchange Act until it was acquired by a wholly-owned subsidiary of DSP on October 20, 2009. Until 2009, Sepracor's common stock traded on the Nas-

daq, and it filed periodic reports, including Forms 10-K and 10-Q, with the Commission pursuant to Section 13(a) of the Exchange Act.

13. **DSP** is a Japanese pharmaceutical company, headquartered in Osaka, Japan.

CALL OPTIONS AND PUT OPTIONS

14. Equity call options give the buyer the right, but not the obligation, to purchase a company's stock at a set price (the "strike price") for a certain period of time (through "expiration"). In general, one buys a call option when the stock price is expected to rise, or sells a call when the stock price is expected to fall. For example, in February or March, 2008, one "April \$17.50" call option on Millennium stock would give the purchaser the right to buy 100 shares of Millennium stock for \$17.50 per share before the call expired on April 19, 2008 (options generally expire on the third Friday of the expiration month). If Millennium stock went above \$17.50 per share before the call option expired, the call owner could either exercise the call option and acquire the stock at \$17.50, or sell the call option, which would have increased in value. If Millennium's stock price failed to reach the \$17.50 strike price before the call option expired and the holder had not sold the option, the call would expire worthless. If at the time of purchase of the option, the call option strike price is above the price at which the stock is then trading, the call option is "out-of-the-money," because it would be unprofitable to exercise the call option and pay more for the stock than if the stock were purchased on a stock market.

15. Equity put options give the buyer the right, but not the obligation, to sell a company's stock at the strike price prior to expiration. In general, one buys a put option

when the price is expected to fall, or sells a put option when the stock price is expected to rise. Thus, the seller of a put option receives the proceeds of the sale of the put option in return for undertaking the risk that the value of the stock will decline. If the stock price of the security does not fall below the strike price, the put option expires and the proceeds of the put option sale constitute profits for the seller.

FACTS

A. The Relationship Between the Defendants

16. Allen and Bennett are close friends who have known each other for over 15 years. Allen and Bennett met in the early 1990s through a mutual friend and have remained in contact for almost two decades. In the mid-1990s, Bennett was an usher at Allen's wedding and, in 2000, Allen was in Bennett's wedding party. Since that time, Allen and Bennett have continued to be in contact.

17. A will prepared for Allen in October 2008 lists Bennett as the Executor of Allen's estate.

B. Insider Trading Policies of Allen's Employer

18. From at least January 2008 through at least October 2010, Allen's employer maintained policies prohibiting its employees from using confidential information received during their work on behalf of its clients to trade in any security or to advise other people to trade in securities based on such nonpublic information. The policies also prohibited all employees from disclosing confidential client information to anyone outside the firm.

19. Despite this duty, as detailed below, Allen misappropriated and disclosed his employer's clients' inside information to reap personal benefit and to benefit his close friend Bennett.

C. Insider Trading in Millennium Securities

Takeda's Nonpublic Acquisition Discussions with Millennium

20. In or about January 2008, representatives of Takeda and Millennium began negotiating a possible acquisition by Takeda of Millennium. Takeda made a nonpublic written offer to buy Millennium's outstanding shares for \$23 per share on February 1, 2008. Between February 1, 2008, and April 9, 2008, representatives of Takeda and Millennium along with their advisors conducted nonpublic negotiations and due diligence. During these nonpublic discussions, Millennium's stock traded at prices between \$12.82 and \$16.35 per share.

Allen's Receipt of Confidential, Nonpublic Information

21. Allen obtained nonpublic information concerning Takeda's offer to acquire Millennium in February 2008. On or about February 13, 2008, Allen's employer began advising Takeda in connection with Takeda's negotiations with Millennium. Allen was one of the employees at his firm who knew about Takeda's negotiations with Millennium, having first been informed about his employer's work for Takeda on or around February 14, 2008.

Allen Tips Bennett, and Bennett and Trader A Purchase Millennium Securities

22. On or before February 28, 2008, Allen provided Bennett with inside information concerning Takeda's impending cash tender offer to acquire Millennium's shares.

23. Between February 14, 2008, when Allen received the inside information about Takeda's proposed acquisition of Millennium, and February 28 and 29, 2008 when

Trader A and Bennett began trading Millennium's securities, Allen communicated numerous times with Bennett.

24. For example, at 7:40 pm, on February 27, 2008, Allen received an email from a representative of Takeda stating that the contemplated offer was for "23, potentially 24 per share." Four minutes later, at 7:44 pm, there was a two-minute call placed from Allen's cell phone to Bennett's cell phone, followed by two additional phone calls between Allen and Bennett, at 8:56 pm and 8:57 pm. Later that night, at 10:01 pm, there was a 26-minute phone call between Bennett and Trader A.

25. Similarly, on February 28, 2008, Allen sent an email to a colleague indicating that Takeda "raised the tender offer price to \$25." That day, Allen travelled from New York to Atlanta, and, at 10:13 pm, there was a phone call placed from Allen's home number (in Atlanta) to Bennett's cell phone lasting approximately nine minutes. Shortly after ending his call with Allen, Bennett called Trader A's cell phone from his cell phone. This call lasted approximately three minutes.

26. Allen tipped Bennett with inside information regarding Takeda's impending acquisition of Millennium. In doing so, Allen misappropriated the inside information from his employer, and his employer's client, Takeda, concerning Takeda's plans to acquire Millennium.

27. Bennett, in turn, tipped Trader A with inside information regarding Takeda's impending acquisition of Millennium on or before February 28, 2008. During February and March 2008, Bennett and Trader A maintained an office in Midtown Manhattan, and worked in the same room. In addition to working in close physical proximity,

during this timeframe, Bennett and Trader A often spoke by telephone multiple times a day.

28. As detailed further below, after receiving this information, both Bennett and Trader A traded Millennium securities, including purchasing more than 3,400 out-of-the-money call options.

Bennett's Millennium Securities Transactions

29. Bennett traded on the basis of the inside information provided by Allen by purchasing Millennium call options in an account he held jointly with Bridget Bennett at TD Ameritrade. Bennett purchased 65 April \$17.50 call options on Friday, February 29, and another 500 April \$17.50 call options on Monday, March 3. The \$17.50 strike price for these call options was over \$3.00 — more than 20% — above Millennium's share price on these trading days. Bennett also purchased 200 May \$20 call options on Wednesday, March 5, and 25 May \$20 call options on Thursday, March 6. The \$20 strike price for these call options was over \$5.50 — more than 35% — above Millennium's share price on those days.

30. On Monday, March 24, Bennett purchased an additional 200 May \$20 call options, and another 100 May \$20 call options on April 2. The \$20 strike price for these May call options was \$5.50 — more than 35% — above Millennium's stock price on March 24, and \$4.00 — 25% — above Millennium's stock price on April 2.

31. All told, Bennett purchased 1,090 out-of-the-money Millennium call options between February 29 and April 2, and invested over \$17,100 to purchase these Millennium call options.

32. Bennett's Millennium call option purchases on February 29 were the first options transactions in the jointly held TD Ameritrade account since at least July 1, 2007, and the first purchases at all in that account in four months.

33. Bennett maintained communication with Allen while purchasing these Millennium securities. For example, Bennett and Allen had telephone calls on the first three days that Bennett purchased Millennium call options: Friday, February 29, 2008; Monday, March 3, 2008; and Wednesday, March 5, 2008.

Trader A's Millennium Securities Transactions

34. Trader A learned the material nonpublic information concerning Millennium from Bennett and traded on the basis of it beginning on February 28, 2008.

35. In an account at E*Trade, Trader A purchased a total of 700 shares of Millennium stock on Thursday, February 28 (500 shares) and Friday, February 29 (200 shares), with an average price of \$14.32 per share. In an account at Merrill Lynch, Trader A purchased a total of 2,351 out-of-the-money call options between Friday, February 29, 2008 and Thursday, March 6, 2008. Specifically, Trader A purchased: (i) 125 May \$17.50 call options and 75 May \$15 call options on Friday, February 29; (ii) 1,100 May \$20 call options on Monday, March 3; (iii) 751 May \$20 call options on Wednesday, March 5, 2008; and (iv) 300 May \$20 call options on Thursday, March 6, 2008.

36. All of the call options Trader A purchased had a strike price above Millennium's share price, which never closed at a price above \$14.11 between February 29 and March 6. The \$20 strike price for all but 200 of these call options was more than \$5.50 — more than 35% — above the highest Millennium share price traded during this time frame. In total, between February 28 and March 6, 2008, Trader A invested over

\$46,100 in Millennium call options and stock.

37. Trader A sold a total of 270 January 2009 put options between Friday February 29, 2008 and Wednesday March 5, 2008, giving his counter-party the right to sell Millennium shares to him for \$10. The over \$17,500 of proceeds from these sales were placed in Trader A's E*Trade Account. Trader A sold a total of 270 January 2009 put options between Friday February 29, 2008 and Wednesday March 5, 2008, giving his counter-party the right to sell Millennium shares to him for \$10. The over \$17,500 of proceeds from these sales were placed in Trader A's E*Trade Account.

38. Trader A's purchases of out-of-the-money call options were his first options transactions in his Merrill Lynch account since he opened the account in November 2007. Trader A did not obtain authorization to trade options in this Merrill Lynch account until Friday February 29, 2008, the first day he purchased Millennium call options.

39. Like Bennett, Trader A purchased Millennium call options on February 29, March 3, March 5, and March 6, 2008, on days that Bennett and Allen had telephone calls. Trader A's Millennium stock purchases in his E*Trade account on February 28 and February 29 and all of Bennett's Millennium option purchases were placed from a single IP address assigned to Bennett's and Trader A's Midtown Manhattan office location and registered to Trader A, meaning that these trades were placed from the same computer or computers using the same internet connection.

The Millennium Acquisition Announcement and Subsequent Sales by Bennett and Trader A

40. Millennium and Takeda announced Takeda's tender offer acquisition of Millennium on Thursday, April 10, 2008, prior to the opening of the U.S. securities markets, by issuing a joint press release. The announcement, among other things, stated that "Takeda will acquire Millennium for approximately \$8.8 billion through a cash tender offer of \$25.00 per share." Following this announcement, the price of Millennium's shares rose from \$16.35 (the closing price on April 9) to \$24.34 (the closing price on April 10), an increase of 48.87%.

41. On the afternoon of April 10, Bennett sold his entire position of 1,090 call options from the TD Ameritrade account he jointly held with Bridget Bennett for proceeds of over \$619,500.

42. Also on April 10, Trader A sold 1,150 of the call options in his Merrill Lynch account — almost half of his position — for proceeds of over \$514,000.

43. On Monday April 14, 2008, Trader A transferred the remaining 1,201 call options in his Merrill Lynch account to his E*Trade account, and then sold these call options on Tuesday April 15 for proceeds of over \$618,200. The sale of these options was the first option transactions in Trader A's E*Trade account since at least July 1, 2007. Trader A did not obtain authorization to trade options in his E*Trade account until Friday April 11, 2008, the trading day prior to the day he transferred the Millennium call options to this account.

44. In total, Bennett made over \$602,400 in ill-gotten profits from his Millennium investments and Trader A made over \$1.12 million in ill-gotten profits from his Millennium investments.

D. Insider Trading in Sepracor Securities

45. A little over a year after their Millennium trades, starting in May 2009, Bennett and Trader A again placed option transactions in the securities of another pharmaceutical company, Sepracor. Once again, Bennett and Trader A traded in the securities of an issuer for which Allen was privy to inside information regarding an impending acquisition through his employer. These trades included the purchase of 1,950 out-of-the-money Sepracor call options.

DSP's Nonpublic Acquisition Discussions with Sepracor

46. In the first several months of 2009, DSP retained financial advisors and took other steps in preparing to approach Sepracor regarding a potential transaction. Representatives of DSP first approached Sepracor's management about a potential transaction on May 27, 2009. Between May 27, 2009 and September 2, 2009, DSP and Sepracor along with their advisors conducted nonpublic negotiations and due diligence. During these nonpublic discussions, Sepracor's stock traded at prices between \$15.05 and \$18.59.

Allen's Receipt of Confidential, Nonpublic Information

47. Allen obtained nonpublic information concerning DSP's intention to make an offer to acquire Sepracor from his employer. In May 2009, Allen's employer advised DSP in connection with DSP's potential acquisition of Sepracor's outstanding shares. By May 26, 2009, Allen was participating in his employer's due diligence work for DSP in connection with the Sepracor acquisition.

Allen Tips Bennett, and Bennett and Trader A Purchase Sepracor Securities

48. On or before May 27, 2009, Allen provided Bennett with inside information concerning DSP's impending cash tender offer to acquire Sepracor's shares.

Bennett's Sepracor Securities Transactions

49. Bennett traded on the basis of the inside information provided by Allen by purchasing Sepracor call options and selling Sepracor put options in a joint account he held with Bridgett Bennett at E*Trade.

50. Bennett purchased: (i) 50 October \$15 call options on May 27, 2009; (ii) 100 July \$17.50 call options, 100 October \$17.50 call options, and 100 January 2010 \$15 call options on May 28, 2009; (iii) 200 October \$17.50 call options on May 29, 2009; (iv) 200 October \$17.50 call options on June 3, 2009; (v) 500 July \$17.50 call options and 150 October \$15 call options on June 5, 2009; and (vi) 100 October \$15 call options and 200 October \$17.50 call options on July 22, 2009. The \$17.50 strike price on 1,300 of the 1,700 Sepracor call options Bennett purchased was over \$1.00 above Sepracor's closing price on each of the days that Bennett purchased the options. In total, Bennett spent over \$226,000 purchasing Sepracor call options.

51. Between May 27 and June 3, 2009, Bennett also sold 250 October put options, giving his counter-party the right to sell Sepracor shares to him for \$15 and sold 100 January 2010 put options giving his counter-party the right to sell Sepracor shares to him for \$15 on May 28, 2009. The over \$61,000 of proceeds generated by these sales were placed in Bennett's and Bridget Bennett's joint E*Trade account.

Trader A's Sepracor Securities Transactions

52. After receiving the inside information concerning DSP's potential acquisition of Sepracor from Allen, Bennett, in turn, tipped Trader A on or before May 27, 2009. Trader A traded on the basis of this information by purchasing Sepracor call options and stock and by selling Sepracor put options in an account at E*Trade.

53. Trader A purchased: (i) 50 October \$15 call options on May 27, 2009; (ii) 100 October \$17.50 call options and 100 January 2010 \$15 call options on May 28, 2009; (iii) 240 October \$17.50 call options on May 29, 2009; (iv) 60 October \$17.50 call options on June 1, 2009; (v) 1,000 common shares of Sepracor on June 2, 2009; (vi) 50 October \$17.50 call options on June 4, 2009; and (vii) 200 October \$17.50 call options on July 22, 2009. The \$17.50 strike price on 650 of these 800 call options Trader A purchased was over \$1.00 above Sepracor's closing price on each of the days that Trader A purchased the options. In total, Trader A spent over \$127,000 to purchase Sepracor call options and Sepracor stock.

54. Trader A sold, on May 27, 2009, 50 October put options, giving his counter-party the right to sell Sepracor shares to him for \$15, and on May 28, 2009, 100 January 2010 put options that also gave his counter-party the right to sell Sepracor shares to him for \$15. The over \$31,000 of proceeds generated by these sales were placed in Trader A's E*Trade account.

55. Certain of Bennett's and Trader A's trades in Sepracor securities were placed on the same day and from the same IP address.

The Sepracor Acquisition Announcement and Subsequent Sales by Bennett and Trader A

56. DSP and Sepracor announced DSP's tender offer acquisition of Sepracor on September 3, 2009, prior to the opening of the U.S. securities markets, by issuing a joint press release. The press release, among other things, stated that "DSP will acquire Sepracor for approximately \$2.6 billion through a cash tender offer of \$23.00 per share, followed by a merger to acquire all remaining outstanding Sepracor shares at the same price paid in the tender offer." Following this announcement, the price of Sepracor's shares rose from \$18.03 (the closing price on September 2) to \$22.80 (the closing price on September 3), an increase of over 26%.

57. After the announcement concerning Sepracor, both Bennett and Trader A sold their entire positions in Sepracor. In total, Bennett made over \$516,000 in ill-gotten profits from his Sepracor investments, and Trader A made over \$388,000 in ill-gotten profits from his Sepracor investments.

E. Allen Received a Benefit for Tipping Bennett

58. Allen provided inside information to Bennett with the expectation of receiving a personal benefit. This benefit included money that Bennett paid Allen.

59. Between April 21, 2008 and August 16, 2010, that is, after the April 10, 2008 Millennium announcement and continuing after the September 3, 2009 Sepracor announcement, Bennett made at least 27 cash withdrawals between \$1,500 and \$8,000 for a total of over \$150,000. These withdrawals all were under the \$10,000 threshold requiring the filing of a currency transaction report, with 25 cash withdrawals being between \$5,000 and \$8,000, one withdrawal being \$3,000 and another withdrawal being \$1,500.

60. Between April 2008 and March 2009, Bennett worked near the 59 Street Columbus Circle subway stop and Allen's office was near the 47-50 Rockefeller Center subway stop. During this time, Allen regularly travelled by subway to meet Bennett near Bennett's office, often on the same day as Bennett withdrew cash.

61. For example, on July 1, 2008, Bennett withdrew \$5,200 from a Citibank branch located near his office at 10:52 am. Allen swiped his Metrocard at the 47-50 Rockefeller Center subway stop at 12:36 pm and then again at the 59 Street Columbus Circle subway stop at 1:54 pm. Also on July 1, 2008, Allen had an appointment on his Outlook Calendar for 1 pm entitled "BR @ 1," and Bennett had a \$106.80 credit card charge at Blue Ribbon Sushi, a restaurant located in the Time Warner Center at Columbus Circle.

62. Similarly, on December 11, 2008, Bennett withdrew \$5,500 from a Citibank branch located at 4 Columbus Circle at 1:27 pm. That same day, Allen swiped his Metrocard at the 47-50 Rockefeller Center subway stop at 1:30 pm and then again at the 59 Street Columbus Circle subway stop at 1:54 pm.

63. Moreover, even after Bennett's office moved to another location in Manhattan in mid-March 2009, Allen and Bennett continued to meet near Columbus Circle, often on the same day as Bennett withdrew cash. In fact, on four separate days that Bennett withdrew \$5,000 or more of cash from his bank accounts, Bennett and Allen swiped their Metrocards at the 59 Street Columbus Circle subway stop at the exact same time.

64. For example, on October 15, 2009, Bennett withdrew \$7,000 from a Citibank branch located at 4 Columbus Circle at 12:36 pm. A little over an hour later, at 1:42

pm, Allen and Bennett both swiped their Metrocards at the 59 Street Columbus Circle subway stop.

65. Similarly, on May 18, 2010, Bennett withdrew cash from a Chase branch located near Columbus Circle at 1:21 pm. Three minutes later, at 1:24 pm, both Allen and Bennett swiped their Metrocards at the 59 Street Columbus Circle subway stop.

F. Bennett Received a Benefit for Tipping Trader A

66. In addition to the profits from his own illicit trades, Bennett also received a personal benefit for tipping Trader A. After the profitable transactions in Millennium described above, Trader A paid money to Bennett through the independent film production company jointly owned by Bennett and Trader A.

67. On May 12, 2008, approximately a month after the announcement that Takeda would purchase Millennium's outstanding shares, Trader A transferred \$240,000 from his E*Trade account to his personal bank account and instructed his accountant to send these funds to the independent film production company's bank account. This \$240,000 was then paid from this bank account to Bennett between May 19, 2008 and December 12, 2008.

68. The operating agreement for the independent film production company (the "Operating Agreement") dated May 12, 2008, labeled this \$240,000 payment as a "Guaranteed Payment." The Operating Agreement stated specifically that this payment would not be deemed to be a distribution and not charged against Bennett's capital account. The Operating Agreement did not provide for Trader A to receive any similar payment.

69. Trader A also made other substantial investments in the independent film production company.

CLAIMS FOR RELIEF

CLAIM I

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder (Against both Defendants)

70. The Commission realleges and incorporates by reference paragraphs 1 through 69, as though fully set forth herein.

71. The information shared by Allen with Bennett concerning the impending acquisition of Millennium and the impending acquisition of Sepracor was material and nonpublic. This information was considered confidential by Allen's employer and its clients, and Allen's employer had policies protecting its own and its clients' confidential information.

72. Allen learned the inside information that he conveyed to Bennett during the course of his employment and knew, recklessly disregarded, or should have known, that he, directly, indirectly or derivatively, owed a fiduciary duty, or obligation arising from a similar relationship of trust and confidence, to keep the information confidential.

73. Allen tipped the inside information to his tippee, Bennett, with the expectation of receiving a benefit.

74. Bennett knew, recklessly disregarded, or should have known, that the material information that he received from Allen was conveyed in breach of a fiduciary duty or obligation arising from a similar relationship of trust and confidence.

75. Bennett used the inside information that he received from Allen to purchase Millennium and Sepracor securities for himself.

76. Bennett also tipped the inside information received from Allen to Trader A with the expectation of receiving a benefit.

77. By virtue of the foregoing, defendants Allen and Bennett, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or a facility of a national securities exchange, directly or indirectly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon persons.

78. By virtue of the foregoing, defendants Allen and Bennett, each, directly or indirectly, violated, and unless enjoined, will again violate, 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].

CLAIM II
Violations of Section 14(e) of the Exchange Act and Rule 14e-3 thereunder
(Against both Defendants)

79. The Commission realleges and incorporates by reference paragraphs 1 through 69, as though fully set forth herein.

80. Prior to the public announcement of the tender offers for Millennium and Sepracor, and after a substantial step or steps to commence such tender offers had been taken, Allen, while in possession of material information relating to such tender offers, which information he knew or had reason to know was nonpublic and had been acquired directly or indirectly from the offering companies, the issuer, or any officer, director, partner, or employee, or other person acting on behalf of the offering company or issuer,

communicated material, nonpublic information relating to the tender offers to Bennett under circumstances in which it was reasonably foreseeable that the communication was likely to result in the purchase and sale of the securities referenced above.

81. Prior to the public announcement of the tender offers for Millennium and Sepracor and after a substantial step or steps to commence each of the tender offers had been taken, Bennett, while in possession of material information relating to the tender offers, which information he knew or had reason to know was nonpublic and had been acquired directly or indirectly from the offering company, the issuer, or any officer, director, partner, or employee, or other person acting on behalf of the offering companies or issuer, purchased securities of Millennium and Sepracor. Bennett also communicated inside information relating to the tender offer to Trader A under circumstances in which it was reasonably foreseeable that the communication was likely to result in the purchase and sale of the securities referenced above.

82. By reason of the conduct described above, defendants Allen and Bennett violated, and unless enjoined, will again violate, Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Exchange Act Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder.

CLAIM III
Unjust Enrichment
(Against Bridget Bennett)

83. The Commission realleges and incorporates by reference paragraphs 1 through 69, as though fully set forth herein.

84. Bridget Bennett and Bennett had shared control of joint accounts held at TD Ameritrade and E*Trade. Proceeds of the Millennium transactions made by Bennett described above were deposited in their joint TD Ameritrade account and proceeds of the

Sepracor transactions made by Bennett described above were deposited in their joint E*Trade account.

85. Bridget Bennett obtained the funds described above as part, and in furtherance of, the securities law violations alleged above, and under circumstances in which it is not just, equitable or conscionable for Bridget Bennett to retain the funds. As a result of the foregoing, relief defendant Bridget Bennett was unjustly enriched.

RELIEF SOUGHT

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Permanently restraining and enjoining each of the defendants, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating 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], and Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Exchange Act Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder;

II.

Ordering each of the defendants to disgorge, with prejudgment interest, on a joint and several basis, all illicit trading profits, or other ill-gotten gains received as a result of the conduct alleged in this Complaint, including, as to each of the defendants, their own illicit trading profits, other ill-gotten gains, and the illicit trading profits, and other ill-gotten gains of their direct and downstream tippees.

III.

Ordering each of the defendants to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. §§ 78u(d)(3), 78u-1];

IV.

Ordering relief defendant, Bridget Bennett, to disgorge all funds unlawfully obtained by which she was unjustly enriched, and to pay prejudgment interest thereon; and

V.

Granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
September 15, 2011

Sanjay Wadhwa

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