

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.
)	
M. JASON HANOLD,)	
)	
Defendant.)	
)	

COMPLAINT

Plaintiff, Securities and Exchange Commission (“Commission”) alleges:

SUMMARY

1. This case involves insider trading by Defendant M. Jason Hanold (“Hanold”) in the common stock of Hewitt Associates, Inc. (“Hewitt Associates”). In July 2010, Hanold misappropriated material, nonpublic information from his wife, then an executive at the Aon Corporation, Inc. (“Aon”), in advance of Aon’s public announcement on July 12, 2010 that it had reached an agreement with Hewitt Associates under which Hewitt Associates would merge with an Aon subsidiary in a cash and stock deal.

2. Based on this information, Hanold purchased 831 shares of Hewitt Associates common stock on July 7, 2010 at a cost of \$28,476. After the public announcement, the price of Hewitt Associates stock rose to \$46.79 per share, an increase of over 32% from the previous trading day’s closing price of \$35.40. As a result of his trading, Hanold earned profits of \$10,241.

3. By misappropriating inside information from his wife, to whom he owed a duty of loyalty, trust, and confidence, and trading on that information, Hanold violated Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to Sections 21(d), 21(e), and 21A of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78u-1] seeking a permanent injunction, disgorgement of trading profits plus prejudgment interest, and civil penalties.

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

6. This Court has personal jurisdiction over Hanold, and venue is proper in this Court, because Hanold resides in this District and the acts, transactions, practices and course of conduct giving rise to the violations alleged in this Complaint occurred in this District.

DEFENDANT

7. **M. Jason Hanold**, age 44, of Kenilworth, Illinois, worked as a director in the Chicago office of an executive search firm until his resignation in October 2010. He specialized in assignments for senior human resources officers and boards of directors for a broad range of public and private companies. Hanold served as the relationship partner on the firm’s engagement at Aon from 2005 through 2010. During the relevant period, Hanold’s wife was an executive at Aon. Hanold’s wife is no longer employed by Aon. Hanold now owns and operates an executive search firm.

RELEVANT ENTITIES

8. **Aon Corporation, Inc.** is a Delaware corporation headquartered in Chicago, Illinois. Its common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. Aon provides insurance brokerage, risk management, and human capital consulting services.

9. **Hewitt Associates, Inc.** was a Delaware corporation headquartered in Lincolnshire, Illinois. Its common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and was traded on the New York Stock Exchange. Hewitt Associates provided human resources outsourcing and consulting services. Hewitt Associates is now part of an Aon division named Aon Hewitt.

FACTS

A. Background

10. In early May 2010, after several months of internal discussions and research, Aon's leadership decided to attempt to acquire or merge with Hewitt Associates.

11. On June 3, 2010, after receiving authorization from the Aon Board of Directors, Aon's Chief Executive Officer delivered an offer letter to Hewitt Associate's Chief Executive Officer, with a proposed price of \$47 per share, to be paid in cash and stock.

12. On July 1, 2010, the CEOs of Aon and Hewitt Associates agreed to a \$50 price per Hewitt Associates share, conditional on the approval of Aon's Board, which was given on July 2, 2010.

13. Between July 3 and 5, 2010, representatives from Aon conducted on-site due diligence at Hewitt Associate's headquarters.

14. On July 11, 2010, the Boards of both Aon and Hewitt Associates gave final approval to the merger agreement.

15. On July 12, 2010, prior to the start of trading, Aon publicly announced that it had reached an agreement under which Hewitt Associates would merge with an Aon subsidiary in a cash and stock deal. Under the agreement, Hewitt Associates shareholders would receive \$50 per Hewitt Associates share, composed of 50% cash and 50% in Aon stock (based on the closing price of Aon common stock on July 9, 2010, which was \$38.34). The agreement was valued at approximately \$4.9 billion.

16. On July 12, 2010, the price of Hewitt Associates shares closed at \$46.79, an increase of 32.18% over the \$35.40 closing price on July 9, 2010, the last trading day before the announcement. The financial press had not reported on any potential merger with, or acquisition of, Hewitt Associates by Aon prior to the announcement.

B. Hanold Misappropriated Material Nonpublic Information Related to Hewitt Associates and Traded On That Information

17. On or about May 18, 2010, Hanold's wife was informed that Aon had undertaken efforts to acquire or merge with Hewitt Associates.

18. From May through July 2010, Hanold's wife received occasional updates about the status of negotiations between Aon and Hewitt Associates from several Aon executives.

19. On or about July 6, 2010, Hanold's wife learned from a knowledgeable Aon executive that Aon and Hewitt Associates had reached a merger agreement and that a public announcement was imminent.

20. On July 6, 2010, Hanold and his wife had a telephone conversation that began at 4:53 p.m. It lasted 12 minutes. During this conversation, Hanold's wife informed him of the merger agreement and that a public announcement was imminent. This information was both material and nonpublic at the time she told Hanold.

21. At 5:13 p.m., shortly after their telephone conversation, Hanold's wife wrote in an email to him, "Pl. (sic) don't send any emails about what I just told you." Moments later, she wrote in a second email to him, "To anyone you work included (sic)." By sending these emails to him, Hanold's wife gave him notice that she expected him to keep the information confidential and not to trade based on it.

22. At 5:14 p.m., Hanold replied, "I won't, no need. I only wish we bought their stock!!!"

23. The next morning, July 7, 2010, Hanold deposited \$28,500 into a trading account he held in his name at Scottrade. Before this deposit, Hanold had a cash balance of \$0 in his account.

24. Later on the morning of July 7, 2010, Hanold purchased 831 shares of Hewitt Associate common stock in his account for \$34.25 per share. Hanold paid \$28,476 for these shares. Hanold had never traded in the securities of Hewitt Associates before.

25. Hanold made this purchase on the basis of the material, nonpublic information his wife told him. At the time he made this purchase, Hanold knew the information was material and nonpublic.

26. On July 12, 2010, shortly after the public announcement, Hanold sold all of the Hewitt Associates shares in his account for \$46.60 per share. He made a profit of \$10,241.

CLAIM FOR RELIEF

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

27. The Commission realleges and incorporates by reference Paragraphs 1 through 26.

28. Hanold's purchase of 831 shares of Hewitt Associates, Inc. stock on July 7, 2010 was based on material, nonpublic information that Hanold misappropriated from his wife in breach of the duties of trust and confidence that he owed to her.

29. Hanold knew, or was reckless in not knowing, that the information he misappropriated was material and nonpublic.

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

- a. employed devices, schemes and artifices to defraud;
- b. made untrue statements of material facts and 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; and
- c. engaged in acts, practices and courses of business which operated as a fraud and deceit upon the purchasers and sellers of such securities.

31. As a result of the activities described above, Hanold violated, and unless restrained and enjoined, will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

- a. permanently enjoin Hanold from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;
- b. order Hanold to disgorge with prejudgment interest all ill-gotten gains received as a result of the conduct alleged above;

- c. order Hanold to pay civil monetary penalties pursuant to Section 21A of the Exchange Act, and;
- d. grant such other and further relief as the Court deems just and appropriate.

Respectfully submitted,

DATED: October 11, 2011

s/ James G. O'Keefe
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