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10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN JOSE DIVISION

SECURITIES AND EXCHANGE COMMISSION,	Case No.
Plaintiff,	COMPLAINT
v.	
TYRONE HAWK,	
Defendant.	

13 Plaintiff Securities and Exchange Commission (the “Commission”) alleges:

14 **SUMMARY OF THE ACTION**

15 1. This case involves insider trading in the securities of Acme Packet Inc. (“Acme
16 Packet”), an Internet networking company based in Bedford, Massachusetts, which announced
17 its acquisition by Oracle Corporation (“Oracle”) in February 2013. A few weeks before the
18 public announcement, defendant Tyrone Hawk learned about the then-secret acquisition by,
19 among other things, overhearing work calls made by his wife, an Oracle finance manager
20 working on the deal. Hawk also had a conversation with his wife in which she informed him that
21 there was a blackout window for trading Oracle securities because Oracle was in the process of
22 acquiring another company. Despite his wife’s admonitions about trading, Hawk
23 misappropriated this information for his own benefit by purchasing over \$600,000 worth of
24 Acme Packet shares over the next two weeks. After the announcement, Acme Packet’s stock
25 price jumped over 23 percent, and Hawk realized a profit of \$151,480 by selling his Acme
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1 Packet shares.

2 2. By misappropriating material nonpublic information from his wife and trading on
3 the basis of confidential information he learned from her, defendant Tyrone Hawk violated
4 Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §78j(b)] and
5 Rule 10b-5 [17 C.F.R. §240.10b-5] thereunder. Accordingly, the Commission seeks a court
6 order requiring defendant Tyrone Hawk to disgorge his ill-gotten gains plus prejudgment
7 interest; imposing civil monetary penalties; and enjoining him from future violations of these
8 provisions of the federal securities laws.

9 JURISDICTION AND VENUE

10 3. The Commission brings this action pursuant to Sections 21(d), 21(e), and 21A of
11 the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78u-1(c)].

12 4. This Court has jurisdiction over this action pursuant to Sections 21(e), 21A, and
13 27 of the Exchange Act [15 U.S.C. §§ 78u(e), 78u-1, and 78aa].

14 5. Defendant, directly or indirectly, made use of the means or instrumentalities of
15 interstate commerce, or of the mails, or of the facilities of a national securities exchange in
16 connection with the transactions, acts, practices and courses of business alleged herein.

17 6. Venue in the Northern District of California is proper pursuant to Section 27 of
18 the Exchange Act [15 U.S.C. § 78aa] because acts and transactions constituting the violations
19 alleged in this Complaint occurred within the district, and because the Defendant resides or
20 transacts business in the district.

21 INTRADISTRICT ASSIGNMENT

22 7. This action has been filed in the San Jose Division according to Civil Local Rule
23 3-2(e) because a substantial part of the events or omissions which give rise to the claim occurred
24 in Santa Clara County.

25 DEFENDANT AND OTHER ENTITIES

26 8. **Tyrone Hawk**, age 46, of Los Gatos, California, was not employed by Acme
27 Packet or Oracle at all relevant times.

28 9. **Acme Packet** was a Delaware corporation headquartered in Bedford,

1 Massachusetts. Prior to 2013, Acme Packet's common stock was registered with the
2 Commission pursuant to Section 12(g) of the Exchange Act and quoted on NASDAQ under the
3 ticker "APKT." In April 2013, Oracle, a Delaware corporation with its principal place of
4 business in Redwood City, California, completed its acquisition of Acme Packet.

5 **FACTUAL ALLEGATIONS**

6 10. Hawk and his wife live in Los Gatos, California. At all relevant times, Hawk's
7 wife was a finance manager at Oracle. During the relevant time period, Hawk's wife
8 periodically worked from her office at the home she shared with Hawk.

9 11. On or about January 14, 2013, Hawk's wife learned about Oracle's potential
10 acquisition of Acme Packet. She immediately began working on due diligence for the
11 acquisition and knew that the acquisition would be announced on February 5, 2013. Hawk
12 overheard some of his wife's work calls regarding the acquisition. At or about the same time,
13 Hawk's wife informed him that there was a blackout period for trading Oracle securities during
14 the next three weeks because Oracle was in the process of acquiring another company. As a
15 result of this conversation and other information available to Hawk because his wife frequently
16 worked from home, Hawk determined that Oracle would be acquiring Acme Packet in early
17 February 2013.

18 12. Three days later, on January 17, 2013, Hawk misappropriated the information he
19 learned from his wife regarding the acquisition and purchased 6,000 Acme Packet shares. Over
20 the course of the next few days, Hawk purchased an additional 6,000 Acme Packet shares, and
21 then another 16,000 Acme Packet shares. Within the two week period from January 17 to
22 February 1, 2013, Hawk purchased a total of 28,000 Acme Packet shares, with an approximate
23 value of \$669,000.

24 13. Before the market open on February 4, 2013, Oracle and Acme Packet publicly
25 announced the acquisition, which was effected through an all-cash offer of \$29.25 per share (a
26 premium of 22 percent over Acme Packet's then trading price of \$23.93 per share). The next
27 day, Acme Packet's stock price increased 23 percent to \$29.59. Hawk sold all 28,000 Acme
28 Packet shares and realized trading profits of \$151,480 from the sales.

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PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court:

I.

Permanently enjoin defendant Tyrone Hawk from directly or indirectly violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder;

II.

Order defendant Tyrone Hawk to disgorge ill-gotten gains derived from the unlawful trading alleged herein, plus prejudgment interest;

III.

Order defendant Tyrone Hawk to pay a civil monetary penalty pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

IV.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: March 31, 2014

Respectfully submitted,

/s/ Jennifer J. Lee
JENNIFER J. LEE
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION