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

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

DANIEL RIVAS,
JAMES MOODHE,
ROBERTO RODRIGUEZ,
RODOLFO SABLON,
JHONATAN ZOQUIER,
MICHAEL SIVA, and
JEFFREY ROGIERS,

Defendants.

17-cv-6192

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff United States Securities and Exchange Commission (“the Commission”), for its complaint against Daniel Rivas (“Rivas”), James Moodhe (“Moodhe”), Roberto Rodriguez (“Rodriguez”), Rodolfo Sablon (“Sablon”), Jhonatan Zoquier (“Zoquier”), Michael Siva (“Siva”), and Jeffrey Rogiers (“Rogiers”) (collectively, “Defendants”), alleges as follows:

SUMMARY OF THE ACTION

1. Between October 2014 and April 2017, Defendants collectively profited by over \$5 million by tipping and trading on inside information about dozens of impending corporate mergers, acquisitions, and tender offers.

2. Defendant Rivas—an IT employee of a large multinational bank (“the Bank”) that provides investment banking services for business combinations like mergers, acquisitions, and tender offers—stood at the center of the illegal scheme.

3. In 2014, Rivas joined a team of IT employees responsible for maintaining a computer system the Bank used to track its investment banking deals. Rivas had access to highly-confidential information about hundreds of potential business combinations that had not yet been announced to the public.

4. For more than two years, Rivas misappropriated material nonpublic information about dozens of impending deals by repeatedly passing the information to defendants Moodhe, Rodriguez, Sablon and Zoquier (collectively, the “Direct Tippees”) through three different tipping chains described below. The Direct Tippees traded on the information and passed Rivas’s tips to others, including defendants Siva and Rogiers. Siva and Rogiers traded on the tips and tipped at least three other traders. In total, at least ten individuals traded on tips, and one or more of these traders made profits on market-moving news about thirty actual or contemplated corporate deals.

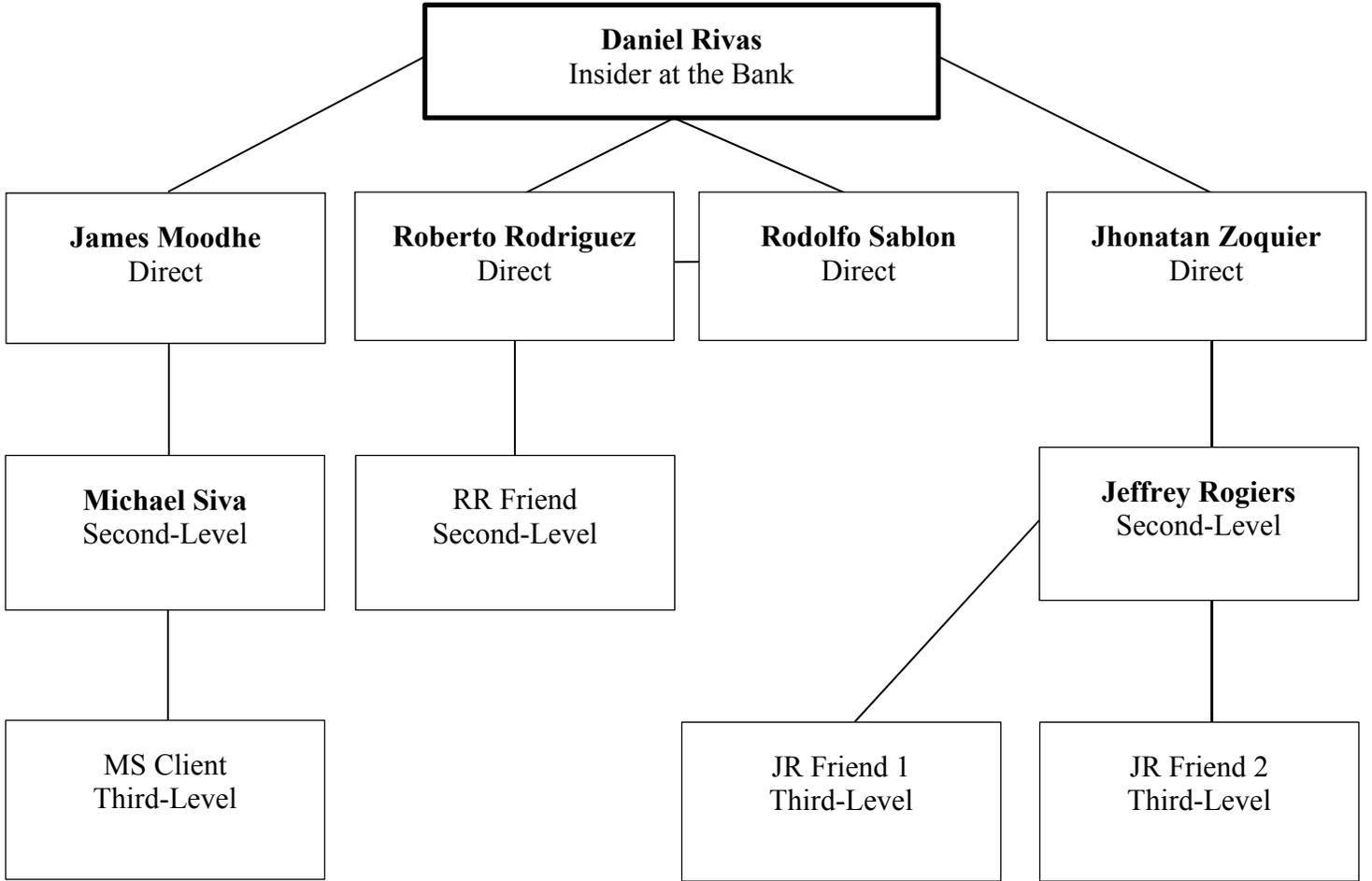
5. Tipping Chain #1: From October 2014 until April 2017, Rivas routinely shared inside information he obtained from the Bank with his girlfriend’s father, Moodhe. Moodhe realized profits of more than \$2 million by placing timely trades in the securities of dozens of companies that had been targeted for acquisition. Moodhe frequently relayed Rivas’s tips to Siva, his friend and financial advisor who works at a large brokerage firm (“the Brokerage Firm”). Siva in turn traded ahead of news about many of the same acquisitions on behalf of his clients at the Brokerage Firm and on his own behalf, generating profits totaling over \$880,000. In addition, Siva tipped a longtime client (“MS Client”) to trade in the securities of multiple

acquisition targets for profits of over \$300,000.

6. Tipping Chain #2: From December 2015 until April 2017, Rivas repeatedly communicated confidential information he obtained from the Bank to two friends who reside in Florida, Rodriguez and Sablon. Rodriguez and Sablon shared the tips they received from Rivas with one another and, in just over a year, generated profits totaling over \$2 million on their initial investment of less than \$100,000. Rodriguez also repeatedly passed Rivas's tips to his friend and close business colleague ("RR Friend"), who used the tips to make profits of more than \$67,000.

7. Tipping Chain #3: From December 2015 until early 2017, Rivas frequently communicated inside information he obtained from the Bank to Zoquier, a friend of Rivas who resides in New Jersey. Zoquier traded on the inside information and profited by over \$30,000. In addition, Zoquier repeatedly passed confidential information received from Rivas to Zoquier's close friend, Rogiers, who in turn traded on several tips for profits of over \$50,000. Rogiers also tipped two of his own friends and former colleagues ("JR Friend 1" and "JR Friend 2"), who in turn traded on the tips and collectively profited by over \$400,000.

8. The following diagram depicts the flow of insider trading tips from Rivas to the Direct Tippees, and from the Direct Tippees to several downstream traders (including Siva and Rogiers).



9. By engaging in the conduct described in this Complaint, Defendants violated, and unless restrained and enjoined will continue to violate, Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b), 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5, 240.14e-3].

NATURE OF PROCEEDING AND RELIEF SOUGHT

10. The Commission brings this action under Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. The Commission seeks permanent injunctions against each of the Defendants, to enjoin them from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint; disgorgement of profits realized from the unlawful insider trading set forth herein; and civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1], and for such other relief as the Court may deem just and appropriate.

JURISDICTION AND VENUE

11. This Court has jurisdiction over this action under Sections 21(d), 21(e), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78u-1, and 78aa]. Certain of the acts, practices, transactions, and courses of business constituting the violations made use of a means or instrumentality of interstate commerce, or of the mails, and/or of the facilities of national securities exchanges.

12. Venue in this District is proper under Section 27 of the Exchange Act [15 U.S.C. § 78aa]. At all relevant times, defendant Rivas worked at the Bank's offices in New York, New York, and certain of the acts, practices, transactions, and courses of business constituting the violations alleged in this Complaint occurred in the Southern District of New York.

THE DEFENDANTS

13. **Rivas**, age 32, resides in Hasbrouck Heights, New Jersey. From August 2013 to April 2017, Rivas worked in the Bank's capital markets technology group in New York, New York.

14. **Moodhe**, age 60, resides in New City, New York. Until May 2017, Moodhe worked as an assistant controller and treasurer for a financial services company. Moodhe is the father of Rivas's girlfriend.

15. **Siva**, age 55, resides in West Orange, New Jersey. The Brokerage Firm, a subsidiary of a large financial services corporation headquartered in the United States, employs Siva in its Morristown, New Jersey office. Siva is Moodhe's friend and financial advisor.

16. **Rodriguez**, age 32, resides in Miami Gardens, Florida. Rodriguez is an executive at a tutoring company. Rodriguez is Rivas's friend.

17. **Sablon**, age 37, resides in Miami, Florida. Sablon is an executive at a tutoring company. Sablon is Rodriguez's and Rivas's friend.

18. **Zoquier**, age 33, resides in Englewood, New Jersey. Zoquier is a delegate for a local branch of a large international employee union. Zoquier is Rivas's friend.

19. **Rogiers**, age 33, resides in Oakland, California. Rogiers is a software engineer. Rogiers is Zoquier's friend and also knows Rivas.

OTHER RELEVANT INDIVIDUALS

20. **MS Client** is Siva's client at the Brokerage Firm.

21. **RR Friend** is Rodriguez's friend and colleague.

22. **JR Friend 1** is Rogiers's friend and former colleague.

23. **JR Friend 2** is also Rogiers's friend and former colleague.

TARGET COMPANIES

24. Rivas communicated material nonpublic information to one or more of the Direct Tippees about at least 30 publicly traded companies targeted for acquisition ("Target Companies") in actual or contemplated mergers, acquisitions, and tender offers involving the Bank. (Appendix A lists each Target Company.) At all relevant times, each Target Company's common stock was registered with the Commission under Section 12(b) of the Exchange Act. At all relevant times, the securities of each Target Company traded on United States securities exchanges.

FACTUAL ALLEGATIONS

A. The Origins of the Scheme

25. On August 12, 2013, Rivas began work as a technology project consultant in the Bank's capital markets technology group in New York, New York. During Rivas's tenure, the Bank frequently provided investment banking services (including advisory services, debt financing, and fairness opinions) to publicly traded companies in connection with contemplated and actual business combinations.

26. In the Bank's investment banking role, its corporate clients routinely provided it with highly-confidential information about impending corporate transactions. Before a client provided confidential information to the Bank, the client typically required the Bank to sign a confidentiality agreement or non-disclosure agreement or make other assurances of confidentiality.

27. In or around June 2014, Rivas joined a small team at the Bank responsible for IT support of a new computer system, which was one of multiple computer systems that the Bank used to track its involvement in corporate transactions. Among other responsibilities, Rivas assisted bankers with technical issues related to the computer system. As a function of this role, from at least August 1, 2014 until April 14, 2017, Rivas had access to confidential information in the computer system about hundreds of potential corporate transactions, including impending mergers, acquisitions, and tender offers (the “Deals”).

28. In particular, in August 2014, bankers began to use the new computer system to enter details about nonpublic corporate transactions, resulting in the creation of records in the system. Each system record contained critical information about each Deal, including: (1) a description of the Deal (e.g., “M&A” or “acquisition financing”); (2) the names of the companies involved in the Deal and their respective roles (e.g., “acquirer” or “target”); (3) the expected price of the Deal (e.g., the aggregate amount the acquiring company was expected to pay for the target company); and (4) the expected date on which the Deal would be announced to the public. Many of the system records included a field indicating that “the transaction is material non-public information.” Bankers updated the system records when new details about the Deals, such as a new deal price or expected announcement date, became known. As a member of the IT team responsible for supporting the computer system, Rivas knew the purpose and significance of the information in the system records.

29. While Rivas was authorized to access the system records to perform his job functions, Rivas was prohibited from disclosing confidential information in the computer system, from using the information for his personal benefit, or from recommending that others trade on the information.

30. Rivas participated in trainings and signed agreements and acknowledgments affirming, among other things (a) that he would hold all confidential information learned in the course of his employment in confidence and would not disclose such information to anyone outside the Bank; (b) that the Bank’s policies and the securities laws prohibited him from trading

in or recommending securities while in possession of material nonpublic information relating to such securities; and (c) that material information included information on mergers, acquisitions, and tender offers not yet announced.

31. For instance, in August 2013, Rivas participated in a training course about the Bank's ethics code. The training materials provided to Rivas stated that "[a]cquisition information falls under the broad definition of what is considered material, nonpublic information." The materials also stated that Bank employees "should not share [acquisition] information, as it is not permissible to do so."

32. Rivas knew that information in system records regarding the potential Deals was material and nonpublic and that he had a duty to the Bank and its clients to keep such information confidential.

33. From about October 2014 through April 2017, Rivas repeatedly communicated material nonpublic information about the Deals to Moodhe, Rodriguez, Sablon, and Zoquier.

34. Rivas's tips typically included at least three critical pieces of material nonpublic information about Deals that had not yet been announced. First, Rivas communicated the names or stock trading ticker symbols of the Target Company and acquiring company listed in the relevant system record. Second, Rivas communicated the expected deal price listed in the relevant system record. Third, Rivas communicated the expected announcement date listed in the relevant system record. In addition, Rivas often communicated the Bank's anticipated role in the Deal. The information Rivas communicated was maintained as confidential by the business entities participating in the Deals and by the Bank and had not been made public.

35. Rodriguez, Sablon, and Moodhe each discussed with Rivas trades they had placed on the basis of his tips. Rodriguez and Sablon sometimes sent Rivas screenshots from brokerage firm websites to demonstrate the trades they had placed and to keep Rivas apprised of profits they had made. Rivas also knew that Zoquier would trade and was trading profitably on the basis of the valuable information.

B. The Trading Defendants Profited on Tips About Thirty Deals

36. The confidential Bank information provided by Rivas proved highly valuable to the trading defendants. They used it to trade profitably on numerous occasions in the securities of Target Companies sought to be acquired in numerous Deals. As set forth in Appendix B to this Complaint, one or more of defendants Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers traded, or tipped others to trade, ahead of news regarding at least thirty actual or contemplated Deals based on material nonpublic information that originated from Rivas. The traders profited on public announcements of the Deals and, in certain instances, on other market-moving news or rumors about the Deals.

37. Among the Deals, Rivas passed material nonpublic information to one or more of the Direct Tippees relating to at least eleven tender offers. As set forth in Appendix B, one or more Defendants profitably traded or tipped others to trade on the basis of material nonpublic information relating to each of these tender offers. At the time Rivas tipped the Direct Tippees regarding these tender offers, a substantial step or steps to commence each of the offers—including (depending on the particular tender offer) negotiations, board meetings, the arrangement of financing, the hiring of advisors, or proposals—had been taken.

C. Tipping Chain #1: Rivas Tipped Moodhe

38. From at least October 2014 until April 2017, Rivas repeatedly accessed system records about impending Deals and tipped Moodhe to the material nonpublic information found therein so that Moodhe could profitably trade. On the basis of Rivas's tips, Moodhe purchased stock or opened bullish options positions in at least twenty-five Target Companies (set forth in Appendix B). When news about the Deals was made public and the stock prices of the Target Companies increased, Moodhe disposed of his securities for substantial profits. In total, Moodhe realized over \$2 million in profits by trading on the basis of Rivas's tips.

For More Than Two Years, Moodhe Repeatedly Engaged in Insider Trading

39. In 2014, through his relationship with Moodhe's daughter and discussions with Moodhe, Rivas became aware that Moodhe actively traded in stock and options on behalf of

himself and his family members to supplement his income from working at a financial services company. Hoping to help Moodhe make money trading, Rivas began providing Moodhe with valuable inside information misappropriated from the Bank.

40. The first tip Rivas passed to Moodhe was about the impending acquisition of Covance Inc. (“Covance”) by Laboratory Corporation of America Holdings (“Lab Corp”). In October 2014, a record was created in the Bank’s computer system about the impending acquisition of Covance. The system record described the Bank as an advisor in an “M&A” transaction and listed “Laboratory Corp of America Holdings” as the “Acquirer” and “Covance Inc.” as the “Target.”

41. On October 23, 2014, Rivas viewed the Covance system record. On October 26, 2014, Rivas viewed the record again. Based on the information in the record, Rivas learned that Covance was likely to be acquired on or about November 3, 2014. After viewing the record and prior to the public announcement of the Covance acquisition, Rivas tipped Moodhe to trade on the information during an in-person conversation.

42. Soon after receiving the tip, Moodhe purchased 500 shares of Covance stock on October 27, 2014, at approximately \$80 per share for a cost of about \$40,300. The next day, October 28, 2014, Moodhe purchased 500 more shares of Covance stock at approximately \$81 per share for a cost of about \$40,500.

43. Consistent with the information in the system record that Rivas viewed and tipped to Moodhe, on the morning of November 3, 2014, Lab Corp and Covance announced a definitive agreement under which Lab Corp would acquire Covance for \$105.12 per share. Later that day, Moodhe sold the 1,000 shares of Covance stock he had purchased based on Rivas’s tip for a profit of more than \$19,000—representing a 23% return.

44. In the same or a similar manner as described above, from at least October 2014 until April 2017, Rivas repeatedly accessed records in the Bank’s system about impending Deals and tipped Moodhe to material nonpublic information found therein so that Moodhe could

profitably trade. Throughout the scheme, Moodhe knew that Rivas had access to the confidential information about the Deals through his work at the Bank.

45. Often, after receiving an initial tip about a particular Target Company and placing trades on that basis, Moodhe asked Rivas to provide updates about the Deal's progress. Rivas returned to the relevant system records and communicated updated information, when available, to Moodhe.

46. To avoid leaving a trail of their communications, Rivas and Moodhe did not communicate through electronic means such as phone calls, text messages, or emails. Instead, Rivas tipped Moodhe through other methods. For instance, Rivas provided handwritten notes to Moodhe's daughter, who was Rivas's girlfriend. These handwritten notes generally included: (1) the ticker symbol for the acquiring company; (2) the ticker symbol for the Target Company; (3) the expected Deal price; (4) the expected announcement date; and (5) the Bank's role in the Deal. In addition, Rivas tipped Moodhe during in-person meetings at their respective residences.

47. As the scheme progressed, Moodhe often placed aggressive trades in short-term, out-of-the-money call options of certain Target Companies to maximize his profits. As a buyer of call options, Moodhe purchased the right (but not the obligation) to purchase a Target Company's stock at a set "strike price" for a period of time through the "expiration date." The call options were "out of the money" when the Target Company's stock was trading at a price below the option's strike price. Moodhe purchased out-of-the-money call options because he expected the stock prices of Target Companies to increase when the Deals were publicly announced.

48. Of the Deals Rivas tipped to Moodhe, as set forth in Appendix B, at least 10 were pursued through tender offers. While in possession of the inside information from Rivas, Moodhe repeatedly (as set forth in Appendix B) purchased the securities of the Target Companies sought to be acquired in the tender offers.

D. Tipping Chain #1 (Second-Level): Moodhe Tipped Siva

49. Beginning early in the scheme and continuing for more than two years, from at least January 2015 until early 2017, Moodhe repeatedly passed Rivas's material nonpublic information about the Deals to Moodhe's friend Siva. Throughout this time, Moodhe provided Siva with the names of Target Companies and acquiring companies, expected announcement dates, and deal prices that Siva knew related to impending corporate transactions that had not yet been publicly announced.

50. On the basis of the tips, Siva placed trades on behalf of his Brokerage Firm clients in the securities of at least thirteen Target Companies (set forth in Appendix B), in close parallel with trades placed by Moodhe. Siva also traded in the securities of at least two Target Companies—Diamond Resorts International, Inc. (“Diamond”) and Outerwall Inc. (“Outerwall”)—on behalf of himself and his wife on the basis of material nonpublic information from Moodhe. When news about the Deals was made public and the stock prices of the Target Companies increased, Siva sold the securities that he had acquired for himself, his wife, and his clients for substantial profits.

51. In total, Siva realized more than \$880,000 in profits for his clients by placing trades in their accounts on the basis of material nonpublic information from Moodhe. By placing these trades for his clients, Siva earned commissions for himself and the Brokerage Firm. In addition, Siva realized for himself and his wife more than \$8,000 in profits by trading on the basis of material nonpublic information from Moodhe.

52. In addition to trading for himself and his clients, from at least early 2016 until early 2017, Siva used the information he received from Moodhe to tip his longtime client, MS Client, to trade in the securities of Target Companies. As a result of Siva's tips, MS Client traded in the securities of at least seven Target Companies (set forth in Appendix B) generating profits of more than \$300,000.

For More Than Two Years, Siva Repeatedly Engaged in Insider Trading

53. Moodhe and Siva have been friends for more than 20 years. They met while

working together at a brokerage firm in the mid-1990s. Their friendship centered on their mutual interest in trading securities. Before the insider trading scheme alleged in this Complaint began, they frequently discussed trading strategies over the phone. They also met in person to socialize.

54. In or around January 2015, just months after receiving his first tip from Rivas, Moodhe began sharing Rivas's insider trading tips with Siva. Over the course of 2015, Moodhe shared numerous tips with Siva. As set forth in Appendix B, Siva, in turn, repeatedly purchased the stock of Target Companies for his clients based on Moodhe's tips.

55. Moodhe's tipping of Siva continued into 2016. One of the tips Moodhe relayed to Siva in early 2016 concerned the impending acquisition of The ADT Corporation ("ADT") by affiliates of Apollo Global Management LLC ("Apollo") in February 2016.

56. On February 9, 2016, Rivas viewed a system record that had been created to record the Bank's work on the ADT acquisition. The system record reflected that ADT was the Target Company and Apollo was the acquirer and listed an expected deal price and announcement date. After reviewing the record, Rivas communicated the confidential information contained therein to Moodhe, who, in turn, passed Rivas's insider trading tip to Siva.

57. On February 10, 2016 at 10:08 a.m. EST, Moodhe telephoned Siva and tipped him regarding the potential ADT acquisition. Just minutes later, at 10:13 a.m. EST, Siva placed an order to buy ADT stock on behalf of one of his clients at the Brokerage Firm. Only minutes after Siva, at 10:17 a.m. EST, Moodhe placed an order to buy ADT stock in a brokerage account he maintained at another brokerage firm. Prior to placing their respective trades, neither Moodhe nor Siva had any recent history trading in ADT securities.

58. In total, in a series of trades on February 10 and 11, 2016, Siva purchased 2,100 shares of ADT stock on behalf of his Brokerage Firm clients at approximately \$27 per share for an aggregate cost of about \$57,800. Less than a week later, on the morning of February 16, 2016, ADT and Apollo announced a definitive agreement under which Apollo would acquire ADT for \$42 per share. Later in the day on February 16 and on the morning of February 17, 2016, Siva sold the 2,100 shares of ADT stock he had purchased on behalf of his clients for

approximately \$40 per share, generating total profits of about \$26,400. By trading on the inside information relayed by Moodhe, Siva realized for his clients a 45% percent return in less than a week. (Moodhe also sold his shares of ADT stock in the days following the announcement for profits of about \$26,000.)

59. In many instances, Moodhe provided Siva with multiple tips concerning a potential Deal. After receiving the initial tips about the Deals, Siva asked Moodhe for updates on the status of Deals that had not yet been announced to the public. Upon obtaining additional inside information from Rivas, Moodhe provided the requested updates to Siva. Moodhe knew that Siva was trading on behalf of himself and his clients on the basis of the tips.

60. To avoid detection and due to concern that their phone conversations might be recorded or overheard, Moodhe and Siva developed code phrases that they used when Moodhe passed Rivas's insider trading tips to Siva via the telephone.

61. In addition, on several different occasions during the relevant period, Moodhe and Siva met in person for lunch so that Moodhe could provide Siva with more detailed information about the tips from Rivas. By meeting in person, Moodhe and Siva hoped to avoid recording of their conversations or any record that they had spoken.

62. During these meetings, Moodhe provided Siva names and ticker symbols of Target Companies and acquirers, deal prices, and expected announcement dates. Siva recorded the information in a notebook. Siva later assured Moodhe that the notebook was gone, indicating that Siva had disposed of it to eliminate evidence of his receipt of insider trading tips from Moodhe.

63. In conversations with Siva, Moodhe referred to Rivas as his imaginary friend or as his friend. Siva requested more detailed information about the identity of Moodhe's source, but Moodhe told him not to ask questions.

64. Prior to June 2016, Moodhe traded primarily in self-directed brokerage accounts held in his own and his family members' names at brokerage firms that were different from the Brokerage Firm where Siva worked. In or around June 2016, several of Moodhe's and his

family members' accounts at one of these brokerage firms were closed. At that time, Moodhe transferred those accounts to the Brokerage Firm, where Siva worked, and became Siva's client. From that point forward, Moodhe continued trading, based on tips from Rivas, in his and his family members' Brokerage Firm accounts and one remaining account at another brokerage firm.

65. To cover up the illicit nature of Moodhe's trading, Siva and Moodhe agreed that the trades Moodhe placed through the Brokerage Firm in the securities of the Target Companies would, where possible, be marked as "solicited." Trades are typically marked solicited when they are based on the recommendation of a financial advisor. In fact, both Siva and Moodhe knew that Moodhe's trades in the securities of the Target Companies were based on tips from Moodhe's source of inside information and not investment recommendations from Siva.

66. To further cover up their scheme, after receiving the tips from Moodhe, Siva gathered research relating to the Target Companies and sometimes emailed the research to Moodhe to create paper trails that would serve as non-fraudulent justifications for the illegal trading. Both Moodhe and Siva knew that their respective trades were based not on this research but on material nonpublic information about the Deals.

67. In exchange for passing Rivas's tips to Siva, Moodhe received trading advice from Siva, who was a sophisticated investment professional. Among other advice, Siva helped Moodhe to maximize the profit that he generated from trading on the tips by advising Moodhe about which options to trade in the Target Companies. (Options come in a variety of "series," with different strike prices and expiration dates.) In addition, Siva provided Moodhe with valuable stock tips about securities unrelated to Rivas's tips. For example, on one occasion midway through the scheme, Moodhe reaped approximately \$4,000 in profits by trading in a security recommended by Siva.

68. Of the Deals Moodhe tipped to Siva, as set forth in Appendix B, at least six were pursued through tender offers. After receiving the inside information from Moodhe, Siva repeatedly purchased the securities of the Target Companies sought to be acquired in the tender offers.

Siva Repeatedly Tipped MS Client

69. Separate from the trades he placed in his clients' accounts at the Brokerage Firm, Siva also repeatedly tipped MS Client to trade in the securities of Target Companies in accounts that MS Client held at other brokerages. MS Client is one of Siva's longtime clients at the Brokerage Firm and had an account at the Brokerage Firm at all relevant times. Siva and MS Client have known one another for years.

70. In the years leading up to Siva's tips, MS Client did not actively trade or authorize Siva to place trades in his account at the Brokerage Firm. In or around February 2016, on the basis of tips Siva had received from Moodhe, Siva began tipping MS Client to trade in the securities of Target Companies. From that point forward, MS Client authorized Siva to place numerous solicited trades on his behalf in MS Client's account at the Brokerage Firm. The Brokerage Firm obtained commissions from MS Client for executing these trades.

71. MS Client also had an account outside of the Brokerage Firm, but prior to February 2016, he had not placed any trades in the outside brokerage account for years. After he began receiving tips from Siva, however, MS Client began trading frequently in the securities of the Target Companies in the outside brokerage account.

72. To further capitalize on the valuable tips from Siva, in April and May 2016, MS Client opened additional brokerage accounts outside the Brokerage Firm in his own name and in the name of a family member. Going forward, MS Client placed trades on the basis of tips from Siva in those accounts as well. Based on tips from Siva, MS Client traded in bullish, out-of-the-money call options of the Target Companies.

73. Among Siva's tips to MS Client, at least three involved Target Companies to be acquired in tender offers (set forth in Appendix B) under circumstances in which it was reasonably foreseeable that the communication was likely to result in the purchase and sale of the securities of the Target Companies.

E. Tipping Chain #2: Rivas Tipped Rodriguez and Sablon

74. In or about December 2015, Rivas began sharing confidential information from the Bank with his friends Rodriguez and Sablon. Neither Rodriguez nor Sablon was an experienced trader, but the confidential information flowing from Rivas gave them an enormous advantage on the market from the start. Continuing until April 2017, they repeatedly placed well-timed, highly-profitable trades in the securities of numerous Target Companies in advance of market-moving news about the Deals.

75. In total, as set forth in Appendix B, Sablon purchased stock or opened bullish options positions in at least fourteen Target Companies and Rodriguez purchased stock or opened bullish options positions in at least twelve Target Companies on the basis of tips from Rivas. When news about the Deals was made public and the stock prices of Target Companies increased, Sablon and Rodriguez disposed of their securities for substantial profits. In total, Sablon realized over \$920,000 in profits while Rodriguez realized over \$1.1 million in profits by trading on the basis of Rivas's tips. In addition, from at least August 2016 until April 2017, Rodriguez frequently relayed Rivas's tips to Rodriguez's friend and colleague, RR Friend, who realized profits of more than \$67,000 by trading in the securities of at least six Target Companies as set forth in Appendix B.

For More Than One Year, Rodriguez and Sablon Each Repeatedly Engaged in Insider Trading

76. Rivas and Rodriguez have been friends since youth. Although Rivas lives in New Jersey and Rodriguez in Florida, Rivas and Rodriguez vacation together. During a vacation in Las Vegas in late 2015, Rivas gathered that Rodriguez was struggling financially and was looking for additional sources of income. To help Rodriguez generate more income, Rivas agreed to provide Rodriguez with insider trading tips and to help Rodriguez, who was not an experienced trader, to trade profitably in the securities of Target Companies. Rodriguez knew that Rivas worked at the Bank and that the confidential information Rivas provided came from the Bank.

77. Subsequently, Rodriguez reached out to his friend Sablon and invited him to join the scheme. Rodriguez and Sablon both live in Florida and at the time the scheme began they had been friends for years. At one time, they worked closely together on the small executive staff of a tutoring company. Rodriguez and Sablon spoke frequently by phone both before and during the scheme.

78. In or around December 2015, Rivas traveled to Miami, where Rodriguez introduced Rivas to Sablon. Together, Rivas, Rodriguez, and Sablon had lunch to discuss the scheme. At that time, the three agreed that if Rodriguez's and Sablon's trading on the basis of Rivas's tips proved profitable, Rodriguez and Sablon would start an investment fund with the proceeds and Rivas would join the fund. In subsequent conversations, Rodriguez and Sablon each reiterated to Rivas that he would have a role in the fund.

79. After they were introduced, Rivas and Sablon became friends. Thereafter, Rivas and Sablon spoke on the telephone and exchanged texts on numerous occasions and met in person on several occasions to socialize (both with and without Rodriguez present) and discuss the scheme. Through their interactions, Sablon knew that Rivas worked at the Bank and that the confidential information Rivas provided came from the Bank.

80. From the outset of the scheme, Rodriguez and Sablon worked together to generate profits on the basis of Rivas's tips. In December 2015, Sablon (who was not an experienced trader at the time) opened a brokerage account in his own name. The account's initial balance was funded predominantly by Rodriguez. On or about December 8, 2015, Rodriguez transferred \$25,000 from a business account Rodriguez controlled to Sablon's personal bank account. On or about December 9, 2015, Sablon transferred \$24,900 of those funds from his bank account to the brokerage account in his name and later used those funds to place trades based on Rivas's tips.

81. During the initial phase of the scheme, Rivas passed tips directly to Sablon, who traded in the securities of numerous Target Companies in the brokerage account in his name. From the start, Rivas knew that Sablon and Rodriguez were collaborating in the scheme and that Sablon was trading partly for Rodriguez's benefit.

82. Initially, Rivas passed material nonpublic information about the Deals to Sablon via in-person meetings and through phone calls and text messages. During this period, Rivas and Sablon exchanged dozens of text messages and numerous phone calls regarding the tips.

83. During one of their in-person meetings, Rivas tipped Sablon regarding the potential acquisition of Monsanto Company (“Monsanto”) by Bayer AG. On the basis of the tip, Sablon purchased short-term, out-of-the-money Monsanto call options. When news about the potential acquisition was made public in May 2016, Sablon sold his Monsanto call options for more than \$36,000 in profits.

84. In May 2016, Rodriguez opened a brokerage account in his own name to further capitalize on the tips from Rivas. The first trade that Rodriguez placed in his account was based on a tip from Rivas concerning the impending acquisition of Elizabeth Arden, Inc. (“Arden”) by Revlon, Inc. From June 6 to June 13, 2016, Rivas repeatedly viewed a system record showing that the impending Arden acquisition would soon be announced and passed confidential information about the transaction to Sablon and Rodriguez. In turn, on June 13, 2016, Rodriguez made an initial deposit of \$8,000 to his new brokerage account.

85. Later in the day on June 13, 2016, soon after Rodriguez’s \$8,000 deposit was made available for trading, Rodriguez placed his first securities trade in his brokerage account, using the bulk of his total account balance to purchase 750 shares of Arden stock at approximately \$9.90 per share for a cost of about \$7,400.

86. Following the close of market on June 16, 2016, just three days after Rodriguez traded, the Arden acquisition was announced and Arden’s stock price jumped. The next morning, on June 17, 2016, Rodriguez sold his shares of Arden stock at an average price of approximately \$13.70 per share for a profit of more than \$2,800. Rodriguez realized a return of more than 37% in less than four days. (Sablon also traded on the tip, realizing a quick profit of more than \$6,200.)

87. Continuing through at least April 2017, Rivas repeatedly accessed system records concerning impending Deals and tipped both Rodriguez and Sablon to material nonpublic

information found therein. Often, after receiving an initial tip about the acquisition of a particular Target Company and placing trades on that basis, Rodriguez or Sablon asked Rivas to provide updates about the Deal's progress. Rivas returned to the relevant system records and communicated updated information, when available, to both Rodriguez and Sablon.

88. In the midst of the scheme, to avoid detection, Rivas, Sablon, and Rodriguez largely stopped communicating by phone calls and text messages and, in mid-2016, cut off phone communications. Going forward, Rivas tipped Rodriguez and Sablon at periodic in-person meetings with Rodriguez and/or Sablon and, more often, by using a smartphone messaging application (the "App") to send encrypted, self-destructing messages. Through the App, Rivas sent Sablon and Rodriguez messages informing them of material nonpublic information Rivas had gleaned from the Bank computer system, including the names of target and acquiring companies, deal prices, and expected announcement dates. Using the same App, Rodriguez and Sablon kept Rivas apprised of their trading activity by sending him screenshots of their brokerage accounts.

89. After receiving the tips, Rodriguez often sent emails to himself or to Sablon with purported research on the Target Companies to create a bogus paper trail of supposed legitimate bases for the illegal trading. Rodriguez and Sablon also each provided alternative reasons for their trades during calls with their respective brokerage firms.

90. As Rodriguez began trading actively, Rivas started tipping Rodriguez directly with the knowledge that Rodriguez was also relaying each tip to Sablon. After Rivas tipped Rodriguez, Sablon sent Rivas messages through the App attaching screenshots from his brokerage account that showed trades Sablon had placed on the basis of Rivas's tips.

91. Midway through the scheme, both Rodriguez and Sablon set up shell companies to carry out their insider trading. In July 2016, Sablon established The Odin International Group LLC ("Odin"), a Florida LLC. Sablon is the owner of Odin. Also in July 2016, Sablon established a brokerage account in Odin's name and, going forward, placed numerous trades in

the Odin account based on tips from Rivas. (Sablon also continued to trade in the brokerage account in his name.)

92. Similarly, in August 2016, Rodriguez established Blackbourne Financial Group, Inc. (“Blackbourne”), a Florida corporation. Rodriguez is the owner of Blackbourne. Later in August 2016, Rodriguez established a brokerage account in Blackbourne’s name, subsequently transferred the securities held in the brokerage account in his name to the Blackbourne account, and, after September 2016, traded in the Blackbourne account based on tips from Rivas.

93. At the outset of the scheme, neither Rodriguez nor Sablon were experienced traders. Their inexperience notwithstanding, to maximize their profits, both Rodriguez and Sablon frequently placed complicated trades in out-of-the-money call options of the Target Companies. Rivas helped Rodriguez and Sablon with their options trades. Rivas conducted research on the Internet to select particular series of options based on material nonpublic information in the System regarding the Target Companies and passed advice along to Rodriguez and Sablon.

94. Of the Deals Rivas tipped to both Rodriguez and Sablon, as set forth in Appendix B, at least five were pursued through tender offers. While in possession of inside information from Rivas, Rodriguez and Sablon each repeatedly purchased the securities of the Target Companies sought to be acquired in the tender offers.

Rodriguez Tipped RR Friend

95. In addition to trading on his own behalf, midway through the scheme, Rodriguez began relaying Rivas’s tips to Rodriguez’s friend and colleague, RR Friend. Rodriguez and RR Friend work closely together as executives at a small tutoring company owned by RR Friend. Both before the scheme and after the scheme was underway, Rodriguez and RR Friend communicated by phone almost every day (and often multiple times a day).

96. On or about August 1, 2016, RR Friend opened a new brokerage account in the name of a tutoring company that RR Friend owns. After the account was open, starting in at least mid-August of 2016, Rodriguez began tipping RR Friend to trade in the securities of the

Target Companies through phone calls and text messages.

97. Prior to opening the brokerage account, RR Friend was not an experienced trader. Despite his inexperience, trading in close parallel to Rodriguez on the basis of the tips, RR Friend repeatedly realized exceptional returns by placing trades in the stock and options of Target Companies shortly in advance of public news that they were being acquired.

98. Of the Deals that Rodriguez tipped to RR Friend, as set forth in Appendix B, at least two were pursued through tender offers. Rodriguez tipped RR Friend under circumstances in which it was reasonably foreseeable that the communication was likely to result in the purchase and sale of the securities of the two Target Companies sought to be acquired in the tender offers.

F. Tipping Chain #3: Rivas Tipped Zoquier

99. In or around December 2015, Rivas also started sharing confidential information from the Bank with his close friend Zoquier. From that time until early 2017, Zoquier, as set forth in Appendix B, repeatedly placed timely and profitable trades in the stock of Target Companies in advance of market-moving public news about the Deals.

100. In total, Zoquier purchased the stock of at least nine Target Companies on the basis of material nonpublic information from Rivas. When news about the Deals was made public and the stock prices of Target Companies increased, Zoquier disposed of his securities for substantial profits. Overall, Zoquier realized over \$30,000 in profits by trading on the basis of Rivas's tips.

For More Than One Year, Zoquier Repeatedly Engaged in Insider Trading

101. Rivas and Zoquier have been friends since youth. At all relevant times, Rivas and Zoquier lived near one another in New Jersey and socialized frequently. At one point, Rivas purchased an engagement ring for Zoquier to use in an upcoming marriage proposal. Starting in at least late 2015, Rivas passed to Zoquier material nonpublic information about the Deals.

102. At first, Zoquier, who was not an experienced trader, did not personally trade on the tips. (As described in more detail below, however, from the start, Zoquier passed the

confidential information along to his close friend Rogiers). After a few months, Zoquier decided to capitalize on Rivas's valuable inside information and, in March 2016, he opened a joint brokerage account in his own name and in the name of his cousin.

103. Going forward, Zoquier repeatedly traded in the securities of Target Companies on the basis of material nonpublic information provided by Rivas. As with Rodriguez and Sablon, Rivas primarily tipped Zoquier through encrypted self-destructing messages sent through the App. Zoquier used the App because Zoquier thought it would allow him and Rivas to communicate without creating evidence of the scheme.

104. In the same or a similar manner as described above, for more than a year, Rivas repeatedly accessed system records and tipped Zoquier to material nonpublic information found therein regarding numerous impending Deals. Rivas passed the information for the purpose of helping Zoquier financially and expected that Zoquier would capitalize on the valuable tips. Zoquier knew that Rivas worked for the Bank and that the confidential information Rivas provided came from the Bank.

105. Of the Deals Rivas tipped to Zoquier, as set forth in Appendix B, at least four were pursued through tender offers. While in possession of inside information from Rivas, Zoquier repeatedly purchased the securities of the Target Companies sought to be acquired in the tender offers.

G. Tipping Chain #3 (Second-Level): Zoquier Tipped Rogiers

106. For more than a year, Zoquier repeatedly passed to his friend Rogiers material nonpublic information about numerous Deals that Zoquier had received from Rivas. At first, Rogiers (who had not opened brokerage accounts at the time) did not personally trade on the information. Instead, from at least late 2015 until the middle of 2016, based on the confidential information he received from Zoquier, Rogiers repeatedly tipped two of his friends and former colleagues, JR Friend 1 and JR Friend 2, to trade in the securities of the Target Companies as set forth in Appendix B. On the basis of the tips, JR Friend 1 realized total profits of more than \$280,000 by trading in the stock and options of four Target Companies, while JR Friend 2

realized total profits of more than \$130,000 by trading in the stock and options of three Target Companies.

107. In early 2016, Rogiers opened two new brokerage accounts in his own name and began personally trading on the basis of Zoquier's tips. In total, Rogiers realized over \$50,000 in profits by personally trading in the stock and options of four Target Companies as set forth in Appendix B.

For More Than One Year, Rogiers Repeatedly Engaged in Insider Trading

108. Rivas and Zoquier are friends. Zoquier is also friends with Rogiers. Both before and during the insider trading scheme, Zoquier and Rogiers communicated by phone. Before the insider trading scheme began, Rivas and Rogiers knew one another through their mutual friend Zoquier and sometimes communicated by phone.

109. Early in the scheme, at Zoquier's suggestion, Rivas had an in-person meeting with Rogiers to explore whether Rogiers might be interested in receiving confidential information about the Deals. During the meeting, Rivas explained that, through his role at the Bank, he had access to inside information regarding impending mergers and acquisitions and offered to provide tips to Rogiers. Rivas did not, however, tip Rogiers to any particular Deals during the meeting.

110. As described above, beginning in at least December 2015 and continuing for more than a year, Rivas tipped Zoquier to numerous potential Deals. Zoquier, in turn, repeatedly passed the confidential information to Rogiers. On several occasions, Rogiers used the information to tip JR Friend 1 and JR Friend 2 to trade in the securities of Target Companies. In addition to tipping, Rogiers also asked JR Friend 1 and JR Friend 2, who had more experience trading than Rogiers, for advice on trading strategies.

111. One of the tips Rogiers passed to JR Friend 1 and JR Friend 2 concerned Monsanto. In early 2016, Rivas repeatedly viewed a system record concerning a potential acquisition of Monsanto by Bayer AG and communicated confidential information therein to Zoquier. Zoquier, in turn, passed confidential information he had obtained from Rivas to

Rogiers. Rogiers, in turn, tipped JR Friend 1 and JR Friend 2 to trade in Monsanto securities. Prior to receiving the tip, neither JR Friend 1 nor JR Friend 2 had any recent history trading in Monsanto securities. After receiving the tip from Rogiers, JR Friend 1 and JR Friend 2 each purchased short-term, out-of-the-money Monsanto call options, thereby wagering that Monsanto's stock price would soon increase substantially.

112. In late April and early May of 2016, before information about the potential Monsanto acquisition became public, Monsanto's stock price ranged from approximately \$89 to \$94 per share. Between April 27 and May 3, 2016, on the basis of the tip from Rogiers, JR Friend 2 purchased numerous Monsanto call options with expiration dates of June 17, 2016 and July 15, 2016 and strike prices ranging from \$105 to \$110. Between May 5, 2016 and May 20, 2016, on the basis of the tip from Rogiers, JR Friend 1 purchased numerous Monsanto call options with expiration dates from May 20, 2016 to June 17, 2016 and strike prices ranging from \$94 to \$105. After news about the potential acquisition reached the public in May 2016, JR Friend 1 and JR Friend 2 sold their Monsanto options, collectively realizing profits of more than \$225,000.

113. Soon after opening two brokerage accounts in his own name in early 2016, Rogiers began using the tips he received from Zoquier to trade for himself. One of the most profitable illegal tips Rogiers received related to the impending acquisition of Medivation, Inc. ("Medivation"). In late July of 2016, Rivas repeatedly viewed a record in the Bank computer system regarding the potential acquisition of Medivation. After accessing the record, Rivas passed to Zoquier confidential information regarding the Deal. Zoquier, in turn, passed inside information about the Deal to Rogiers.

114. Both Rogiers and Zoquier traded profitably on the basis of the Medivation tip. On July 28, 2016, Rogiers purchased out-of-the-money Medivation call options for a cost of about \$4,000. The next day, on July 29, 2016, Zoquier purchased 300 shares of Medivation stock at approximately \$63 per share for a cost of about \$19,000. Prior to placing these trades, neither Rogiers nor Zoquier had any recent history trading in Medivation securities. On August

22, 2016, the transaction was announced to the public and, by the close of the market, Medivation's stock price had increased by almost 20% from the close of the prior day's trading. The day of the announcement, Rogiers sold his Medivation call options, realizing a profit of more than \$26,000, which represented an approximately 650% return. Zoquier also sold his Medivation stock for a profit of more than \$5,000.

115. Of the Deals Zoquier tipped to Rogiers, as set forth in Appendix B, at least three were pursued through tender offers. While in possession of this inside information, Rogiers purchased the securities of two of the Target Companies sought to be acquired in these tender offers. Rogiers also tipped JR Friend 1 to trade in the securities of at least two of the Target Companies sought to be acquired in these tender offers under circumstances in which it was reasonably foreseeable that the communication was likely to result in the purchase and sale of the securities of the Target Companies sought to be acquired in the tender offers.

H. Defendants Repeatedly Engaged in Parallel Insider Trading

116. While Rivas was the common source that fed the insider trading scheme alleged in this Complaint, some of the traders were unaware of the existence or activities of other traders. Because they all repeatedly traded on the basis of the same inside information that had originated from Rivas, however, as set forth in Appendix B, the traders commonly traded in the securities of the same Target Companies during the same periods. During the initial phase of the scheme, Moodhe and Siva commonly traded in parallel on the basis of the tips. Beginning in late 2015, when Rivas began tipping Rodriguez, Sablon, and Zoquier, the traders frequently traded in lock step with one another. The breadth of this parallel insider trading is set forth in Appendix B; one illustrative example is detailed in the paragraphs below.

117. One of the last—and also one of the most lucrative—tips that Rivas passed to his tippees concerned the impending acquisition of Panera Bread Company (“Panera”) by JAB Holding Company (“JAB”). On March 28, 2017, Rivas viewed a system record about the acquisition. The record listed Panera as the Target Company and JAB as the acquirer and included an expected announcement date of April 3, 2017 and an expected deal price of \$7.5

billion. After reviewing the record, Rivas passed confidential information about the Panera acquisition to Moodhe, Rodriguez, and Sablon. Rodriguez, in turn, tipped RR Friend to trade in Panera securities.

118. Prior to receiving the tip, none of Moodhe, Rodriguez, Sablon, or RR Friend had recently traded in Panera securities. On the basis of the tip, between March 29 and March 31, 2017, Moodhe, Rodriguez, Sablon, and RR Friend each purchased short-term, out-of-the-money Panera call options.

119. Specifically, trading in the Blackbourne brokerage account, Rodriguez purchased 220 Panera call options with a strike price of \$280 and an expiration date of April 21, 2017 for a total cost of about \$25,000. (Rodriguez also purchased Panera stock on the basis of the tip.) Trading in the Odin brokerage account and the brokerage account in his name, Sablon purchased 192 Panera call options with strike prices ranging from \$275 to \$290 and an expiration date of April 21, 2017 for a total cost of about \$36,000. Likewise, on the basis of the tip passed by Rodriguez, RR Friend purchased 14 Panera call options with strike prices of \$275 to \$280 and an expiration date of April 21, 2017 for a total cost of about \$2,700.

120. On the basis of the same tip from Rivas, Moodhe also decided to purchase short-term, out-of-the-money Panera call options with the same expiration date. Specifically, on March 31, 2017, Moodhe bought 25 Panera call options with a strike price of \$290 per share and an expiration date of April 21, 2017 at a total cost of about \$2,500.

121. On the days Rodriguez, Sablon, RR Friend, and Moodhe purchased these options, Panera's stock was trading in an approximate range of \$255 to \$261 per share. By purchasing the out-of-the-money options, the traders wagered that Panera's stock price would increase substantially—by between approximately 5% and 13%, depending on the particular series of options—in about three weeks, when the options would expire.

122. On April 5, 2017, Panera and JAB announced that Panera would be acquired by JAB for \$7.5 billion, or about \$315 per share. By the close of market on April 5, Panera's stock price had increased by almost 14%. Later that day, Rodriguez sold the Panera call options held

in the Blackbourne brokerage account for a profit of more than \$670,000—a return of more than 2000% in about a week. (Rodriguez also sold Panera stock he had purchased for an additional profit of more than \$15,000.) That same day, Sablon sold the Panera call options held in the brokerage account in his name and in the Odin brokerage account for a profit of more than \$580,000—a return of more than 1500% in about a week. RR Friend also sold his Panera call options on April 5 for a profit of more than \$46,000—a return of more than 1700% in about a week. On April 6, 2017, Moodhe sold his Panera call options for a profit of more than \$51,000.

FIRST CLAIM FOR RELIEF

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

123. The Commission re-alleges and incorporates by reference Paragraphs 1 through 122 above as if they were fully set forth herein.

124. Rivas had a duty to keep material nonpublic information regarding the Deals confidential. Information about the Deals was maintained as confidential by the Bank, which had policies to protect its confidential information and the information of its clients. Rivas learned the information about the Deals as a result of his employment at the Bank and knew or recklessly disregarded that he owed a fiduciary duty or obligation arising from a similar relationship of trust and confidence to the Bank to keep the information confidential and refrain from tipping the information to others. In breach of that duty, Rivas intentionally or recklessly communicated material nonpublic information to others so that they could use the information in connection with securities trading. Rivas communicated material nonpublic information to others in exchange for personal benefits or with the expectation of receiving a benefit.

125. Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers traded or tipped others to trade on the basis of material nonpublic information (as detailed in Appendix B) despite knowing, or being reckless in not knowing, that the information was material and nonpublic. Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers knew, were reckless in not knowing, should have known, or consciously avoided knowing that the material nonpublic information

was disclosed or misappropriated in breach of a fiduciary duty or obligation arising from a similar relationship of trust or confidence.

126. By engaging in the conduct described above, Rivas, Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers, directly or indirectly, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce, or of the mails, with scienter:

- (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; and
- (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, including purchasers and sellers of securities.

127. By reason of the actions alleged herein, Rivas, Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers violated and, unless restrained and enjoined, will continue to 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].

SECOND CLAIM FOR RELIEF

Violations of Section 14(e) of the Exchange Act and Rule 14e-3 Thereunder (Against All Defendants)

128. The Commission re-alleges and incorporates by reference Paragraphs 1 through 127 above as if they were fully set forth herein.

129. By engaging in the conduct described above, Rivas, Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers, prior to the public announcement of tender offers, and after a substantial step or steps to commence each of the tender offers had been taken, while in possession of material information relating to each of the tender offers, which information each knew or had reason to know was nonpublic and had been acquired directly or indirectly from the offering company, the issuer (referred to herein as “Target Companies”), or any officer, director, partner, or employee, or other person acting on behalf of the offering company or issuer/Target

Company, communicated material nonpublic information relating to each of the tender offers (as detailed in Appendix B) under circumstances in which it was reasonably foreseeable that the communication was likely to result in the purchase and sale of the securities sought or to be sought by such tender offers.

130. By engaging in the conduct described above, Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers, prior to the public announcement of tender offers, and after a substantial step or steps to commence each of the tender offers had been taken, while in possession of material information relating to the tender offers, which information each knew or had reason to know was nonpublic and had been acquired directly or indirectly from the offering company, the issuer/Target Company, or any officer, director, partner, or employee, or other person acting on behalf of the offering company or issuer/Target Company, purchased or caused to be purchased or sold or caused to be sold (as detailed in Appendix B) the securities sought or to be sought by such tender offers.

131. By reason of the actions alleged herein, Rivas, Moodhe, Rodriguez, Sablon, Zoquier, Siva, and Rogiers violated and, unless restrained and enjoined, will continue to violate Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

PRAYER FOR RELIEF

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

I.

Finding that Defendants violated Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b), 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5, 240.14e-3]

II.

Permanently restraining and enjoining Defendants from violating Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b), 78(n)(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5, 240.14e-3].

III.

Ordering Defendants to disgorge, with prejudgment interest, all illicit trading profits or other ill-gotten gains received as a result of the actions alleged herein.

IV.

Ordering Defendants to pay civil penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

V.

Granting such other and further relief as this Court may determine to be just and appropriate.

Dated: August 16, 2017

By: 

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Appendix A

- **The ADT Corporation** (“ADT”) was at all relevant times a Delaware corporation headquartered in Boca Raton, Florida. At all relevant times, ADT common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act [15 U.S.C. § 78l] and traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “ADT.”
- **Airgas, Inc.** (“Airgas”) was at all relevant times a Delaware corporation headquartered in Radnor, Pennsylvania. At all relevant times, Airgas common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “ARG.”
- **Air Methods Corporation** (“Air Methods”) was at all relevant times a Delaware corporation headquartered in Englewood, Colorado. At all relevant times, Air Methods’ common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NASDAQ Stock Market (“NASDAQ”) under the ticker symbol “AIRM.”
- **Alere Inc.** (“Alere”) was at all relevant times a Delaware corporation headquartered in Waltham, Massachusetts. At all relevant times, Alere common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “ALR.”
- **Auspex Pharmaceuticals, Inc.** (“Auspex”) was at all relevant times a Delaware corporation headquartered in La Jolla, California. At all relevant times, Auspex common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “ASPX.”
- **Brocade Communications Systems, Inc.** (“Brocade”) was at all relevant times a Delaware corporation headquartered in San Jose, California. At all relevant times, Brocade’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “BRCD.”

- **Cabela's, Inc.** ("Cabela's") was at all relevant times a Delaware corporation headquartered in Sidney, Nebraska. At all relevant times, Cabela's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol "CAB."
- **Company B** was at all relevant times a Delaware corporation headquartered in the United States. At all relevant times, Company B's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE.
- **Covance Inc.** ("Covance") was at all relevant times a Delaware corporation headquartered in Princeton, New Jersey. At all relevant times, Covance common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol "CVD."
- **Diamond Resorts International, Inc.** ("Diamond") was at all relevant times a Delaware corporation headquartered in Las Vegas, Nevada. At all relevant times, Diamond common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol "DRII."
- **Elizabeth Arden, Inc.** ("Arden") was at all relevant times a Florida corporation headquartered in Pembroke Pines, Florida. At all relevant times, Arden common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol "RDEN."
- **EMC Corporation** ("EMC") was at all relevant times a Massachusetts corporation headquartered in Hopkinton, Massachusetts. At all relevant times, EMC common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol "EMC."
- **Infoblox Inc.** ("Infoblox") was at all relevant times a Delaware corporation headquartered in Santa Clara, California. At all relevant times, Infoblox common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol "BLOX."

- **Interactive Intelligence Group, Inc.** (“Interactive”) was at all relevant times an Indiana corporation headquartered in Indianapolis, Indiana. At all relevant times, Interactive common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “ININ.”
- **LifeLock Inc.** (“LifeLock”) was at all relevant times a Delaware corporation headquartered in Tempe, Arizona. At all relevant times, LifeLock common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “LOCK.”
- **Mead Johnson Nutrition Company** (“Mead Johnson”) was at all relevant times a Delaware corporation headquartered in Illinois. At all relevant times, Mead Johnson common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “MJN.”
- **MedAssets, Inc.** (“MedAssets”) was at all relevant times a Delaware corporation headquartered in Alpharetta, Georgia. At all relevant times, MedAssets common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “MDAS.”
- **Medivation, Inc.** (“Medivation”) was at all relevant times a Delaware corporation headquartered in San Francisco, California. At all relevant times, Medivation common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “MDVN.”
- **Monsanto Company** (“Monsanto”) was at all relevant times a Delaware corporation headquartered in St. Louis, Missouri. At all relevant times, Monsanto common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “MON.”
- **Nimble Storage, Inc.** (“Nimble”) was at all relevant times a Delaware corporation headquartered in San Jose, California. At all relevant times, Nimble common stock was

registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “NMBL.”

- **NPS Pharmaceuticals, Inc.** (“NPSP”) was at all relevant times a Delaware corporation headquartered in Bedminster, New Jersey. At all relevant times, NPSP common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “NPSP.”
- **Outerwall Inc.** (“Outerwall”) was at all relevant times a Delaware corporation headquartered in Bellevue, Washington. At all relevant times, Outerwall common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “OUTR.”
- **Panera Bread Company** (“Panera”) was at all relevant times a Delaware corporation headquartered in St. Louis, Missouri. At all relevant times, Panera common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “PNRA.”
- **Raptor Pharmaceutical Corp.** (“Raptor”) was at all relevant times a Delaware corporation headquartered in Novato, California. At all relevant times, Raptor common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “RPTP.”
- **St. Jude Medical, Inc.** (“St. Jude”) was at all relevant times a Minnesota corporation headquartered in St. Paul, Minnesota. At all relevant times, St. Jude’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “STJ.”
- **The Fresh Market, Inc.** (“TFM”) was at all relevant times a Delaware corporation headquartered in Greensboro, North Carolina. At all relevant times, TFM’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “TFM.”

- **Thoratec Corporation** (“Thoratec”) was at all relevant times a California corporation headquartered in Pleasanton, California. At all relevant times, Thoratec’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “THOR.”
- **Tumi Holdings, Inc.** (“Tumi”) was at all relevant times a Delaware corporation headquartered in South Plainfield, New Jersey. At all relevant times, Tumi’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “TUMI.”
- **Twitter Inc.** (“Twitter”) was at all relevant times a Delaware corporation headquartered in San Francisco, California. At all relevant times, Twitter’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the NYSE under the ticker symbol “TWTR.”
- **ZS Pharma, Inc.** (“ZSPH”) was at all relevant times a Delaware corporation headquartered in San Mateo, California. At all relevant times, ZSPH’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on NASDAQ under the ticker symbol “ZSPH.”

Appendix B

Company/Deal/News Date	Moodhe	Siva	MS Client	Sablon	Rodriguez	RR Friend	Zoquier	Rogiers	JR Friend 1	JR Friend 2
Laboratory Corporation of America Holdings to acquire Covance (11/3/14)	10/27/14 to 10/28/14 ¹ (S) ²									
<u>Tender Offer</u> Shire plc to acquire NPSP (1/11/15)	1/5/15 to 1/9/15 (S)	1/5/15 to 1/9/15 (S)								
<u>Tender Offer</u> Teva Pharmaceutical Industries Ltd. to acquire Auspex (3/30/15)	12/22/14 to 3/2/15 (S)	1/15/15 to 3/4/15 (S)								

¹ Date ranges during which each trader purchased stock or opened bullish options position in the specified Target Company's securities based on tips regarding specified Deals.

² "S" signifies trading in stock of Target Company; "O" signifies trading in options of Target Company.

Company/Deal/News Date	Moodhe	Siva	MS Client	Sablon	Rodriguez	RR Friend	Zoquier	Rogiers	JR Friend 1	JR Friend 2
Abbott Laboratories (“Abbott”) to acquire Alere (2/1/16)	1/12/16 to 1/27/16 (S)									
Apollo Global Management, LLC (“Apollo”) to acquire ADT (2/16/16)	2/10/16 (S)	2/10/16 to 2/11/16 (S)								
Samsonite International SA to acquire Tumi (3/3/16)	11/10/15 to 12/10/15 (S)								12/9/15 to 2/22/16 (S&O)	12/9/15 to 2/5/16 (S&O)
Tender Offer Apollo to acquire TFM (3/14/16)	2/4/16 to 3/4/16 (S&O)									
Abbott to acquire St. Jude (4/28/16)	3/16/16 to 4/20/16 (S&O)	3/21/16 to 4/26/16 (S)	4/27/16 (O)	4/19/16 (S)			3/24/16 to 3/30/16 (S)			4/27/2016 (O)

Company/Deal/News Date	Moodhe	Siva	MS Client	Sablon	Rodriguez	RR Friend	Zoquier	Rogiers	JR Friend 1	JR Friend 2
Bayer AG offers to acquire Monsanto (5/23/16)	2/2/16 to 5/16/16 (S&O)	4/4/16 to 5/16/16 (S)	4/19/16 to 5/16/16 (S&O)	3/1/16 to 4/27/16 (S&O)					5/5/16 to 5/20/16 (O)	4/27/16 to 5/3/16 (O)
Revlon, Inc. to acquire Arden (6/16/16)				6/6/16 (S)	6/13/16 (S)					
<u>Tender Offer</u> Apollo to acquire Diamond (6/29/16)	6/8/16 to 6/24/16 (S)	6/8/16 to 6/24/16 (S)	6/8/16 to 6/24/16 (S&O)	6/3/16 to 6/20/16 (S)	6/17/16 (S)		6/3/16 to 6/23/16 (S)		6/14/16 (O)	
<u>Tender Offer</u> Apollo to acquire Outerwall (7/25/16)	6/23/16 to 7/22/16 (S)	6/17/16 to 7/22/16 (S)	6/22/16 to 7/22/16 (S&O)	6/15/16 to 6/29/16 (S)	6/29/16 to 7/13/16 (S)		6/17/16 to 7/5/16 (S)	6/17/16 to 6/29/16 (S)	6/23/16 to 7/22/16 (S&O)	
<u>Tender Offer</u> Pfizer Inc to acquire Medivation (8/22/16)	8/1/16 (S)			7/25/16 to 8/18/16 (S)	7/25/16 to 8/17/16 (S)	8/17/16 (S)	7/29/16 (S)	7/28/16 (O)		

Company/Deal/News Date	Moodhe	Siva	MS Client	Sablon	Rodriguez	RR Friend	Zoquier	Rogiers	JR Friend 1	JR Friend 2
Genesys to acquire Interactive (8/31/16)		8/1/16 to 8/3/16 (S)		7/25/16 to 8/22/16 (S)	7/26/16 to 8/22/16 (S)		7/29/16 to 8/25/16 (S)			
Tender Offer Horizon Pharma plc to acquire Raptor (9/12/16)	8/31/16 to 9/7/16 (S&O)	9/8/16 to 9/9/16 (S)	9/6/16 to 9/9/16 (S&O)	8/26/16 (S)	8/26/16 (S)	8/29/16 (S)	8/31/16 to 9/6/16 (S)			
Tender Offer Vista Equity Partners to acquire Infoblox (9/19/16)	9/14/16 (S)									
Twitter received takeover interest from Salesforce (9/23/16)	9/16/16 to 9/20/16 (S&O)			9/6/16 to 9/12/16 (S&O)	9/12/16 (S&O)	9/12/16 (S)	8/31/16 to 9/15/16 (S)			
Bass Pro Shops to acquire Cabela's (10/3/16)	7/29/16 to 9/23/16 (S&O)	8/2/16 to 9/29/16 (S)	8/18/16 to 9/30/16 (O)					7/29/16 to 8/29/16 (S)		

Company/Deal/News Date	Moodhe	Siva	MS Client	Sablon	Rodriguez	RR Friend	Zoquier	Rogiers	JR Friend 1	JR Friend 2
Broadcom Limited to acquire Brocade (11/2/16)				10/24/16 (S)	10/24/16 (S)		10/31/16 (S)			
Symantec Corp. to acquire LifeLock (11/20/16)				11/14/16 (S)	11/10/16 to 11/11/16 (S)	11/14/16 (S)	11/15/16 (S)			
Company A makes approach to acquire Company B (2/17)	1/5/17 (O)							1/24/17 to 1/31/17 (S&O)		
Reckitt Benckiser Group PLC to acquire Mead Johnson (2/10/17)	1/13/17 to 1/31/17 (S&O)		1/26/17 to 1/31/17 (O)	1/24/17 (O)	1/24/17 to 2/1/17 (S&O)	1/26/17 (S)				
Tender Offer HP Enterprise Co. to acquire Nimble (3/7/17)				3/2/17 to 3/3/17 (S&O)	3/2/17 to 3/3/17 (S&O)					

Company/Deal/News Date	Moodhe	Siva	MS Client	Sablon	Rodriguez	RR Friend	Zoquier	Rogiers	JR Friend 1	JR Friend 2
<u>Tender Offer</u> American Securities LLC to acquire Air Methods (3/14/17)	1/26/17 to 2/17/17 (S&O)									
JAB Holding Company to acquire Panera (4/5/17)	3/31/17 (O)			3/29/17 to 3/31/17 (O)	3/29/17 to 4/3/17 (S&O)	3/29/17 to 3/31/17 (O)				