

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**SHANE P. FLEMING, BRET J. BESHEY,
CHRISTOPHER M. BONVISSUTO, PETER
A. KOURTIS, ALEXANDER T. CARLUCCI,
DIMITRI A. KANDALEPAS, AUSTIN C.
MANSUR, and ERIC L. WELLER,**

Defendants.

17-CV-_____

COMPLAINT

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

SUMMARY

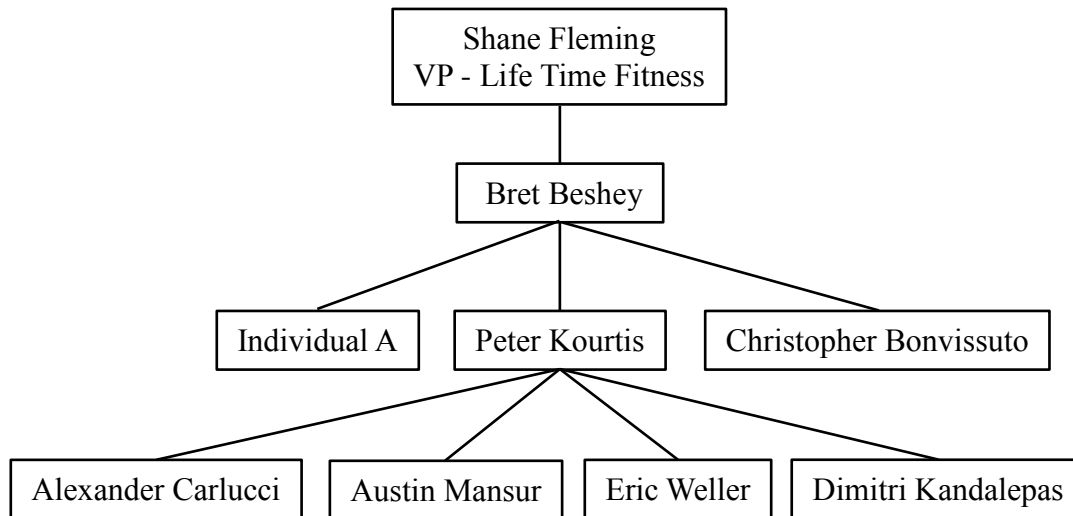
1. This case involves insider trading in the securities of Life Time Fitness, Inc. (“Life Time”) in advance of the March 2015 announcement that the company was going to be purchased and taken private. Based on a series of tips that originated from Life Time employee Shane Fleming and were passed from one defendant to the next, the traders who participated in this scheme collectively bought 2,099 out-of-the-money Life Time call options and 250 Life Time shares in the weeks leading up to the announcement. Defendants sold the options and shares they had acquired after news of Life Time’s acquisition became public, realizing total illegal profits of approximately \$866,629.

2. Defendant Shane Fleming, a vice president of sales at Life Time, learned of the company’s negotiations to sell itself on or before February 23, 2015, and tipped his long-time friend and business partner, defendant Bret Beshey. Rather than trading in his own name,

Beshey tipped his friends, defendants Christopher Bonvissuto and Peter Kourtis, who agreed to share some of their trading profits with him. Beshey also tipped his friend Individual A, who traded profitably on the tip and gave some of his proceeds to Beshey in the form of a purported loan.

3. Kourtis, in turn, tipped the inside information he received from Beshey to four of his friends: defendants Alexander Carlucci, Dimitri Kandalepas, Austin Mansur, and Eric Weller. Carlucci, Mansur, and Weller agreed to pay, and ultimately did pay, Kourtis a kickback in exchange for the tip.

4. The following diagram depicts the flow of inside information from Fleming to Beshey and from Beshey to the downstream traders:



5. On March 5, 2015, after the close of trading, the Wall Street Journal published an article reporting that Life Time was in negotiations with two private equity firms to be acquired and taken private. The next day, Bonvissuto, Kourtis, Carlucci, Kandalepas, Mansur, and Weller sold most of their call options. The defendants sold their remaining positions on or before March 16, 2015, the day that Life Time officially announced the merger in a press release. Bonvissuto and Kourtis subsequently sent approximately \$19,300 of their trading proceeds to Beshey, who

in turn paid approximately \$10,000 to Fleming. After selling their options, Carlucci and Mansur gave Kourtis cash, and Weller gave Kourtis at least 10 pounds of marijuana as a kickback for providing the tip about Life Time.

6. As a result of the conduct alleged herein, defendants violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

7. The Commission seeks a permanent injunction against defendants, enjoining them from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, disgorgement of all ill-gotten gains from the unlawful conduct set forth in this Complaint, together with prejudgment interest, civil penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1], an officer and director bar against Fleming pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], and such other relief as the Court may deem just and proper.

JURISDICTION AND VENUE

8. 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].

9. Venue lies in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, transactions and courses of business alleged in this Complaint occurred within the Northern District of Illinois, and were effected, directly or indirectly, by making use of means or instrumentalities of transportation or communication in interstate commerce, or the mails. For example, four of the defendants reside in the Northern District of Illinois, some of the tips alleged herein were communicated to or from defendants while they were in this district, and some of the trades at issue occurred on the Chicago Board Options Exchange.

COMMONLY-USED TRADING TERMS

10. A “call option” is a type of contract that gives the owner the right, but not the obligation, to buy 100 shares of the underlying security at a specified price within a specified time. The “strike price” is the price per share at which the option owner can buy the underlying security if he chooses to exercise the option. The “expiration date” is the last day that an option contract is valid. If the option owner chooses not to exercise the option (in other words, not to buy 100 shares of the underlying stock), the option expires and becomes worthless, and the owner loses the money he paid to buy the option. A call option becomes more valuable as the price of the underlying security rises relative to the strike price. Therefore, a buyer of a call option is betting that the price of the underlying security will rise.

11. If the strike price of a call option is below the price at which the stock is trading, the call option is considered “in-the-money” because the exercise of the option would allow the holder to make a profit by purchasing the stock at the strike price and selling it for a higher price. If the strike price is above the price at which the stock is trading, the call option is “out-of-the-money” because the exercise of the option to purchase the stock at the strike price and immediate sale of the stock at a lower price would result in a trading loss. For a given expiration month, out-of-the-money call options are cheaper to buy than those that are in-the-money.

DEFENDANTS

12. Shane P. Fleming, age 54, is a resident of Minneapolis, Minnesota. Fleming previously resided in Arizona. At the time of the relevant conduct, Fleming was a vice president of sales at Life Time. He currently is working as a consultant in the fitness industry.

13. Bret J. Beshey, age 44, currently resides in Mexico. Beshey formerly resided in Arizona. At the time of the conduct alleged herein, Beshey was friends with Fleming,

Bonvissuto, Kourtis, Carlucci, and Individual A. He works in the fitness industry and owns and operates a company that purports to provide services to fitness centers.

14. Christopher M. Bonvissuto, age 41, is a resident of Buffalo, New York. He is self-employed in the garbage removal industry. At the time of the conduct alleged herein, Bonvissuto was friends with Beshey and Individual B, who is Beshey's girlfriend.

15. Peter A. Kourtis, age 50, is a resident of Niles, Illinois. Kourtis is employed as a realtor. At the time of the conduct alleged herein, Kourtis was friends with Beshey, Carlucci, Kandalepas, Mansur, and Weller.

16. Alexander T. Carlucci, age 51, is a resident of Clarendon Hills, Illinois. He is employed as a mortgage broker. At the time of the conduct alleged herein, Carlucci was friends with Beshey, Kourtis, and Mansur.

17. Dimitri A. Kandalepas, age 28, is a resident of Schaumburg, Illinois. He is currently employed by a healthcare business located in Illinois. At the time of the conduct herein, Kandalepas was friends with Kourtis.

18. Austin C. Mansur, age 45, is a resident of Chicago, Illinois. He is employed by a real estate investment and development company located in Chicago, Illinois. At the time of the conduct alleged herein, Mansur was friends with Kourtis.

19. Eric L. Weller, age 52, is a resident of Hermosa Beach, California. His employment status is unknown. At the time of the conduct alleged herein, Weller was friends with Kourtis.

RELATED PARTIES AND ENTITIES

20. Individual A is a retiree who resides in Scottsdale, Arizona. At the time of the conduct alleged herein, Individual A was friends with Beshey.

21. Individual B currently resides in Mexico and is, and at all relevant times has been, in a romantic relationship with Beshey. Her employment status is unknown. At the time of the conduct alleged herein, Individual B was friends with Bonvissuto. Individual B allowed Beshey to use at least one bank account in her name to receive portions of the illicit trading profits obtained by reason of the unlawful conduct alleged in this Complaint.

22. Life Time is a Minnesota corporation headquartered in Chanhassan, Minnesota. Prior to the company filing a Form 15-12B on June 25, 2015, Life Time's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act. During the time period alleged herein, Life Time's common stock was listed on the New York Stock Exchange ("NYSE") and its options were traded on the Chicago Board Options Exchange ("CBOE") located in Chicago, Illinois and on other U.S. options exchanges. Some of the Life Time call options defendants bought, as alleged herein, were purchased on the CBOE. During the relevant period, Life Time filed periodic reports, including Forms 10-K and 10-Q, with the Commission pursuant to Section 13(a) of the Exchange Act and related rules thereunder.

FACTS

A. Life Time Acquisition and Fleming's Knowledge of the Deal

23. On March 16, 2015, Life Time issued a press release announcing that it would be acquired and taken private by an investor group. Life Time began to receive unsolicited acquisition inquiries in the summer of 2014 and continued to engage in discussions with potential buyers up to the March 2015 announcement. The acquisition closed on June 10, 2015, at which time Life Time requested that its shares be delisted from the NYSE.

24. News of Life Time's likely acquisition was first made public after the close of the market on March 5, 2015, when the Wall Street Journal published an article reporting that Life Time was in advanced talks with two private equity firms. Life Time stock closed at \$57.67 per

share on March 5, 2015, before the article was published. The next morning, March 6, 2015, Life Time stock opened at \$64.80 per share—an increase of 11% over the prior day’s closing price. The share price reached a high of \$69.13 per share on March 6, 2015 and closed at \$66.32—an increase of 15% over the March 5, 2015 closing price.

25. Fleming, then a vice president of sales at Life Time, learned about the acquisition negotiations on or before February 23, 2015, when he met with an in-house lawyer at Life Time to discuss issues related to the acquisition. At that meeting, Life Time’s in-house lawyer reminded Fleming of Life Time’s policies prohibiting insider trading and told Fleming that he could not discuss the upcoming acquisition with anyone outside of Life Time and could not trade on the information.

26. At all times relevant to the allegations in this Complaint, Fleming owed fiduciary or similar duties of trust and confidence to Life Time and its shareholders that prohibited him from disclosing to third parties material nonpublic information concerning Life Time, or from trading on such information. Fleming knew of, understood, and agreed to abide by Life Time’s Insider Trading Policy, which expressly prohibited Fleming from purchasing or selling Life Time securities on the basis of material nonpublic information concerning the company, or from tipping such information to others. Life Time’s Insider Trading Policy defined “material” information to include, among other things, information concerning “a significant merger or acquisition involving the Company.”

B. Fleming Tips Beshey About Life Time’s Acquisition

27. On February 23, 2015, at approximately 4:55 pm CT, after learning about the acquisition negotiations, Fleming spoke with Beshey, his long-time friend and business partner, via telephone for approximately 7.5 minutes. During the call, Fleming tipped Beshey that Life Time was going to be acquired and that the acquisition would cause the price of Life Time’s

stock to increase to the mid-\$60s range per share. The two men engaged in additional phone conversations over the next few days. Based on their conversations during those calls, Fleming understood that Beshey was going to use the information to make a profit by trading or recruiting others to trade Life Time securities and that Beshey would share the profits with Fleming.

28. On February 24, 2015, Beshey called a brokerage firm and asked numerous questions about purchasing options on Life Time stock. Beshey inquired about various strike prices and expiration dates and said that he thought Life Time's share price was going to increase.

29. For example, on February 24, 2015, at approximately 6:14 pm CT, Beshey called a brokerage firm and posed the following question:

If you are trading, and I've heard of, uh, companies that are trading and eventually they sometimes are bought and they go private and the company will buyout all of the existing stock that is outstanding, you know. So how does that work? Like, say for example if I had, uh, if I had just bought options on a stock, if I bought, uh, options on a stock, and say I bought the options, like say I bought March 25s on it. . . . If I bought calls, for the March 25 and say that went up to, say the company, say the stock was trading at like 20, uh, say it was trading at 24 and my options are at 25, and say the company gets bought for 30, then do they cover the outstanding options?

30. As discussed in more detail below, Beshey subsequently tipped the material nonpublic information he learned from Fleming to Bonvissuto, Kourtis, and Individual A.

C. Beshey Tips Bonvissuto

31. At approximately 12:00 pm CT on February 24, 2015, Beshey called Bonvissuto and tipped him that Life Time was going to be bought and taken private. Beshey also told Bonvissuto that he learned this information from his friend who worked as an executive at Life Time. Beshey and Bonvissuto agreed that Bonvissuto would use his trading accounts to purchase Life Time stock options and that they would share the profits.

32. On February 24, 2014, Bonvissuto and Beshey called brokers at two different large retail brokerage firms and, in recorded phone calls, asked the brokers questions about purchasing Life Time call options. For example,

- At 12:09 pm CT, Bonvissuto called Brokerage Firm 1, where he had an account, to inquire whether he had approval to trade options.
- At 12:18 pm CT, Bonvissuto called Brokerage Firm 1, said he might “do” \$5,000 in Life Time options, and asked questions about strike prices on the options and how options work.
- At 12:24 pm CT, Beshey called Brokerage Firm 2, where he did not have an account, and asked questions about Life Time options. He said he wanted to buy about \$4,000 worth of call options.
- At 12:45 pm CT, Bonvissuto called Brokerage Firm 1 to place an order. When he placed his order, he stated “*We* only want to buy” (emphasis added). Brokerage Firm 1 asked if he wanted to place a market or limit order. Bonvissuto said he would call back.

33. After each of the above calls, Bonvissuto and Beshey called each other to discuss what they learned and their plan for purchasing Life Time call options using the inside information about Life Time’s acquisition.

34. On February 25, 2015 and February 26, 2015, Bonvissuto purchased 144 call option contracts to buy Life Time securities at a strike price of \$65 per share and a contract expiration date of March 20, 2015 (*i.e.*, “144 LTM March 20, 2015 \$65 call options”).

Bonvissuto had never before purchased Life Time securities or the options of any security.

D. Beshey Tips Individual A

35. After speaking with Fleming on February 23, 2015, Beshey also communicated with his friend Individual A and told him that he should buy call options because Life Time’s share price would increase.

36. On February 27, 2015—after speaking with Beshey—Individual A purchased 200 LTM March 20, 2015 \$65 call options.

E. Beshey Tips Kourtis

37. Beshey also tipped Kourtis with the information he received from Fleming about Life Time's upcoming acquisition. Specifically, the two men spoke on the phone at least twenty times from the evening of February 23, 2015 through February 25, 2015.

38. During the course of these calls, Beshey tipped Kourtis that Life Time would be purchased and taken private. Beshey told Kourtis that he learned this information from his friend and business partner, Shane Fleming, who was employed in management at Life Time. Beshey also told Kourtis that Fleming said the buyer would pay approximately \$62 to \$65 per Life Time share.

39. During the telephone calls alleged above, Beshey and Kourtis agreed that Kourtis would use his trading accounts to purchase Life Time options and that they would share the profits. They also agreed that Kourtis could share the inside information about Life Time with some of Kourtis's friends. Beshey told Kourtis they needed to act fast because news about the acquisition would become public soon.

40. On February 25, 2015 and February 26, 2015, after being tipped by Beshey about Life Time's acquisition, Kourtis purchased 300 LTM March 20, 2015 \$65 call options. Kourtis had never before purchased Life Time securities or the options of any security.

F. Kourtis Tips Carlucci, Kandalepas, Mansur and Weller

41. After speaking with Beshey, Kourtis contacted Carlucci, Kandalepas, Mansur, and Weller. Kourtis tipped these individuals with the material nonpublic information that he received from Beshey about Life Time's acquisition.

42. During the course of his communications, Kourtis tipped all four men that Life Time would be acquired and that the share price would go up. Kourtis told all four men to keep this information to themselves. Kourtis also asked Carlucci, Mansur, and Weller to give him a

portion of any proceeds they made from trading on the information, which they each agreed to do.

Carlucci

43. In late February 2015, shortly after learning about Life Time's impending acquisition from Beshey, Kourtis called Carlucci, a close friend he had known for approximately 15 years, and asked to meet him in person. When they met, Kourtis told Carlucci: (a) that Beshey had called him with a stock tip, (b) that Beshey had a long-time friend who worked in a high-level position at Life Time, (c) that the Life Time insider said Life Time was going to be sold soon to a private company, and (d) that the buyer was going to pay approximately \$62 to \$65 per share of Life Time stock.

44. At this meeting, Kourtis also told Carlucci that Kourtis was going to buy out-of-the-money Life Time options with a strike price of \$65 per share and an expiration date of March 20, 2015. He also asked Carlucci for a share of Carlucci's profits if Carlucci traded Life Time securities using the inside information and made money. Carlucci agreed to pay Kourtis.

45. On March 2, 2015—after being tipped by Kourtis and learning about the Life Time acquisition—Carlucci purchased 15 LTM March 20, 2015 \$60 call options and 25 LTM March 20, 2015 \$65 call options. Carlucci had never before purchased Life Time securities or the options of any security.

Kandalepas

46. In late February 2015, shortly after learning about Life Time's impending acquisition from Beshey, Kourtis met with his friend Kandalepas in Schaumburg, Illinois. Kourtis and Kandalepas had known each other for many years, and Kourtis had invested in several businesses run by Kandalepas's father.

47. During their meeting, Kourtis told Kandalepas the inside information about Life Time's impending acquisition that he received from Beshey, including: (a) that he had a friend who was long-time friends with someone who worked in a high-level position at Life Time; (b) that the Life Time insider said Life Time was going to be bought by a private company within the next month; and (c) that Life Time's stock price would go up as a result of the acquisition.

48. At the same meeting, Kourtis also told Kandalepas that Kourtis was going to buy out-of-the-money Life Time options with a strike price of \$65 per share and an expiration date of March 20, 2015. He encouraged Kandalepas to do the same.

49. On March 3, 2015—after being tipped by Kourtis about the Life Time acquisition—Kandalepas purchased 140 LTM March 20, 2015 \$65 call options. Kandalepas had never before purchased Life Time securities or the options of any security.

Mansur

50. In or about late February 2015, shortly after learning about Life Time's impending acquisition from Beshey, Kourtis met with his friend Mansur. Kourtis and Mansur had been friends for at least 10 years.

51. During their meeting, Kourtis tipped Mansur with inside information about Life Time's impending acquisition that Kourtis had received from Beshey. Mansur knew Beshey from a previous meeting. Kourtis told Mansur: (a) that Beshey had a long-time friend who worked in a high-level position at Life Time; (b) that the Life Time insider told Beshey that Life Time was going to be sold very soon to a private company; and (c) the buyer was going to pay approximately \$62 to \$65 per share for Life Time's stock.

52. At this meeting, Kourtis also told Mansur he was going to invest in Life Time. Kourtis asked Mansur to provide a kickback if Mansur made a profit trading on the inside

information about Life Time's acquisition. Mansur told Kourtis he was going to trade and agreed to pay Kourtis some money if he profited from the trades.

53. During their conversation, Mansur warned Kourtis they needed to be careful because they were involved in insider trading and they could get in trouble if caught.

54. Between February 26, 2015 and March 5, 2015—after being tipped by Kourtis about the upcoming Life Time acquisition—Mansur purchased 75 LTM March 20, 2015 \$60 call options, 225 LTM March 20, 2015 \$65 call options, 50 LTM March 20, 2015 \$70 call options, and 115 LTM April 17, 2015 \$65 call options. Mansur also bought 250 shares of Life Time on February 26, 2015. Mansur had never before purchased options or Life Time securities.

Weller

55. In or about late February 2015, shortly after learning about Life Time's impending acquisition from Beshey, Kourtis tipped his friend Eric Weller with the information during a telephone call. Kourtis and Weller have been friends since the 1980s.

56. During a telephone call in late February 2015, Kourtis told Weller the inside information about Life Time's impending acquisition he had received from Beshey. Kourtis told Weller: (a) that Kourtis's friend Beshey had a long-time friend who was a high-level Life Time employee, (b) that the Life Time insider told Beshey that Life Time was going to be sold very soon to a private company, and (c) that the buyer was going to pay approximately \$62 to \$65 per share for Life Time's stock.

57. During this telephone call, Kourtis also told Weller he was going to buy Life Time options with a strike price of \$65 per share and an expiration date of March 20, 2015. Kourtis also asked Weller to provide a kickback if Weller made money trading on the information. Weller agreed to share some of his trading profits with Kourtis.

58. Between February 25, 2015 and March 5, 2015—after being tipped by Kourtis about the Life Time acquisition—Weller purchased 401 LTM March 20, 2015 \$60 call options and 609 LTM March 20, 2015 \$65 call options.

G. Nature of the Defendants' Call Options

59. All of the call options purchased by Bonvissuto, Kourtis, Carlucci, Kandalepas, and Individual A were out-of-the-money call options set to expire in 23 or fewer days from the date of purchase. Approximately 98% of those options had a strike price that was more than \$5 above the then-current trading price of Life Time stock.

60. At least 90% of the call options purchased by Mansur were out-of-the-money call options. The majority of those options had a strike price that was more than \$5 above the then-current trading price of Life Time stock and were set to expire in 23 or fewer days from the date of purchase.

61. At least 80% of the call options purchased by Weller were out-of-the-money call options set to expire in 23 or fewer days from the date of purchase. Approximately 75% of those options had a strike price that was more than \$5 above the then-current trading price of Life Time stock.

H. The Defendants Sell Their Options and Send Kickbacks Up the Tipping Chain

62. On March 5, 2015, after the close of trading, the Wall Street Journal published an article reporting that Life Time was in advanced acquisition negotiations with two private equity groups. On March 6, 2016, Life Time's share price opened at \$64.80, an 11% increase over the prior day's closing price of \$57.67.

63. On March 16, 2015, prior to the opening of trading, Life Time issued a press release announcing the acquisition and including more information than was in the March 5, 2015 Wall Street Journal article. The press release caused the share price to further increase.

Specifically, Life Time stock closed at \$67.20 per share on March 15 and opened on March 16 at \$70.65 per share. The share price reached a high of \$70.90 per share on March 16, 2015 and closed at \$70.68.

64. As detailed below, Bonvissuto, Carlucci, Kandalepas, Kourtis, Mansur, Weller and Individual A sold the majority of their call options on March 6, 2015 and sold their remaining positions on or before the date of the official merger announcement on March 16, 2015. The defendants realized total trading proceeds of approximately \$866,629. In addition, Individual A realized trading profits of approximately \$48,492.

65. Bonvissuto sold 87 LTM call options on March 6, 2015. He sold his remaining 57 LTM call options on March 9, 2015 and March 10, 2015. In total, he realized approximate profits of \$33,677. Bonvissuto sent approximately \$11,300 of his trading proceeds to Beshey, via the bank account of Individual B, as a kickback for sharing the inside information about Life Time.

66. Kourtis sold 300 LTM call options on March 6, 2015, for approximate profits of \$92,744. Kourtis sent at least \$6,000 of his trading proceeds to Beshey, via the bank account of Individual B, as a kickback for sharing the inside information about Life Time. Kourtis also paid at least \$2,000 in cash to Beshey as a kickback for sharing the inside information.

67. Individual A sold 200 LTM call options on March 6, 2015, for approximate profits of \$48,492. After realizing these profits, Individual A gave Beshey approximately \$12,000 in the form of a purported loan, which Beshey has not repaid.

68. After receiving payments from Bonvissuto, Kourtis, and Individual A, Beshey shared these ill-gotten gains with Fleming. Specifically, Beshey paid Fleming approximately \$10,000 in cash as a kickback for sharing the inside information about Life Time.

69. Carlucci sold 40 LTM call options on March 6, 2015, for approximate profits of \$14,492. After realizing these profits, Carlucci paid approximately \$900 in cash to Kourtis as a kickback for sharing the information about Life Time.

70. Kandalepas sold 140 LTM call options on March 6, 2015, for approximate profits of \$37,613.

71. Mansur sold 465 LTM call options on March 6, 2015, for approximate profits of \$130,659. Mansur also sold 250 shares of Life Time stock on March 16, 2015, for approximate profits of \$2,667. After realizing these profits, Mansur paid approximately \$1,500 in cash to Kourtis as a kickback for sharing the information about Life Time.

72. Weller sold 708 LTM call options on March 6, 2015 and 1 LTM call option on March 5, 2015.¹ He sold his remaining 301 LTM call options on March 16, 2015. In total, he realized approximate profits of \$554,778. After realizing these profits, Weller gave Kourtis at least ten pounds of marijuana as a kickback for sharing the inside information about Life Time. Kourtis sold the marijuana for over \$20,000.

FIRST CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act
and Rules 10b-5 Thereunder

73. The Commission realleges and incorporates by reference paragraphs 1 through 72, as though fully set forth herein.

74. Fleming had a duty to keep material nonpublic information regarding the Life Time merger confidential. Fleming learned the information about the merger as a result of his employment at Life Time, and he knew or recklessly disregarded that he owed a fiduciary or

¹ Weller sold 1 LTM March 20, 2015 \$60 call option on the morning of March 5, 2015. He reestablished that position by buying 1 LTM March 20, 2015 \$60 call option later in the day on March 5, 2015, before the Wall Street Journal published its article.

similar duty of trust and confidence to Life and its shareholders to keep the information confidential and refrain from tipping the information to others. In breach of that duty, Fleming intentionally or recklessly communicated material nonpublic information to Beshey so that he could use the information in connection with securities trading. Fleming communicated material nonpublic information to Beshey in exchange for a personal benefit or with the expectation of receiving a benefit.

75. Beshey, Bonvissuto, Kourtis, Carlucci, Kandalepas, Mansur, and Weller traded or tipped others to trade on the basis of material nonpublic information despite knowing, or being reckless in not knowing, that the information was material and nonpublic. Beshey, Bonvissuto, Kourtis, Carlucci, Kandalepas, Mansur, and Weller 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. Beshey, Bonvissuto, Kourtis, Carlucci, Kandalepas, Mansur, and Weller knew, were reckless in not knowing, should have known, or consciously avoided knowing that the material nonpublic information was disclosed or misappropriated in exchange for a personal benefit or with the expectation of receiving a benefit.

76. By engaging in the conduct described above, Beshey, Bonvissuto, Kourtis, Carlucci, Kandalepas, Mansur, and Weller, 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.

77. By reason of the conduct described above, defendants, directly or indirectly, violated and, unless enjoined will again violate, Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rules 10b-5 thereunder [17 C.F.R. § 240.10b-5].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court grant the following relief:

I.

Enter a Final Judgment permanently restraining and enjoining defendants and their 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].

II.

Enter a Final Judgment directing defendants to disgorge, with prejudgment interest, all illicit trading profits or other ill-gotten gains obtained by reason of the unlawful conduct alleged in this Complaint;

III.

Enter a Final Judgment directing defendants to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1];

IV.

Enter a Final Judgment imposing an officer and director bar against Fleming pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)]; and

V.

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

JURY DEMAND

The Commission demands a jury in this matter for all claims so triable.

Dated: September 29, 2017

Respectfully submitted,

By: s/Daniel J. Hayes
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