

**UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION**

DEFERRED PROSECUTION AGREEMENT

1. In connection with an investigation, the Division of Enforcement (“Division”) of the United States Securities and Exchange Commission (“Commission”) alleges that John Kollus (“Respondent”), on or about July 22-25, 2016, violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5 and 14e-3 thereunder, by trading ahead of the July 27, 2016, public announcement that Laboratory Corporation of America Holdings (“LabCorp”), through its wholly owned subsidiary Savoy Acquisition Corp., would acquire all outstanding stock of Sequenom, Inc. (“Sequenom”) in a cash tender offer of \$2.40 per share while he was in possession of material, nonpublic information concerning the transaction (the “Investigation”). Prior to a public enforcement action being brought by the Commission against him, Respondent has offered to accept responsibility for his conduct and to not contest or contradict the factual statements contained in Paragraph 6 in any future Commission enforcement action in the event he breaches this Agreement. Accordingly, the Commission and the Respondent enter into this deferred prosecution agreement (“Agreement”) on the following terms and conditions:

ELIGIBILITY

2. The Respondent certifies that he has never been charged or found guilty of violating the federal securities laws, or a party to a civil action or administrative proceeding concerning allegations or findings of violations of the federal securities laws.

TERM

3. The Respondent understands and agrees that the provisions of this Agreement are in full force and effect from July 26, 2018 to July 26, 2020 (“Deferred Period”), unless expressly stated otherwise.

COOPERATION

4. The Respondent agrees to cooperate fully and truthfully in the Investigation and any other related enforcement litigation or proceedings to which the Commission is a party (the “Proceedings”), regardless of the time period in which the cooperation is required. The full, truthful, and continuing cooperation of the Respondent shall include, but not be limited to:

a. producing all non-privileged documents and other materials to the Commission as requested by the Division’s staff, wherever located, in the possession, custody, or control of the Respondent;

- b. appearing for interviews, at such times and places, as requested by the Division's staff;
- c. responding fully and truthfully to all inquiries, when requested to do so by the Division's staff, in connection with the Proceedings;
- d. testifying at trial and other judicial proceedings, when requested to do so by the Division's staff, in connection with the Proceedings;
- e. accepting service by mail, email, or facsimile transmission of notices or subpoenas for documents or testimony at depositions, hearings, trials or in connection with the Proceedings;
- f. appointing his undersigned attorney as agent to receive service of such notices and subpoenas;
- g. waiving the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, when requested to appear by the Division's staff; and
- h. entering into tolling agreements, when requested to do so by the Division's staff, during the period of cooperation.

STATUTE OF LIMITATIONS

5. The Respondent agrees that the running of any statute of limitations applicable to any action or proceeding against him authorized, instituted, or brought by or on behalf of the Commission arising out of the Investigation, including any sanctions or relief that may be imposed therein, is tolled and suspended during the Deferred Period.
- a. The Respondent and any of his attorneys or agents shall not include the Deferred Period in the calculation of the running of any statute of limitations or for any other time-related defense applicable to the Proceeding, including any sanctions or relief that may be imposed therein, in asserting or relying upon any such time-related defense.
 - b. This agreement shall not affect any applicable statute of limitations defense or any other time-related defense that may be available to Respondent before the commencement of the Deferred Period or be construed to revive a Proceeding that may be barred by any applicable statute of limitations or any other time-related defense before the commencement of the Deferred Period.
 - c. The running of any statute of limitations applicable to the Proceeding shall commence again after the end of the Deferred Period, unless there is an extension of the Deferred Period executed in writing by or on behalf of the parties hereto.

d. This agreement shall not be construed as an admission by the Commission relating to the applicability of any statute of limitations to the Proceeding, including as to any sanctions or relief that may be imposed therein, or to the length of any limitations period that may apply, or to the applicability of any other time-related defense.

STATEMENT OF FACTS¹

6. If this case had gone to trial, the Commission would have presented evidence sufficient to prove the following facts:

a. Respondent is a sales manager at a media and financial information firm and a childhood friend of Rob Lozuk (“Lozuk”). Respondent is a resident of Carlsbad, California and is not registered with the Commission.

b. Lozuk is a resident of Carlsbad, California and was the Senior Vice President of Commercial Operations at Sequenom from June 2015 until he left Sequenom in October 2016. Lozuk is not registered with the Commission.

c. Sequenom, incorporated in 1994, is a life sciences company headquartered in San Diego, California. Sequenom was acquired in a 2016 tender offer by LabCorp, and is now a wholly-owned subsidiary of LabCorp. Sequenom’s common stock was formerly registered with the Commission and was traded on the NASDAQ (ticker: SQNM).

d. On June 8, 2016, Sequenom’s board of directors instructed an investment bank to reach out to four companies to gauge interest in acquiring Sequenom. No later than that date, Rob Lozuk became aware that Sequenom would likely be acquired, and was therefore in possession of material, nonpublic information concerning the transaction. Lozuk owed a duty to Sequenom not to disclose or trade upon the information concerning the acquisition.

e. During a social gathering that both Lozuk and Respondent attended on July 21, 2016, Lozuk told Respondent that he should purchase \$10,000 worth of Sequenom shares due to the impending acquisition. Respondent knew that Lozuk had provided him this information in breach of Lozuk’s duty to Sequenom.

f. Between July 22 and 25, 2016, Respondent used the material, nonpublic information he received from Lozuk to purchase a total of 18,000 shares of Sequenom stock when the shares were trading at prices ranging from \$0.86 to \$0.88 per share.

g. On July 27, 2016, Sequenom and LabCorp announced that LabCorp would acquire all of Sequenom’s outstanding stock in a cash tender offer for \$2.40 per share.

¹ The facts set forth in this section are made pursuant to settlement negotiations associated with the violations alleged by the Division in Paragraph 1 of this Agreement and are not binding in any other legal proceeding or on any other person or entity.

As a result of the announcement, Sequenom's stock price increased 176% to \$2.35 per share.

h. After the announcement of the Sequenom-LabCorp deal, Respondent sold all of his Sequenom shares on July 27, 2016, realizing a profit of \$26,643.80.

i. The staff sent an administrative subpoena to Respondent in March 2017. In response, Respondent immediately contacted the staff through counsel and provided full and complete cooperation to the staff in connection with the Investigation. Among other things, Respondent promptly identified Lozuk – the details of whose involvement was not yet known to the staff – as his tipper. Respondent also provided the staff with the details of when, how, and where Lozuk provided Respondent with material, nonpublic information about Sequenom prior to the July 27 announcement of the LabCorp-Sequenom deal. Respondent also provided the staff with details of subsequent conversations with Lozuk in which Respondent confirmed to Lozuk that Respondent benefitted financially by trading on the tip. As a direct result of Respondent's substantial cooperation, the Commission was able to bring charges against Lozuk, which he has agreed to settle.

PROHIBITIONS

7. During the Deferred Period, the Respondent understands and agrees to comply with the following prohibitions:

- a. to refrain from violating the federal and state securities laws;
- b. to refrain from violating the applicable rules promulgated by any self regulatory organization or professional licensing board; and
- c. to refrain from seeking or accepting a federal or state tax credit or deduction for any civil penalties paid pursuant to this Agreement;

UNDERTAKINGS

8. During the Deferred Period, the Respondent understands and agrees to perform the following undertakings:

- a. to provide written notification to the Division, within five days, if he has been questioned, charged, or convicted of an offense by any federal, state, or local law enforcement organization or regulatory agency;
- b. to provide written notification to the Division, within five days, if he has been questioned, a formal or informal complaint has been made against him, or disciplinary action has been taken against him by any self-regulatory organization or professional licensing board;

c. to pay disgorgement obtained or retained as a result of the violations alleged in Paragraph 1 in the amount of \$26,643.80, together with prejudgment interest thereon in the amount of \$2,180.25 within 30 days. Payment may be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Payment may also be made by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

along with a letter identifying the Respondent and specifying that the payment is made pursuant to a deferred prosecution agreement entered into with the Commission on July 26, 2018, and sending an additional copy of the letter and check in accordance with the service requirements of Paragraph 11; and

d. to provide the Division with a written certification of compliance with the prohibitions and undertakings in this Agreement between forty-five and sixty days before the end of the Deferred Period.

PUBLIC STATEMENTS

9. After the Deferred Period begins, July 26, 2018, the Respondent agrees not to take any action or to make or permit any public statement through present or future attorneys, employees, agents, or other persons authorized to speak for him, except in legal proceedings in which the Commission is not a party / in litigation or otherwise, denying, directly or indirectly, any aspect of this Agreement or creating the impression that the statements in Paragraph 6 of this Agreement are without factual basis. If it is determined by the Commission that a public statement by the Respondent or any related person contradicts in whole or in part this Agreement, at its sole discretion, the Commission may bring an enforcement action in accordance with Paragraphs 12 through 14.

10. Prior to issuing a press release concerning this Agreement, the Respondent agrees to have the text of the release approved by the staff of the Division.

SERVICE

11. The Respondent agrees to serve by hand delivery or by next-day mail all written notices and correspondence required by or related to this Agreement to Marc Blau, Assistant Regional Director, 444 S Flower Street, Suite 900, Los Angeles, CA 90071, (323) 965-3975, unless otherwise directed in writing by the staff of the Division.

VIOLATION OF AGREEMENT

12. The Respondent understands and agrees that it shall be a violation of this Agreement if he knowingly provides false or misleading information or materials in connection with the Proceedings. In the event of such misconduct, the Division will advise the Commission of the Respondent's misconduct and may make a criminal referral for providing false information (18 U.S.C. § 1001), perjury (18 U.S.C. § 1621), making false statements or declarations in court proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401-402) and/or obstructing justice (18 U.S.C. § 1503 *et seq.*).

13. The Respondent understands and agrees that it shall be a violation of this Agreement if he violates the federal securities laws after entering into this agreement. It is further understood and agreed that should the Division determine that the Respondent has failed to comply with any term or condition of this Agreement, the Division will notify the Respondent or his counsel of this fact and provide an opportunity for the Respondent to make a submission consistent with the procedures set forth in the Securities Act of 1933 Release No. 5310. Under these circumstances, the Division may, in its sole discretion and not subject to judicial review, recommend to the Commission an enforcement action against the Respondent for any securities law violations, including, but not limited to, the substantive offenses relating to the Investigation. Nothing in this agreement limits the Division's discretion to recommend to the Commission an enforcement action against the Respondent for future violations of the federal securities laws, without notice, to protect the public interest.

14. The Respondent understands that if he fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Agreement, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission.

15. The Respondent understands and agrees that in any future enforcement action resulting from his violation of the Agreement, any documents, statements, information, testimony, or evidence provided by him during the Proceedings, and any leads derived there from, may be used against him in future legal proceedings.

16. In the event he breaches this Agreement, the Respondent agrees not to contest or contradict in any future Commission enforcement action the factual statements contained in Paragraph 6 above as admissions pursuant to Federal Rule of Evidence 801(d)(2).

COMPLIANCE WITH AGREEMENT

17. Subject to the full, truthful, and continuing cooperation of the Respondent, as described in Paragraph 4, and compliance by Respondent with all obligations, prohibitions and undertakings in the Agreement during the Deferred Period, the Commission agrees not to bring any enforcement action or proceeding against the Respondent arising from the Investigation, after the conclusion of the Deferred Period.

18. The Respondent understands and agrees that this Agreement does not bind other federal, state or self-regulatory organizations, but the Commission may, at its discretion, issue a letter to these organizations detailing the fact, manner, and extent of his cooperation during the Proceedings, upon the written request of the Respondent.

19. The Respondent understands and agrees that the Agreement only provides protection against enforcement actions arising from the Investigation and does not relate to any other violations or any individual or entity other than the Respondent.

VOLUNTARY AGREEMENT

20. The Respondent's decision to enter into this Agreement is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than those contained in this Agreement.

21. The Respondent has read and understands this Agreement. Furthermore, he has reviewed all legal and factual aspects of this matter with his attorney and is fully satisfied with his attorney's legal representation. The Respondent has thoroughly reviewed this Agreement with his attorney and has received satisfactory explanations concerning each paragraph of the Agreement. After conferring with his attorney and considering all available alternatives, the Respondent has made a knowing decision to enter into the Agreement.

ENTIRETY OF AGREEMENT

22. This Agreement constitutes the entire agreement between the Commission and the Respondent, and supersedes all prior understandings, if any, whether oral or written, relating to the subject matter herein.

23. This Agreement cannot be modified except in writing, signed by the Respondent and a representative of the Commission.

24. In the event an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring the Commission or the Respondent by virtue of the authorship of any of the provisions of the Agreement.

The signatories below acknowledge acceptance of the foregoing terms and conditions.

RESPONDENT

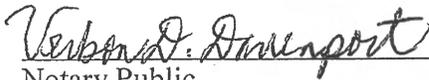
6/18/2018

Date



John Kollus

The foregoing instrument was acknowledged before me this 18th day of June, 2018, by John Kollus, who is a personally known to me or who has produced a valid driver's license as identification and who did take an oath.

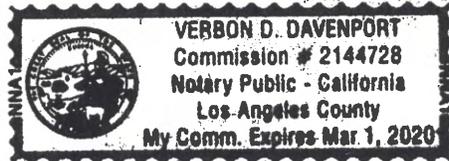


Notary Public

State:

Commission number:

Commission expiration:



RESPONDENT'S COUNSEL

Approved as to form:

6/18/2018

Date



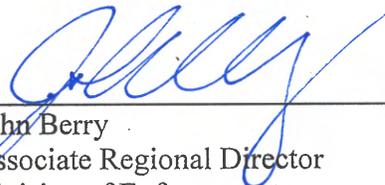
Peter I. Altman

Akin Gump Strauss Hauer & Feld LLP
1999 Avenue of the Stars, Suite 600
Los Angeles, CA 90067

SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT

July 26, 2018

Date



John Berry

Associate Regional Director
Division of Enforcement
United States Securities and Exchange
Commission

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

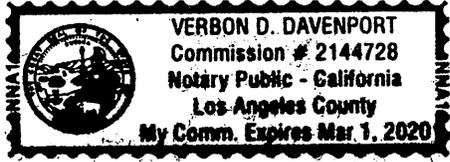
On June 18, 2018 before me, Verbon D. Davenport, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared John Kollus
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Verbon D. Davenport
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: Deferred Prosecution Agreement Document Date: 6.18.18
Number of Pages: 8 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)
Signer's Name: John Kollus
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: Self

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____