

[Securities Regulation Daily Wrap Up, TOP STORY—D.N.J.: Apple's senior attorney charged with insider trading, \(Feb. 13, 2019\)](#)

Securities Regulation Daily Wrap Up

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By [Jay Fishman, J.D.](#)

The attorney's insider trading, which netted him \$382,000 in profits and avoided losses, was exacerbated by his being the director for implementing the company's anti-insider trading policy.

The SEC filed a complaint in New Jersey's District Court against one of Apple, Inc.'s former senior attorney for using his high-ranking status to inside trade Apple stock on three occasions between 2015 and 2016. The Commission's complaint, alleging violations of Exchange Act Section 10(b)/Rule 10b-5 and Securities Act Section 17(a), requested a permanent injunction and an officer and director bar, along with disgorgement of ill-gotten gains, prejudgment interest, and civil monetary penalties ([SEC v. Levoff](#), February 13, 2019).

Insider trade violations. The Commission's complaint alleged that during the relevant period, between 2008 to July 2018 (when the California resident defendant was placed on leave), he served not only as a senior attorney but also on Apple's disclosure committee, which imposed a duty of trust to Apple and its shareholders to not trade on any material nonpublic information that he learned while serving in these capacities. Moreover, the defendant was responsible for securities law compliance, including compliance with insider trading laws, and reviewed and approved Apple's insider trading policy, notifying employees of their obligation under the policy around quarterly earnings announcements. But the defendant himself violated the policy by trading Apple securities ahead of three quarterly earnings announcements in 2015 and 2016, making approximately \$382,000 in combined profits and losses avoided.

The SEC Enforcement Division's Associate Director Antonia Chion, [proclaimed](#) that "Levoff's alleged exploitation of his access to Apple's financial information was particularly egregious given his responsibility for implementing the company's insider trading compliance policy. The SEC is committed to pursuing insiders who breach their duties to investors."

Parallel criminal action. The U.S. Attorney's Office for the District of New Jersey separately [announced](#) criminal charges against the attorney.

The case is [No. 2:19-cv-05536](#).

Attorneys: Daniel Joseph Maher for the SEC.

Companies: Apple, Inc.

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