

SEC Files Multiple Insider Trading Actions Originating from the Market Abuse Unit's Analysis and Detection Center

FOR IMMEDIATE RELEASE

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Washington D.C., July 25, 2022 — The Securities and Exchange Commission today filed insider trading charges against nine individuals in connection with three separate alleged schemes that together yielded more than \$6.8 million in ill-gotten gains. Those charged include a former chief information security officer (CISO), an investment banker, and a former FBI trainee, all of whom allegedly shared confidential information with their friends, who then traded on that confidential information. Each of the three actions announced today originated from the SEC Enforcement Division's Market Abuse Unit's (MAU) Analysis and Detection Center, which uses data analysis tools to detect suspicious trading patterns.

The SEC's enforcement actions were filed in federal district court in Manhattan, and in each case the U.S. Attorney's Office for the Southern District of New York today announced parallel criminal charges.

"If everyday investors think that the market is rigged at their expense in favor of insiders who abuse their positions, they are not going to invest their hard earned money in the markets," said Gurbir S. Grewal, Director of the SEC's Enforcement Division. "But as today's actions show, we stand ready to leverage all of our expertise and tools to root out misconduct and to hold bad actors accountable no matter the industry or profession. That's what's required to restore investor trust and confidence."

The SEC's complaints charge all nine defendants with violating the antifraud provisions of the securities laws and seek permanent injunctive relief, disgorgement with prejudgment interest, and civil penalties. In all three cases, the SEC's investigation is ongoing.

Chief Information Security Officer Tipped Friends

In one action, the SEC alleges that Amit Bhardwaj, the former CISO of Lumentum Holdings Inc., and his friends, Dhirenkumar Patel, Srinivasa Kakkera, Abbas Saeedi, and Ramesh Chitor, traded ahead of two corporate acquisition announcements by Lumentum, thereby generating more than \$5.2 million in illicit profits.

The SEC's complaint alleges that, through his work at Lumentum, Bhardwaj learned material nonpublic information (MNPI) about the company's plans to first acquire Coherent, Inc. and later acquire NeoPhotonics Corporation. Based on this MNPI, Bhardwaj allegedly purchased Coherent securities ahead of the January 2021 announcement of Lumentum's agreement to acquire Coherent and tipped his friend Patel, with the understanding that Patel would later share some of his ill-gotten gains. The SEC further alleges that, during October 2021, Bhardwaj shared MNPI about Lumentum's planned acquisition of NeoPhotonics with his friends Kakkera, Saeedi, and Chitor, who then amassed large positions of NeoPhotonics based on Bhardwaj's tips. After the November 2021 announcement of the NeoPhotonics acquisition, Chitor indirectly transferred funds to Bhardwaj's relative in India, as instructed by Bhardwaj.

In addition to the relief described above, the SEC's complaint seeks disgorgement of illicit profits with prejudgment interest from relief defendants Gauri Salwan, the Kakkera Family Trust, All US Tacos Inc., and Janya Saeedi. The case was investigated by Ann Marie Preissler, Joshua Geller, John Rymas, and Simona

Suh of the MAU, and by Elzbieta Wraga of the New York Regional Office (NYRO). Ms. Preissler, Mr. Geller, and Ms. Suh will lead the SEC's litigation.

Investment Banker Tipped Friend

In another action, the SEC alleges insider trading by investment banker Brijesh Goel and his friend Akshay Niranjani, who was a foreign exchange trader at a large financial institution. The SEC alleges that the two men, close friends from business school, made more than \$275,000 from illegally trading ahead of four acquisition announcements in 2017 that Goel learned about through his employment. The complaint further alleges Niranjani purchased call options on the target companies and later wired Goel \$85,000 for Goel's share of the proceeds.

The case was investigated by Andrew Palid, David Makol, and Michele T. Perillo of the MAU, and by Chip Harper of the Boston Regional Office (BRO). Messrs. Harper and Palid along with Amy Burkart from BRO will lead the SEC's litigation.

Former FBI Trainee Tipped Friend

Finally, in a third action, the SEC alleges that Seth Markin, a former FBI trainee, and his friend Brandon Wong made approximately \$82,000 and \$1.3 million, respectively, from illegally trading ahead of the February 2021 announcement of a tender offer by Merck & Co., Inc., to acquire Pandion Therapeutics, Inc. The SEC's complaint alleges that Markin secretly reviewed the binder of deal documents about the planned tender offer from his then-romantic partner, who worked as an associate for a law firm representing Merck on the deal, traded on the MNPI, and tipped his close friend Wong. The complaint alleges that, after the announcement, Wong bought Markin a Rolex watch to thank him for the tip.

The case was investigated by Tracy Sivitz, Chevon Walker, John Rymas, and Simona Suh of the MAU, and by Neil Hendelman of NYRO. Ms. Sivitz, Walker, and Suh will lead the SEC's litigation. All three matters are being supervised by MAU Chief Joseph G. Sansone.

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The SEC appreciates the assistance of the U.S. Attorney's Office for the Southern District of New York, the Federal Bureau of Investigation, the Office of the Inspector General of the U.S. Department of Justice, and the Financial Industry Regulatory Authority.

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Related Materials

- [SEC Complaint - Bhardwaj et al.](#)
- [SEC Complaint - Goel & Niranjani](#)
- [SEC Complaint - Markin & Wong](#)