UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100979 / September 9, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22088

In the Matter of **STEPHEN FORLANO** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Dr. Stephen Forlano ("Dr. Forlano" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-And-Desist Proceedings Pursuant To Section 21C Of The Securities Exchange Act Of 1934, Making Findings, And Imposing A Cease-And-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

1. This proceeding concerns insider trading by Dr. Forlano in the securities of Harmony Biosciences Holdings, Inc. ("Harmony") and Maxar Technologies, Inc. ("Maxar") based on material nonpublic information provided to him by his son, Stephen Forlano, Jr. ("Forlano Jr."). Forlano Jr. had received the information from his friend Anthony Viggiano ("Viggiano") who was employed at a major investment firm (the "Investment Firm") and later at a global investment bank (the "Investment Bank").[2]

2. Dr. Forlano purchased Harmony shares before an August 10, 2021 press release announcing that Harmony had entered into a strategic financing collaboration. He also purchased Maxar securities before a December 16, 2022 press release announcing that Maxar was going to be acquired. As a result of these purchases, Dr. Forlano made more than $67,000 in realized and unrealized profits.

Respondent

3. Dr. Stephen Forlano ("Dr. Forlano"), age 63, resides in Englishtown, New Jersey. He was a general dentist and is now retired. He is the father of Forlano Jr.

Other Relevant Entities and Individuals

4. Harmony Biosciences Holdings, Inc. ("Harmony"), a Delaware corporation, is a United States commercial-stage pharmaceutical company. It trades on the Nasdaq.

5. Maxar Technologies Inc. ("Maxar"), a Delaware corporation, is a provider of comprehensive space solutions and secure, precise, geospatial intelligence. It previously traded on the New York Stock Exchange.

6. Anthony Viggiano ("Viggiano"), age 27, is a resident of Baldwin, New York. From approximately April 2021 to October 2021, he was employed as an analyst at the Investment Firm. From approximately February 2022 until July 2023, he was employed as an analyst and then an associate in the asset and wealth management division of the Investment Bank.

7. Stephen A. Forlano Jr. ("Forlano Jr."), age 27, is a resident of Tampa, Florida. Forlano Jr. and Viggiano went to college together and are close friends.

Background

8. As a condition of his employment with the Investment Firm and the Investment Bank, Viggiano agreed to hold all confidential information—including, but not limited to, material nonpublic information—acquired as a result of his employment with the Investment Firm and the Investment Bank in strict confidence, to not use such information for any purpose other than his

[2] The Commission sued Viggiano, Forlano Jr. and others in federal district court. *See SEC v. Viggiano*, et al. 23cv8542 (S.D.N.Y 2023).

employment, and to not disclose confidential information to any other person. The Investment Firm and the Investment Bank provided Viggiano with trainings, policies, and procedures regarding insider trading and its illegality. Throughout his employment with the Investment Firm and the Investment Bank, Viggiano owed a duty to the Investment Firm and the Investment Bank to not disclose any material nonpublic information, including any material nonpublic information related to deals or transactions on which he was working.

Harmony Trading

9. Viggiano, in connection with his employment at the Investment Firm, had access to, and was personally aware of material nonpublic information concerning the Investment Firm's pursuit of a strategic financing collaboration with Harmony (the "Harmony Deal") by at least July 26, 2021.

10. In breach of his duty to the Investment Firm, Viggiano disclosed to Forlano Jr. material nonpublic information relating to the Harmony Deal.

11. By no later than July 29, 2021, Forlano Jr., in turn, tipped Dr. Forlano with information about the Harmony Deal that he had received from Viggiano.

12. Between July 29, 2022, and August 9, 2022, Dr. Forlano bought 75 Harmony shares based on his son's tip. Dr. Forlano knew, was reckless in not knowing, or consciously avoided knowing that the information he used to make the purchases of Harmony securities was material and nonpublic and was obtained in breach of a duty of trust and confidence.

13. On August 10, 2021, at approximately 7:30 a.m. Eastern Time, a press release announced the Harmony Deal. As a result of this announcement, Harmony's stock price closed at a price of $30.16 per share later that day, an increase of $3.39, or 12.66% as compared to the stock's prior closing price of $26.77 on August 9. As of the close of market trading that day, Dr. Forlano reaped unrealized profits of $227.

Maxar Trading

14. The Investment Bank served as a financial advisor to the acquiring company in connection with its acquisition of Maxar (the "Maxar Deal"). Viggiano was notified about the potential deal as part of his employment at the Investment Bank and had material nonpublic information about Maxar, including the potential Maxar Deal, by at least November 15, 2022.

15. In breach of his duty to the Investment Bank, Viggiano disclosed to Forlano Jr. specific material nonpublic information relating to the potential Maxar Deal.

16. By no later than November 28, 2022, Forlano Jr., in turn, tipped Dr. Forlano about the potential acquisition of Maxar.

17. Between November 28, 2022, and December 15, 2022, Dr. Forlano bought 30 Maxar shares and 60 Maxar call options while in possession of and based on the material nonpublic information he had received from his son. Dr. Forlano knew, was reckless in not knowing, or consciously avoided knowing that the information he used to make the purchases of Maxar securities was material and nonpublic and was obtained in breach of a duty of trust and confidence.

18. On December 16, 2022, at approximately 7:00 a.m. Eastern Time, a press release announced the Maxar Deal. As a result of this announcement, Maxar's stock closed at a price of $51.93 per share later that day, an increase of $28.83, or 124.81% as compared to the stock's prior closing price of $23.10 on December 15.

19. On December 16, 2022, after the Maxar Deal was announced, Dr. Forlano sold 30 Maxar shares and 60 Maxar call options. As a result of his trading, he realized profits of $67,146.

20. As a result of the coduct described above, Dr. Forlano violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

Disgorgement and Civil Penalties

The disgorgement and prejudgment interest ordered in paragraph IV.B is consistent with equitable principles, does not exceed Respondent's net profits from his violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in paragraph IV.B shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 21C of the Exchange Act, Respondent Forlano cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent shall pay disgorgement of $67,373.00, prejudgment interest of $7,969.02, and a civil penalty of $67,373.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments:

(1) $25,000.00 within 10 days of the entry of this order;
(2) $65,000.00 within 90 days of the entry of this order; and

(3) the remaining balance plus any postjudgment interest within 360 days of the entry of this order;

Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 and pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent 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 Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Dr. Stephen Forlano as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Joseph G. Sansone, Chief, Market Abuse Unit, Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY 10004.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed

in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary