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10 SECURITIES AND EXCHANGE COMMISSION

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15 **UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

16 SECURITIES AND EXCHANGE  
17 COMMISSION,

18 Plaintiff,

19 v.

20 MICHAEL J. FEFFERMAN, CHAD  
21 E. WIEGAND, and AKIS C.  
ERACLEOUS,

22 Defendants,

23 and

24 ERACLES PANAYIOUTOU,

25 Relief Defendant.

Case No. '15CV1276 MMADHB

**COMPLAINT FOR VIOLATION OF  
THE FEDERAL SECURITIES LAWS**

26  
27 Plaintiff Securities and Exchange Commission (the "Commission") alleges as  
28 follows:

1 **SUMMARY OF THE ACTION**

2 1. This is an insider trading case involving the securities of Ardea  
3 Biosciences, Inc. (“Ardea”), a California-based biotechnology company. In advance  
4 of four separate announcements between April 2009 and April 2012, Michael J.  
5 Fefferman (“Fefferman”), who was Ardea’s Senior Director of Information  
6 Technology, tipped his brother-in-law Chad E. Wiegand (“Wiegand”) material,  
7 nonpublic information relating to Ardea. The material, nonpublic information was  
8 related to pharmaceutical trials, an agreement with another company to license a  
9 cancer drug, and, finally, an acquisition of Ardea by AstraZeneca PLC  
10 (“AstraZeneca”).

11 2. At the time, Wiegand was a registered representative associated with a  
12 registered broker-dealer (“Broker A”). After receiving the information from his  
13 brother-in-law, Wiegand purchased Ardea securities in the accounts of his brokerage  
14 customers and received commissions on the transactions. Wiegand also tipped his  
15 friend and business associate, Akis C. Eracleous (“Eracleous”), another registered  
16 representative at Broker A. As described in more detail herein, Eracleous purchased  
17 Ardea common stock for himself and tipped (i) a friend and business associate  
18 (“Business Partner”) and (ii) a brokerage customer and mutual friend of his and  
19 Business Partner (“Customer A”). Eracleous also purchased or caused to be  
20 purchased Ardea securities in the account of his brokerage client and cousin Relief  
21 Defendant Eracles Panayioutou (“Panayioutou”).

22 3. Using the material, nonpublic information tipped by Fefferman, the  
23 insider trading alleged in this complaint resulted in illegal trading profits totaling  
24 approximately \$530,000 (including those obtained by Relief Defendant  
25 Panayioutou). The conduct of Defendants Fefferman, Wiegand, and Eracleous was  
26 in violation of duties owed to the stockholders of Ardea to keep the information at  
27 issue confidential.  
28

1 4. By knowingly or recklessly engaging in the conduct described in this  
2 complaint, Defendants Fefferman, Wiegand, and Eracleous all violated and, unless  
3 enjoined and restrained, will continue to violate Section 10(b) of the Securities  
4 Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5  
5 thereunder [17 C.F.R. § 240.10b-5].

6 **JURISDICTION AND VENUE**

7 5. The Commission brings this action pursuant to Sections 21(d) and 21A  
8 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1] to enjoin such acts, practices,  
9 and courses of business and to obtain disgorgement, prejudgment interest, civil  
10 money penalties, and such other and further relief as the Court may deem just and  
11 appropriate.

12 6. The Court has jurisdiction over this action pursuant to Sections 21(e),  
13 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(e), 78u-1, and 78aa].

14 7. Venue in this district is proper pursuant to Section 27 of the Exchange  
15 Act [15 U.S.C. § 78aa]. Among other things, certain of the acts, practices, and  
16 courses of business constituting the violations of the federal securities laws alleged  
17 herein occurred with the Southern District of California.

18 **DEFENDANTS**

19 8. **Michael J. Fefferman**, age 43, lives in Escondido, California. From  
20 2007 until January 2014, Fefferman was Ardea’s Senior Director of Information  
21 Technology and, as a result, had access to material, nonpublic information about the  
22 company. Fefferman has been friends with Wiegand since approximately the mid-  
23 1990s when they worked together at a brokerage firm. Fefferman married  
24 Wiegand’s step-sister in 2002. Fefferman and Wiegand considered each other to be  
25 a close personal friend, and they and their families socialized together frequently.  
26 Fefferman knew that Wiegand had financial difficulties and occasionally gave or  
27 loaned money to Wiegand to help him financially. Fefferman has entered into a  
28 tolling agreement in this matter.



1 Broker A and at other registered broker-dealers where they both worked. Business  
2 Partner has been friends with Wiegand and Eracleous since approximately 2000.

3 13. **Customer A**, age 48, lives in San Diego, California, and is employed as  
4 an insurance agent. Customer A was a brokerage customer and friend of Eracleous  
5 and Business Partner at the time of the conduct described in this complaint.

6 14. **Ardea Biosciences, Inc.**, a Delaware corporation, was a biotechnology  
7 company focused on the development of therapies for various diseases,  
8 headquartered in San Diego, California. The company's stock was registered under  
9 Section 12(b) of the Exchange Act [15 U.S.C. § 78l(b)] and was traded on the  
10 NASDAQ Global Select Market until June 19, 2012, when it became a wholly-  
11 owned subsidiary of AstraZeneca. As a result of the acquisition by AstraZeneca,  
12 Ardea terminated its registration with the Commission.

13 15. **AstraZeneca PLC** is a pharmaceutical company headquartered in  
14 London, England, and is a foreign issuer with American Depository Shares listed on  
15 the New York Stock Exchange under the ticker symbol "AZN." AstraZeneca's  
16 stock is registered pursuant to Section 12(b) of the Exchange Act [15 U.S.C.  
17 § 78l(b)], and the company files periodic reports and statements with the  
18 Commission.

19 **FACTS**

20 **A. Fefferman Learned Material, Nonpublic Information Relating to**  
21 **Ardea During the Course of His Employment As Ardea's Senior**  
22 **Director of Information Technology**

23 16. As Senior Director of Information Technology at Ardea, Fefferman  
24 learned material, nonpublic information relating to Ardea and its business, products,  
25 and potential corporate transactions, including the information discussed in more  
26 detail in this complaint.

27 17. At all times pertinent to this complaint, Fefferman was subject to a duty  
28 to Ardea's shareholders to keep material, nonpublic information regarding Ardea

1 confidential. Further, on or about December 3, 2007, Fefferman signed Ardea's  
2 Code of Business Conduct and Ethics, which specifically prohibited trading on or  
3 tipping material, nonpublic corporate information.

4 18. Wiegand and Eracleous knew or were reckless in not knowing that the  
5 information they received, as set forth in this complaint, was material, nonpublic  
6 information, and their purchases of Ardea securities alleged herein were in violation  
7 of their duties.

8 **B. Over the Course of Three Years, Fefferman Repeatedly Tipped**  
9 **Wiegand Material, Nonpublic Information Relating to Ardea**

10 **1. The April 28, 2009, Announcement**

11 19. In or about March 2009, Fefferman became aware, through his position  
12 at Ardea, that Ardea would soon publicly announce a global agreement with Bayer  
13 HealthCare, LLC (the "Bayer announcement") concerning the licensing of an Ardea  
14 developmental cancer treatment. Knowing that the announcement was likely to have  
15 a positive impact on Ardea's stock price, Fefferman tipped this information about the  
16 Bayer announcement to Wiegand so that Wiegand could trade on it. Fefferman told  
17 Wiegand that the Bayer agreement was a big event at Ardea and that Ardea was  
18 "going to get a lot of money." Wiegand in turn tipped the inside information about  
19 the Bayer announcement in or about March 2009 to Eracleous, who, in turn, shared it  
20 with Panayioutou and the Business Partner.

21 20. From March 12, 2009, through April 28, 2009, and after being tipped by  
22 Fefferman, Wiegand purchased or caused to be purchased 7,650 Ardea shares in 9  
23 accounts held by his brokerage customers.

24 21. From March 20, 2009, through March 31, 2009, and after being tipped  
25 by Wiegand, Eracleous purchased 3,001 Ardea shares in his personal brokerage  
26 account. Eracleous also purchased, with Panayioutou's consent, 5,000 Ardea shares  
27 in Panayioutou's brokerage account on April 1, 2009.



1 22. From March 20, 2009 to April 9, 2009, and after being tipped by  
2 Eracleous, the Business Partner bought 1,500 Ardea shares in his personal brokerage  
3 account and 1,085 Ardea shares in his wife's account.

4 23. On April 27, 2009, shares of Ardea stock closed at \$11.68 per share.  
5 The next day, April 28, Ardea publicly announced the Bayer agreement. On April  
6 28, following the announcement, shares of Ardea closed at \$13.11 per share, an  
7 increase of approximately 12% from the prior day's closing price.

8 24. Following the Bayer announcement, the Ardea shares purchased in  
9 advance of the announcement on the basis of material, nonpublic information were  
10 sold as follows:

11 a. Eracleous sold or caused to be sold shares from Panayioutou's  
12 account, and illegal trading profits of approximately \$13,504 were realized.

13 b. The Business Partner sold or caused to be sold Ardea shares from  
14 his brokerage account and his wife's account, and illegal trading profits of  
15 approximately \$5,693 were realized.

16 c. Eracleous sold Ardea shares from his brokerage account, and  
17 illegal trading profits of approximately \$5,184 were realized.

18 d. Wiegand sold or caused to be sold Ardea shares from his  
19 customers' accounts, and illegal trading profits of approximately \$19,132  
20 were realized.

21 **2. The December 1, 2009, Announcement**

22 25. In or about November 2009, Fefferman became aware that Ardea soon  
23 would publicly announce positive news regarding the initial testing of a drug,  
24 RDEA594, for the treatment of gout (the "RDEA594 announcement"). Knowing  
25 that the announcement was very likely to have a positive impact on Ardea's stock  
26 price, Fefferman tipped this information to Wiegand so that Wiegand could trade on  
27 it. Wiegand, in turn, shared the RDEA594 announcement information with  
28 Eracleous.

1           26. On November 30, 2009, and after being tipped by Fefferman, Wiegand  
2 purchased or caused to be purchased 1,000 Ardea shares in the account of one of his  
3 brokerage customers.

4           27. On November 30, 2009, Eracleous, after being tipped by Wiegand,  
5 purchased or caused to be purchased, with Panayioutou's consent, 5,000 Ardea  
6 shares in Panayioutou's brokerage account.

7           28. On December 1, 2009, following the RDEA 594 announcement,  
8 Ardea's stock price closed at \$14.17 per share, an increase of approximately 5%  
9 from the prior day's closing stock price.

10           29. Following the RDEA 594 announcement, the Ardea shares purchased in  
11 advance of the announcement on the basis of material, nonpublic information were  
12 sold as follows:

13           a. Wiegand sold or caused to be sold the 1,000 shares of Ardea  
14 stock purchased in his client's brokerage account, and illegal trading profits of  
15 approximately \$820 were realized.

16           b. Eracleous sold or caused to be sold, with Panayioutou's consent,  
17 the 5,000 shares of Ardea stock purchased in Panayioutou's account, and  
18 illegal trading profits of approximately \$4,165 were realized.

19           **3. The March 31, 2010, Announcement**

20           30. In or about March 2010, Fefferman became aware that Ardea would  
21 soon publicly announce positive news regarding the second phase of testing for the  
22 company's experimental gout treatment known as RDEA594 (the "RDEA594 phase  
23 two announcement"). Knowing that the announcement was very likely to have a  
24 positive impact on Ardea's stock price, Fefferman tipped this information to  
25 Wiegand so that he could trade on it. Wiegand then shared the RDEA594 phase two  
26 announcement information with Eracleous.



1 31. On or about the morning of March 31, 2010, Eracleous, after being  
2 tipped by Wiegand, purchased or caused to be purchased, with Panayioutou's  
3 consent, 5,000 shares of Ardea stock in Panayioutou's brokerage account.

4 32. The RDEA594 phase two announcement was publicly made late in the  
5 day on March 31, 2010 after the close of the market. The next day, April 1, Ardea's  
6 stock price closed at \$20.50 per share, an increase of approximately 12% percent  
7 from the prior day's closing price.

8 33. On April 1, 2010, following the RDEA594 phase two announcement,  
9 Eracleous sold or caused to be sold, with Panayioutou's consent, the 5,000 shares of  
10 Ardea stock purchased in Panayioutou's account, which had been purchased on the  
11 basis of material, nonpublic information, and illegal trading profits of approximately  
12 \$26,592 were realized.

13 **4. The April 23, 2012, Acquisition Announcement**

14 **(a) Fefferman, on Account of His Position at Ardea,**  
15 **Became Aware of Material, Nonpublic Information**  
16 **About a Possible Sale of the Company**

17 34. Ardea's management began contemplating a possible sale of the  
18 company at least as early as September 2011. From at least September 2011 through  
19 April 2012, several companies expressed interest in acquiring Ardea and held  
20 discussions with Ardea management and conducted due diligence.

21 35. In February and March 2012, AstraZeneca made two non-binding  
22 proposals to purchase Ardea starting at \$24.17 per share. The offers were contingent  
23 upon AstraZeneca's completion of further due diligence, which AstraZeneca  
24 conducted at Ardea's San Diego offices from approximately March 19, 2012,  
25 through March 22, 2012.

26 36. As the Senior Director of Information Technology at Ardea, Fefferman  
27 was substantially involved in facilitating the due diligence process beginning in late  
28 2011. Fefferman created electronic "data rooms" that contained proprietary

1 information about Ardea and its business operations and arranged for several  
2 different companies, including AstraZeneca, to have access to the data rooms as part  
3 of their due diligence. As work on a potential acquisition progressed, Fefferman  
4 obtained additional material, nonpublic information, including regarding the  
5 certainty of an acquisition, its timing, and the premium to be paid for Ardea stock.

6 37. On or about April 15, 2012, AstraZeneca increased its offer to purchase  
7 Ardea to a price of \$30 per share, which reflected a substantial premium over the  
8 trading price of Ardea stock at that time. Ardea's board of directors rejected the  
9 AstraZeneca offer, but Ardea management continued negotiations with AstraZeneca  
10 and other companies.

11 38. On April 19, 2012, Ardea executives requested that AstraZeneca and  
12 one other company submit final purchase offers by Friday, April 20, 2012. Only  
13 AstraZeneca responded, submitting an offer of \$32 per share. Ardea's board of  
14 directors accepted AstraZeneca's offer on April 20, 2012.

15 39. Fefferman, because of his position at Ardea, knew material, nonpublic  
16 information about AstraZeneca's efforts to acquire Ardea, including regarding  
17 AstraZeneca's offers in February, March and April 2012.

18 40. Ardea and AstraZeneca jointly announced the proposed merger  
19 agreement before the opening of securities trading on Monday, April 23, 2012 (the  
20 "acquisition announcement").

21 41. On Friday, April 20, 2012, the last trading day before the acquisition  
22 announcement, Ardea's stock price closed at \$20.84 per share. On April 23, 2012,  
23 following the acquisition announcement, Ardea's stock price closed at \$31.62 per  
24 shares, an approximately 52% increase from the prior trading day's closing price.

1                   **(b) Wiegand Purchased Ardea Stock for his Customers**  
2                   **Based upon Material, Nonpublic Information Tipped**  
3                   **by Fefferman about the Ardea Acquisition Negotiations**

4           42. Fefferman tipped Wiegand material, nonpublic information about the  
5 possible acquisition of Ardea several months before the acquisition announcement.  
6 Beginning in late 2011, Fefferman told Wiegand that he believed Ardea was going to  
7 be acquired based on the fact that he had given access to Ardea's data rooms to  
8 several pharmaceutical companies conducting due diligence.

9           43. During the weekend of April 14, 2012, Wiegand visited Fefferman's  
10 home. During the visit, Fefferman told Wiegand that an Ardea acquisition would  
11 occur soon.

12           44. During telephone conversations between Fefferman and Wiegand on  
13 April 16, 18, and 19, 2012, Fefferman told Wiegand more details about the possible  
14 acquisition of Ardea. Beginning at 12:23 p.m. Pacific time, approximately five  
15 minutes after Wiegand concluded his telephone call with Fefferman on April 19,  
16 2012, Wiegand began purchasing a total of 8,100 shares of Ardea stock in 15 of his  
17 brokerage customer accounts. Wiegand made these purchases based on the material,  
18 nonpublic information tipped to him by Fefferman.

19           45. On Friday, April 20, 2012, at 11:52 a.m. Pacific time, Fefferman called  
20 Wiegand. Fefferman told Wiegand that he hoped Wiegand had bought Ardea stock,  
21 and confirmed to Wiegand that the acquisition was proceeding along. While on the  
22 telephone with Fefferman, Wiegand began purchasing an additional 11,500 Ardea  
23 shares in 17 of his customer accounts. In total, Wiegand purchased 19,600 Ardea  
24 shares in 19 customer accounts based upon the material, nonpublic information  
25 about the Ardea acquisition he received from Fefferman.

26           46. After the acquisition announcement, Wiegand sold or caused to be sold  
27 all of the 19,600 shares of Ardea stock held by his brokerage customers, and illegal  
28 trading profits of \$215,297 were realized.

1                                   **(c) Wiegand Tipped Eracleous, Who Purchased Ardea**  
2                                   **Securities on Behalf of Panayioutou**

3           47. Beginning in late 2011 and continuing through the week leading up to  
4 the acquisition announcement, Wiegand told Eracleous information that Fefferman  
5 had told Wiegand about the Ardea acquisition efforts. Among other things, Wiegand  
6 and Eracleous spoke by telephone and communicated through text messages on  
7 multiple occasions between April 16 and 20, 2012.

8           48. Around April 17 or 18, 2012, Wiegand told Eracleous that it was time  
9 to begin buying Ardea. Eracleous understood Wiegand's statement to mean that the  
10 Ardea acquisition would occur soon.

11           49. Eracleous spoke by telephone and communicated through text messages  
12 with Panayioutou several times from April 17 through 19, 2012. During these  
13 communications, Eracleous recommended that Panayioutou buy Ardea call option  
14 contracts. A call option contract is an instrument that, generally speaking, provides  
15 the holder with the right, but not the obligation, to buy an underlying security for a  
16 certain price during a particular time period.

17           50. Within minutes of concluding a telephone call with Wiegand at  
18 approximately 12:17 p.m. Pacific time on April 19, 2012, Eracleous called  
19 Panayioutou. Just minutes later, at 12:24 p.m. Pacific time, Eracleous and the  
20 Business Partner purchased or caused to be purchased, on the basis of material,  
21 nonpublic information regarding the acquisition announcement, and with  
22 Panayioutou's consent, 200 Ardea call option contracts in Panayioutou's brokerage  
23 account.

24           51. On April 23, 2012, after the acquisition announcement, Eracleous sold  
25 or caused to be sold Panayioutou's 200 call option contracts, and illegal trading  
26 profits of \$162,037 were realized. In or around July 2012, Panayioutou gave  
27 Eracleous \$10,000 in cash, which Eracleous shared with the Business Partner.  
28

1                                    **(d) Business Partner and Customer A Were Tipped About**  
2                                    **the Acquisition Announcement**

3            52. After receiving material, nonpublic acquisition announcement  
4 information from Wiegand during the week of April 16, 2012, Eracleous tipped  
5 information to Business Partner and Customer A.

6            53. Among other things, on or about April 16, 2012, Eracleous and the  
7 Business Partner discussed purchasing Ardea securities based upon material,  
8 nonpublic information related to the acquisition announcement.

9            54. During the morning of April 20, 2012, Eracleous and the Business  
10 Partner called Customer A and asked him to purchase Ardea securities on behalf of  
11 all three of them. Eracleous, the Business Partner, and Customer A decided that  
12 Customer A would fund the purchase of Ardea call option contracts in a brokerage  
13 account held by Customer A at a brokerage firm other than Broker A. Eracleous, the  
14 Business Partner, and Customer A agreed to divide the illegal profits from the Ardea  
15 securities trading by allotting fifty percent to Customer A and twenty-five percent  
16 each to Eracleous and the Business Partner.

17           55. During one or more telephone calls on the morning of April 20, 2012,  
18 the Business Partner instructed Customer A on how to purchase 100 call option  
19 contracts.

20           56. At 12:58 p.m. Pacific time, on April 20, 2012, Customer A purchased  
21 100 Ardea call option contracts in a brokerage account held in his name at the  
22 brokerage firm other than Broker A. Customer A had no prior trading history  
23 involving Ardea securities in either his Broker A or other brokerage account.

24           57. Customer A sold all of his Ardea call option contracts after the public  
25 acquisition announcement, and illegal trading profits of \$83,493 were realized.  
26 Following the sale, on April 24, 2012, Customer A transferred \$50,000 from this  
27 brokerage account to his personal bank account.  
28





1 c. engaged in acts, practices, or courses of business which operated or  
2 would operate as a fraud or deceit upon any person in connection with  
3 the purchase or sale of any security.

4 63. Members of the investing public who were trading in Ardea securities at  
5 the same time as the Defendants and Relief Defendant were harmed by the  
6 Defendants' gaining of an advantageous market position through insider trading.

7 64. By engaging in the foregoing conduct, Defendants violated and, unless  
8 enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C.  
9 § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 2401.10b-5].

10 **SECOND CLAIM**

11 **Claim with Respect to the Relief Defendant**

12 **(Against Relief Defendant Panayioutou)**

13 65. The Commission re-alleges and incorporates by reference each and  
14 every allegation in paragraphs 1 through 64, inclusive, as if they were fully set forth  
15 herein.

16 66. Relief Defendant received gains from trades based on material,  
17 nonpublic information, over which he has no legitimate claim.

18 67. Relief Defendant obtained the trading profits described above as part,  
19 and in furtherance of, the securities law violations alleged above, under  
20 circumstances in which it is not just, equitable, or conscionable for him to retain the  
21 funds.

22 68. By reason of the foregoing, Relief Defendant has been unjustly enriched  
23 and must disgorge the amount of his ill-gotten gains.

24 **PRAYER FOR RELIEF**

25 **WHEREFORE**, the Commission respectfully requests that the Court enter  
26 Judgments:

1 **I.**

2 Permanently restraining and enjoining Defendants and their agents, servants,  
3 employees, attorneys, and all persons in active concert or participation with them  
4 who receive actual notice of the injunction by personal service or otherwise, from  
5 violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C.  
6 § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

7 **II.**

8 Ordering Defendants Wiegand and Eracleous to disgorge all unlawful trading  
9 profits and other ill-gotten gains received as a result of the conduct alleged in the  
10 complaint, together with prejudgment interest thereon, including, as to both  
11 Defendant Wiegand and Defendant Eracleous, the trading profits and other ill-gotten  
12 gains of their direct and downstream tippees, and prejudgment interest thereon.

13 **III.**

14 Ordering all Defendants to pay civil penalties pursuant to Section 21A of the  
15 Exchange Act [15 U.S.C. § 78u-a].

16 **IV.**

17 Ordering the Relief Defendant to disgorge all trading profits and other ill-  
18 gotten gains to which he does not have a legitimate claim that he received as a result  
19 of the conduct alleged in the Complaint, together with prejudgment interest thereon.  
20  
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28

V.

Granting such other and further relief as this court may deem just and equitable.

Respectfully submitted,

s/ Michael J. Rinaldi  
MICHAEL J. RINALDI

Attorney for Plaintiff Securities and Exchange Commission  
Email: RinaldiM@sec.gov

Dated: June 9, 2015

JS 44 (Rev. 12/12)

**CIVIL COVER SHEET '15CV1276 MMADHB**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

Securities and Exchange Commission

**DEFENDANTS**

Defendants Michael J. Fefferman, Chad E. Wiegand, and Akis C. Eracleous, and Relief Defendant Eracles Panayiotou

(b) County of Residence of First Listed Plaintiff \_\_\_\_\_  
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant San Diego County, Cal.  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) Attorneys (Firm Name, Address, and Telephone Number)  
Michael J. Rinaldi, Esq., Securities and Exchange Commission, One Penn Ctr., 1617 JFK Blvd., Ste. 520, Phila., Pa., 19103, (215) 597-3100

Attorneys (If Known)  
(see attachment)

**II. BASIS OF JURISDICTION (Place an "X" in One Box Only)**

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)**

- |   |                            |                            |   |                            |                            |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
|   | <b>PTF</b>                 | <b>DEF</b>                 |   | <b>PTF</b>                 | <b>DEF</b>                 |
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT (Place an "X" in One Box Only)**

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes

**V. ORIGIN (Place an "X" in One Box Only)**

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from Another District (specify)
- 6 Multidistrict Litigation

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
 15 U.S.C. § 78j(b)  
 Brief description of cause:  
 insider trading

**VII. REQUESTED IN COMPLAINT:**

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. **DEMAND \$** \_\_\_\_\_  
 CHECK YES only if demanded in complaint:  
**JURY DEMAND:**  Yes  No

**VIII. RELATED CASE(S) IF ANY**

(See instructions): JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE: 06/09/2015 SIGNATURE OF ATTORNEY OF RECORD: s/ Michael J. Rinaldi

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

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14 Facsimile: (215) 597-2740

15 **UNITED STATES DISTRICT COURT**  
16 **SOUTHERN DISTRICT OF CALIFORNIA**

17 SECURITIES AND EXCHANGE  
18 COMMISSION,

19 Plaintiff,

20 v.

21 MICHAEL J. FEFFERMAN, CHAD  
22 E. WIEGAND, and AKIS C.  
23 ERACLEOUS,

24 Defendants,

25 and

26 ERACLES PANAYIOUTOU,

27 Relief Defendant.

Case No. \_\_\_\_\_

**ATTACHMENT TO CIVIL COVER  
SHEET**

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