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based on nonpublic information he learned at work. The SEC alleges that John Afriyie found out about an impending acquisition of home security company The ADT Corporation when prospective acquirer Apollo Global Management approached the Manhattan-based investment firm where he was employed and discussed potential debt financing for a public-to-private deal. Afriyie subsequently accessed several highly confidential, deal-related documents on the firm's computer network and purchased thousands of high-risk, out-of-the-money ADT call options in his mother's account in anticipation that ADT's stock price would rise when the transaction was publicly announced. The ADT deal was announced on February 16, and afterwards Afriyie sold all of the ADT options in his mother's account to obtain his illicit profits. In a parallel action, the U.S. Attorney's Office for the Southern District of New York today announced criminal charges against Afriyie. The SEC's complaint against Afriyie, which was filed in U.S. District Court for the Southern District of New York, charges Afriyie with violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5. The complaint also names his mother as a relief defendant for purposes of recovering ill-gotten gains that Afriyie generated by trading in his mother's name. The SEC's continuing investigation is being conducted by Walker Newell and supervised by Jennifer J. Lee of the San Francisco office with assistance from John Rymas of the Market Abuse Unit. The SEC's litigation will be led by Mr. Newell and Marc Katz. 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 Financial Industry Regulatory Authority, and the Options Regulatory Surveillance Authority. Case 1:16-cv-02777 16-cv-2777 See source document(s) for additional information.

**\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY \*\*\***

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**\*\*\*\*\* INCIDENT INFORMATION \*\*\*\*\***

**CASE NUMBER:** 1:16-cv-07398

**JURISDICTION:** Securities and Exchange Commission

**SOURCE:** SEC Admin. Doc(s) & Press Release dated 09/22/16

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