

## Press Release

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# SEC Charges Biopharmaceutical Company Employee with Insider Trading

### FOR IMMEDIATE RELEASE

**2021-155**

*Washington D.C., Aug. 17, 2021* — The Securities and Exchange Commission today charged a former employee of California-based Medivation Inc. with insider trading in advance of Medivation's announcement that it would be acquired by pharmaceutical giant Pfizer Inc.

According to the SEC's complaint, filed in the U.S. District Court for the Northern District of California, Matthew Panuwat, the then-head of business development at Medivation, a mid-sized, oncology-focused biopharmaceutical company, purchased short-term, out-of-the-money stock options in Incyte Corporation, another mid-cap oncology-focused biopharmaceutical company, just days before the Aug. 22, 2016, announcement that Pfizer would acquire Medivation at a significant premium. Panuwat allegedly purchased the options within minutes of learning highly confidential information concerning the merger. According to the complaint, Panuwat knew that investment bankers had cited Incyte as a comparable company in discussions with Medivation and he anticipated that the acquisition of Medivation would likely lead to an increase in Incyte's stock price. The complaint alleges that Medivation's insider trading policy expressly forbade Panuwat from using confidential information he acquired at Medivation to trade in the securities of any other publicly-traded company. Following the announcement of Medivation's acquisition, Incyte's stock price increased by approximately 8%. The complaint alleges that, by trading ahead of the announcement, Panuwat generated illicit profits of \$107,066.

"Biopharmaceutical industry insiders frequently have access to material nonpublic information about mergers, drug trials, or regulatory approvals that impacts the stock price of not only their company, but also other companies in the industry," said Gurbir Grewal, Director of the SEC's Enforcement Division. "The SEC is committed to detecting and pursuing illegal trading in all forms."

The SEC's complaint charges Panuwat with violating the antifraud provisions of the federal securities laws, and seeks a permanent injunction, civil penalty, and an officer and director bar.

The SEC's investigation was conducted by Tracy Combs with the assistance of John Rymas of the Enforcement Division's Market Abuse Unit. The case was supervised by Steven Buchholz, Monique C. Winkler, and Joseph G. Sansone, Chief of the Market Abuse Unit. The litigation will be led by Marc Katz, David Zhou, and Ms. Combs.

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## Related Materials

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- [SEC Complaint](#)