
SEC Charges Former Executive with Insider Trading on a Misappropriation Theory—with a Twist

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On August 17, 2021, the Securities and Exchange Commission (“SEC”) filed a complaint (the “Complaint”) in the U.S. District Court for the Northern District of California against Matthew Panuwat, formerly a business development executive at Medivation, Inc. (“Medivation”), which is a mid-cap oncology-focused biopharmaceutical company. The Complaint alleges that on August 18, 2016, during the course of his employment at Medivation, Mr. Panuwat received an email from Medivation’s Chief Executive Officer stating that the company was about to be acquired by pharmaceutical giant Pfizer, Inc. (“Pfizer”). Within minutes of receiving this information, Mr. Panuwat allegedly used his work computer to purchase out-of-the-money, short-term stock options in Incyte Corporation (“Incyte”), another mid-cap oncology-focused biopharmaceutical company. He allegedly did not seek pre-clearance or authorization of his Incyte trades from anyone at Medivation, and did not inform anyone at Medivation about his Incyte trades.