

Press Release

Former Pharma Company Accountant, Three Others Charged With Insider Trading

FOR IMMEDIATE RELEASE

2017-151

Washington D.C., Aug. 31, 2017— The Securities and Exchange Commission today charged an accountant and three others with insider trading on market-moving news about the New Jersey-based pharmaceutical company where the accountant formerly worked.

The SEC's complaint, filed in federal court in New Jersey, alleges that Evan R. Kita, a CPA and former accountant at Celator Pharmaceuticals Inc., tipped two of his friends with confidential information about the clinical trial results for Celator's cancer drug and its acquisition by Dublin-based Jazz Pharmaceuticals Plc almost three months later. Celator's stock rose more than 400 percent in March 2016 when it announced positive results for its drug to treat leukemia, and Jazz Pharmaceuticals offered to pay a hefty premium in May 2016 to acquire Celator.

According to the SEC's complaint, Daniel Perez and Richard Yu purchased Celator stock based on Kita's tips before the two announcements and agreed to share their trading profits with him. The SEC alleges that Richard Yu passed Kita's tips to his father, Chiang Yu, who also traded in advance of both announcements. To avoid detection, Kita allegedly communicated with Perez and Richard Yu through an encrypted smartphone application.

"The investing public relies on accountants and other gatekeepers to safeguard confidential information, not use it for personal profit," said Kelly L. Gibson, Associate Director of the SEC's Philadelphia Regional Office. "When gatekeepers violate that public trust as Kita allegedly did, the SEC is committed to holding them accountable."

In a parallel action, the U.S. Attorney's Office for the District of New Jersey today filed criminal charges against Kita, Perez, Richard Yu, and Chiang Yu.

The SEC's complaint charges Kita, Perez, Richard Yu, and Chiang Yu with violating antifraud provisions of the federal securities laws and related SEC antifraud rules.

The SEC's continuing investigation is being conducted by David W. Snyder and John S. Rymas and supervised by Ms. Gibson and Joseph G. Sansone, Co-Chief of the Market Abuse Unit. The litigation will be led by Jennifer Chun Barry. The SEC appreciates the assistance of the U.S. Attorney's Office for the District of New Jersey, the Federal Bureau of Investigation, and the Financial Industry Regulatory Authority.

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Related Materials

- [SEC Complaint](#)

