

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100201 / May 21, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21946

In the Matter of

**TERESA PEREZ DE
MADRID,**

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Teresa Perez de Madrid (“Perez” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. This matter involves insider trading by Respondent based on material nonpublic information that she misappropriated involving "Company A". In January 2023, Company A announced that it would be acquired in an all-cash acquisition (the "Announcement"). On the day after the Announcement, the price of Company A's securities, which trade in the United States through American Depositary Shares ("ADS"), rose more than 100 percent. In December 2022, Respondent learned information about the potential acquisition by looking at her husband's work computer while he was working remotely but momentarily away from his desk. Unbeknownst to her husband, on two days in December, in breach of a duty of trust and confidence owed to her husband, Respondent purchased Company A securities while in possession of the material nonpublic information she learned from her husband's computer. Respondent sold all of those securities following the Announcement and realized profits of \$292,850. By engaging in this conduct, Respondent violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Recognizing the seriousness of this misconduct, Respondent did not withdraw the funds, but instead within weeks informed her husband of her conduct and soon thereafter self-reported it to Commission staff.

Respondent

2. Teresa Perez de Madrid, age 50, resides in Spain. She is the owner of a business related to design and real estate. Perez de Madrid has never held any securities license and has never been registered with the Commission.

Relevant Entities

3. **Company A**, headquartered in Europe, was a global, commercial-stage biopharmaceutical company. Prior to the completion of the acquisition, Company A's ADSs were listed on NASDAQ. Company A was an "emerging growth company" and a "foreign private issuer" under applicable Securities and Exchange Commission rules.

4. **Company B**, headquartered in Europe, is an international, research-focused biopharmaceuticals private company that acquired Company A.

Background

5. In the early winter of 2022, Company A and Company B were engaged in nonpublic discussions concerning a potential acquisition by Company B.

6. Respondent's husband, an attorney, was approached by counsel to Company B seeking legal advice regarding certain aspects of a potential acquisition of Company A.

7. At the relevant time in December 2022, Respondent's husband was working from a vacation home.

8. One afternoon in December 2022, while her husband was momentarily out of the room in which he was working, Respondent observed material nonpublic information on the computer screen relating to a possible acquisition of Company A. By virtue of their history, pattern, and practice of sharing confidences, Respondent owed a duty of trust or confidence to her husband, and her husband expected that Respondent would maintain the confidentiality of any material nonpublic information she learned related to his work. Respondent knew or was reckless in not knowing that information she observed was material nonpublic information and that she should not trade on the information.

9. Following that afternoon, on two dates in December 2022, Respondent purchased Company A ADSs in a brokerage account in her own name. Respondent did not inform her husband that she had observed the material nonpublic information or that she purchased ADSs.

10. Respondent knew or was reckless in not knowing that her purchases of Company A ADSs were in breach of the duty of trust or confidence that she owed to her husband.

11. A few weeks later, after market close, Company A and Company B jointly announced that Company B would acquire Company A in an all-cash transaction.

12. The next day, the price of Company A's ADSs increased over 100 percent above the prior day's closing price. Respondent promptly sold her shares and obtained realized gains on her purchases of Company A ADSs of \$292,850.

13. Based on the foregoing, Respondent violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Remedial Measures, Self-Report and Cooperation

14. In determining to accept the Offer, the Commission considered the following:
- a. Respondent did not withdraw any of the proceeds of her sale of Company A ADSs. Instead, within days of selling the shares after the public announcement of the acquisition, she informed her husband that she had placed the trades based on information learned from his computer.
 - b. Through counsel, Respondent then promptly contacted the staff of the Commission to self-report the above conduct and discuss a potential resolution.
 - c. Respondent cooperated with the Commission's investigation, including by voluntarily producing documents and making factual presentations through counsel to the Commission's staff.

Disgorgement

15. The disgorgement and prejudgment interest ordered in paragraph IV.B is consistent with equitable principles, does not exceed Respondent's net profits from her violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest referenced in paragraph IV.B shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

On the basis of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Perez de Madrid cease and desist from committing or causing any violations and any future violations of Sections 10(b) and Rule 10b-5 thereunder.

B. Respondent shall, within 10 days of the entry of this Order, pay disgorgement of \$292,850, and prejudgment interest of \$1,616, for a total of \$294,466 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

C. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Teresa Perez de Madrid as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Scott Thompson, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, 1617 JFK Blvd., Suite 520, Philadelphia, PA 19103.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary