

SEC Charges NFL Player and Former Investment Banker With Insider Trading

FOR IMMEDIATE RELEASE

2018-170

Washington D.C., Aug. 29, 2018 — The Securities and Exchange Commission today charged a professional football player and a former investment banker with insider trading in advance of corporate acquisitions facilitated through coded text messages and FaceTime conversations.

The SEC alleges that after meeting at a party, Mychal Kendricks began receiving illegal tips from Damilare Sonoiki, an analyst at an investment bank who had access to confidential, nonpublic information about upcoming corporate mergers. Kendricks allegedly made \$1.2 million in illegal profits by purchasing securities in companies that were soon to be acquired and then selling his positions after the deals were publicly announced, in one instance generating a nearly 400 percent return on his investment in just two weeks.

According to the SEC's complaint, Kendricks rewarded Sonoiki for his tips and other assistance, which included setting up an online brokerage account that both men could access, by providing cash kickbacks, free NFL tickets, and an evening on the set of a pop star's music video in which Kendricks made a cameo appearance.

"As alleged in our complaint, Kendricks paid cash and shared celebrity perks for illegal tips that enabled him to trade and profit on confidential information that the rest of the investing public didn't have," said Stephanie Avakian, Co-Director of the SEC Enforcement Division.

"Kendricks and Sonoiki allegedly tried to evade detection by using a variety of communication methods to hide their misconduct, but we were able to use methodical investigative work to piece together a trail of evidence and expose their insider trading scheme," said Joseph G. Sansone, Chief of the SEC Enforcement Division's Market Abuse Unit.

The SEC's complaint, filed in federal district court in Philadelphia, charges Kendricks and Sonoiki with fraud and is seeking the return of their ill-gotten trading profits plus interest and penalties.

The U.S. Attorney's Office for the Eastern District of Pennsylvania today announced parallel criminal charges against Kendricks and Sonoiki.

The SEC's investigation, which is continuing, has been conducted by Rachael Clarke and Patrick McCluskey of the Market Abuse Unit in the Philadelphia Regional Office, with the assistance of John Rymas of the unit's Analysis and Detection Center. The litigation will be led by Jennifer Chun Barry. The case has been supervised by Mr. Sansone and Kelly L. Gibson. The SEC appreciates the assistance of the U.S. Attorney's Office for the Eastern District of Philadelphia, the Federal Bureau of Investigation, and the Financial Industry Regulatory Authority.

###

- [SEC Complaint](#)
- [Timeline Graphic](#)