Ex-Fund Manager Settles Insider Trading Claims

By Reuters

A former hedge fund manager and a pharmaceutical executive have agreed to settle federal insider trading charges related to the 2007 takeover of the biotechnology company MedImmune, the Securities and Exchange Commission said Wednesday.

Stephen R. Goldfield, 46, who ran the hedge fund firm Imperium Capital Management in Tampa, Fla., was charged with making $13.98 million in illegal profits by trading in MedImmune securities before AstraZeneca agreed to acquire the company for more than $15 billion.

The S.E.C. also accused James W. Self Jr., 45, Mr. Goldfield's friend and former classmate at the Wharton business school, of tipping him off about the MedImmune sale process with information he learned as an executive director of business development of a New Jersey pharmaceutical company.

Merck's Web site lists a James W. Self as an employee in business development at its vaccine division. Merck did not return a call for comment.

Federal regulators have brought several insider trading cases in recent months after facing criticism for having missed fraud in previous years.

According to the S.E.C., Mr. Goldfield's settlement called for him to pay $16.65 million, reflecting the profit he made plus interest. But he will pay only $600,000 because he lost all the illegal profit by aggressively trading index put options. Mr. Goldfield did not admit wrongdoing.

"Mr. Goldfield is happy with the settlement and is looking forward to putting the matter behind him," Robert Heim, his lawyer, said.

Mr. Self accepted a $50,000 civil fine, also without admitting wrongdoing, the S.E.C. said.

John Grugan, who represents Mr. Self, declined to elaborate on the settlement.