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U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 23601 / July 25, 2016

***Securities and Exchange Commission v. Thomas D. Melvin, et al.,
No. 12-cv-2984 (CAP) (N.D. Ga.)***

SEC Obtains Final Judgment Against Registered Representative for Insider Trading

The Securities and Exchange Commission announced today that on July 20, 2016, the Honorable Charles Pannell of the United States District Court for the Northern District of Georgia entered a final judgment against Michael Sean Cain.

In its complaint, the SEC alleged that Cain, a registered representative, received confidential information from his friend and accountant Thomas Melvin. Specifically, the SEC alleged that Melvin had tipped Cain with confidential information that Melvin misappropriated from a client who was on the board of directors at Chattem, Inc., a Tennessee based pharmaceutical company. The confidential information related to an impending acquisition of Chattem. The SEC alleged that Cain traded based on this material non-public information.

The final judgment, which Cain consented to, permanently enjoins Cain from violating Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder and orders Cain to pay \$36,991.20 in civil penalties.

The SEC's litigation continues against the remaining two defendants.

For further information, see [Press Release 2012-167](#) (Aug. 28, 2012).

<http://www.sec.gov/litigation/litreleases/2016/lr23601.htm>

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Modified: 07/25/2016