## IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,	*
Plaintiff, : Ci	vil Action No.:()
v. :	
JEFF L. SOISSON and KAREN KAYE WALKER,	
Defendants.	

# **COMPLAINT**

Plaintiff Securities and Exchange Commission ("Commission") alleges:

## SUMMARY OF ALLEGATIONS

- 1. The Commission charges Defendants Jeff L. Soisson ("Soisson") and Karen Kaye Walker ("Walker") with committing securities fraud by engaging in illegal insider trading.

  Despite her company's ban on employees trading in the stock of her company and the stock of the proposed merger target, Walker tipped Soisson, her husband, that the proposed merger of the two companies was not going to proceed. Soisson immediately sold his entire stake in the target company—40,006 shares—prior to the public announcement that the merger would not proceed. By selling when he did, Soisson and Walker avoided losses in excess of \$163,000.
- 2. By conduct detailed in this Complaint, Soisson and Walker violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5]. Unless enjoined, Soisson and Walker are likely to commit

such violations again in the future.

3. The Commission seeks a judgment from the Court: (a) enjoining Soisson and Walker from engaging in future violations of the antifraud provisions of the federal securities laws; (b) ordering Soisson and Walker to disgorge, with prejudgment interest, the losses avoided as a result of the actions described herein; and (c) ordering Soisson and Walker to pay a civil money penalty under Section 21A of the Exchange Act [15 U.S.C. § 78u-1].

#### JURISDICTION AND VENUE

- The Commission brings this action under Section 21(d) of the Exchange Act [15
   U.S.C. § 78u(d)].
- 5. The Court has jurisdiction over this action under Sections 21(d), 21(e), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78u-1, and 78aa].
- Soisson and Walker, directly or indirectly, used the means or instruments of
  interstate commerce, the mails, or the facilities of a national securities exchange in connection
  with the acts described herein.
- 7. Venue is proper because certain of the transactions, acts, practices, and courses of business occurred within this judicial district.

## **DEFENDANT**

- 8. Jeff Soisson, 44, resides in Austin, Texas. He is a former president of the U.S. division of a publicly traded company. By early 2008, he had left that company and become a sales representative for a U.S. based technology company.
- Karen Kaye Walker resides in Austin, Texas and is married to Soisson. She is the former communications director for JDA Software, Inc.

## OTHER RELEVANT ENTITIES

- 10. JDA Software, Inc. is a software company based in Scottsdale, Arizona. It is quoted on the NASDAQ under the symbol JDAS.
- i2 Technologies, Inc. is a software supply chain company headquartered in Dallas,
   Texas. Its stock is quoted on NASDAQ under the symbol ITWO.

# STATEMENT OF FACTS

- 12. In 2006, i2 began investigating possible strategic alliances, including mergers, with other technology companies. On December 12, 2007, JDA signed a non-disclosure agreement with i2 to explore a possible merger or acquisition. i2 continued to confer with other parties.
- 13. On July 25, 2008, Walker and a number of other JDA employees were officially informed by JDA's general counsel of JDA's confidential merger talks with i2. The employees were reminded at that time of their fiduciary duty to JDA to keep confidential such material nonpublic information. The general counsel further reminded those employees that insider trading violated the securities laws and that they were barred from buying or selling JDA or i2 shares until further notice.
- 14. On August 11, 2008, JDA and i2 announced that they had reached a final agreement to merge their companies. The agreement provided for JDA to purchase i2 shares at \$14.86 per share.
- 15. After the August 11, 2008 announcement, the merger of JDA and i2 appeared to be headed for completion. On September 17, 2008, JDA announced that the U.S. agencies that review mergers for antitrust issues had not objected to the merger. On September 30, 2008, JDA

further announced that its coalition of banks effectively re-confirmed their willingness to proceed. On October 6, 2008, i2 filed its proxy statement and scheduled its shareholders' meeting for November 6, 2008, to approve the merger. As of that date, Soisson owned a total of 40,006 shares of i2.

- 16. On November 4, 2008, Walker, who was working at home that day, learned from her supervisor that JDA had decided not to proceed with the merger and that she would be working with management to develop the company's public announcement to that effect. The announcement would be released November 5, 2008. The phone call between Walker and her supervisor took place from 1:14 p.m. to 1:29 p.m. on November 4, Central Time.
- 17. At 1:36 p.m., seven minutes after her call with her supervisor ended, Walker called Soisson, who was in Dallas on a business trip on his cell phone, but she did not reach him. At 1:39 p.m., Soisson called Walker back. They talked for two minutes. At 1:59 p.m., Soisson called Walker again, and again they talked for two minutes. At 2:03 p.m., while still in Dallas, Soisson went online and sold all 40,006 of his i2 shares. He sold 39,506 shares at \$14.50 per share and 500 shares at \$14.51 each.
- 18. Before the markets opened on November 5, 2008, JDA issued its press release announcing that it had requested that i2 "adjourn" its shareholders' meeting, scheduled for November 6, 2008. JDA further stated that it had asked i2 to enter into negotiations to reduce the merger consideration. Walker was listed as a contact on the press release.
- 19. Trading in i2 shares opened on November 5, 2008, at \$10.55, down from the \$14.60 close the day before. By the end of the day, i2 closed at \$10.42. By selling his shares on November 4th, Soisson avoided losses of \$163,224.

20. As a result of the conduct described herein, Soisson and Walker violated Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5.

#### FIRST CLAIM

# INSIDER TRADING IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

#### Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

- 21. The Commission realleges and reincorporates paragraphs 1 through 20 as if fully set forth herein.
- 22. Soisson and Walker, with scienter and by use of the means or instrumentalities of interstate commerce or of the mails, in connection with the purchase or sale of securities: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit.
- 23. By reason of the actions alleged herein, Soisson and Walker violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

#### REQUEST FOR RELIEF

Therefore, the Commission respectfully requests that the Court enter a judgment substantially in the form agreed to by the parties and submitted to the Court with this Complaint, which provides for judgment:

(i) permanently enjoining Soisson and Walker from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5];

- (ii) ordering Soisson and Walker to disgorge the losses avoided as a result of the actions alleged herein and to pay prejudgment interest thereon;
- (iii) ordering Soisson and Walker to a pay civil monetary penalty under Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and
- (iv) granting such other relief as this Court may deem just and proper.

Dated: September 8, 2009

Respectfully submitted,

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