

SEC Enforcement Case Summary Insider Trading in Dick's Sporting Goods

On May 10, 2024, the Securities and Exchange Commission (**SEC**) charged Frank T. Poerio, Jr., who had a longstanding relationship with an employee of Dick's Sporting Goods (Ticker: DKS) who had access to multiple internal sources of material non-public information (**MNPI**) about the company's financial results, with insider trading for exploiting the trust of the employee and pumping him for information. According to the SEC's order, Poerio frequently asked the employee for updates on the company's performance. The employee, who was subject to the company's Code of Ethics which prohibited him from communicating MNPI to anyone outside the company, at times responded that such information could not be disclosed. However, on other occasions, he noted the company was doing very well but requested that Poerio not trade in DKS securities. Nevertheless, Poerio traded on the information in advance of the company's quarterly earnings announcements generating more than \$800,000 in profits. Poerio had never traded in DKS stock prior to the employee's employment with the company. However, within months, DKS became the largest holding in Poerio's portfolio. Poerio agreed to a settled action with disgorgement and penalties to be determined by the U.S. District Court for the Western District of Pennsylvania. The U.S. Attorney's Office announced parallel criminal charges.

See Press Release – <https://www.sec.gov/news/press-release/2024-53>