

NFL player Mychal Kendricks accused of insider trading

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The SEC and the Department of Justice charged Cleveland Browns linebacker Mychal Kendricks, who won the 2018 Super Bowl with the Philadelphia Eagles, and Damilare Sonoiki, a Goldman Sachs analyst, with fraud and insider trading. According to the SEC complaint filed in the U.S. District Court for the Eastern District of Pennsylvania, Kendricks allegedly received material nonpublic information from Sonoiki about at least four potential corporate acquisitions. Kendricks allegedly purchased securities in the companies prior to public announcements that the companies were going to be acquired. Kendricks allegedly made a profit of \$1.2 million. The SEC claims that Kendricks compensated Sonoiki by paying him in cash and providing other perks, such as tickets to Philadelphia Eagles football games. If convicted, both Kendricks and Sonoiki face maximum sentences of five years, plus a three-year period of supervised release, a \$5,250,000 fine, and a \$200 special assessment.

Kendricks released a statement apologizing for his conduct, stating “...Four years ago, I participated in insider trading, and I deeply regret it. I invested money with a former friend of mine who I thought I could trust and who I greatly admired. His background as a Harvard graduate and an employee of Goldman Sachs gave me a false sense of confidence.”

Prominent athletes are frequently approached by many individuals, including friends and former friends, with various money making schemes, potential deals and investments. Some of these individuals may have legitimate professional backgrounds that may provide a false sense of security and trust. Regardless of who the person is and where they are employed, if you're a public figure, it's vital to have your attorney and business manager and/or financial advisor review each deal that gets presented to you. No deal or investment is worth the consequences Kendricks is unfortunately facing.

<https://www.sec.gov/litigation/complaints/2018/comp-pr2018-170.pdf>

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