

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100819 / August 26, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22033

In the Matter of

DILEEP MURTHY,

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Dileep Murthy (“Murthy” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over his and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

Summary

This matter involves insider trading by Murthy in the securities of Macquarie Infrastructure Corporation (“Macquarie Infrastructure”) in advance of the June 7, 2021 announcement that

Macquarie Infrastructure had entered into an agreement to sell its Atlantic Aviation business (the “Announcement”). Murthy obtained material nonpublic information (“MNPI”) about the prospective sale through his employment at an affiliated entity, the Macquarie Group (“Macquarie Group”). Between May 17, 2021 and June 4, 2021, in violation of his duties to the Macquarie Group, Murthy bought Macquarie Infrastructure call options while in possession and on the basis of this MNPI. When Macquarie Infrastructure’s stock price rose by approximately 10.9% following the Announcement, Murthy generated ill-gotten gains of \$88,006.59.

Respondent

1. **Murthy**, age 34, resides in New York, New York. Murthy has been employed by a subdivision of Macquarie Group since approximately 2011, and during the relevant period was a Vice President in the investor relations department with responsibilities relating to Macquarie Infrastructure.

Other Relevant Entities

2. The **Macquarie Group** is a diversified international provider of financial, advisory, and investment services headquartered in Sydney, Australia. The Macquarie Group is listed on the Australian Securities Exchange, trading under the symbol “MQG.”

3. **Macquarie Infrastructure** was, during the relevant period, an SEC-reporting issuer incorporated in Delaware and headquartered in New York, New York. During the relevant period, Macquarie Infrastructure was managed by a wholly owned subsidiary of the Macquarie Group, which was also a major shareholder. Macquarie Infrastructure owned and operated an airport services business, Atlantic Aviation, as well as entities involved in energy services, production, and distribution. During the relevant period, Macquarie Infrastructure’s common stock was registered pursuant to Section 12(g) of the Exchange Act and was listed on the New York Stock Exchange, trading under the symbol “MIC.”

Facts

5. In January 2021, Macquarie Infrastructure decided to sell its Atlantic Aviation subsidiary (an airport services business). Macquarie Infrastructure requested that potential bidders provide indications of interest by March 17, 2021, and updated bids by May 26, 2021. KKR & Co. Inc. (“KKR”), among other potential acquirers, indicated interest in March 2021, and followed up with bids on May 11, May 26, and June 4, 2021. Before market open on June 7, 2021, Macquarie Infrastructure and KKR announced that they had signed an agreement for Macquarie Infrastructure to sell Atlantic Aviation to KKR for approximately \$4.475 billion.

6. In his capacity as a member of the investor relations department at the Macquarie Group with responsibilities relating to Macquarie Infrastructure, Respondent was privy to confidential information about the upcoming sale. Beginning on May 17, 2021 and continuing through June 4, 2021, while Macquarie Infrastructure and KKR were negotiating and finalizing the

sale, Respondent bought a total of 505 Macquarie Infrastructure call options in a brokerage account held in the name of another person.

7. Following the Announcement on June 7, 2021, the price of Macquarie Infrastructure stock increased by approximately 10.9%, and, as a result, Respondent's Macquarie Infrastructure call options increased in value by approximately \$88,006.

8. As a Vice President and manager in the investor relations department at a subdivision of the Macquarie Group, Respondent was subject to the Macquarie Group's policies and procedures concerning insider trading and treatment of MNPI obtained in connection with his employment, including the purchase or sale of substantial assets. Under those policies, which were in effect during 2021, Respondent had a duty to the Macquarie Group not to trade securities while in possession of MNPI obtained through his work, or to disclose such MNPI without a corporate purpose to persons outside of the Macquarie Group or its affiliates. Respondent provided quarterly certifications confirming he had received and was in compliance with the Macquarie Group's policies on personal trading, including requirements for disclosure of accounts, preclearance of trading, and a prohibition against trading on MNPI.

9. Respondent knew or was reckless in not knowing that the information he possessed regarding the potential sale of Atlantic Aviation was material and nonpublic. Respondent also knew or was reckless in not knowing that by trading on this MNPI, he breached a duty of trust and confidence to his employer.

10. As a result of the conduct described above, Respondent violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

Disgorgement

11. The disgorgement and prejudgment interest ordered in paragraph IV.C. is consistent with equitable principles, does not exceed Respondent's net profits from his violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in paragraph IV.C. shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent be, and hereby is, barred for a period of five (5) years from the entry of this Order from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78I] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

C. Respondent shall pay disgorgement of \$88,006.59, prejudgment interest of \$13,711.30 and civil penalties of \$88,006.59 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: \$95,000.00 within 14 days of entry of this Order, a second payment of \$47,500 within 180 days of the entry of this Order, and a final payment within 365 days of the entry of this Order. Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 and pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Dileep Murthy as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Joseph G. Sansone, Division of

Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY 10004-2616.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary