

JAN 10 2022

JUDGE SHAH

MAGISTRATE JUDGE COX

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)

No.

22 CR 00015

v.

CHRISTOPHER KLUNDT and)
DAVID SARGENT)

Violations: Title 15, United States
Code, Sections 78j(b) and 78ff(a),
and 17 C.F.R. Section 240.10b-5;
Title 18, United States Code,
Sections 371 and 1348(1)

COUNT ONE

The SPECIAL NOVEMBER 2020 GRAND JURY charges:

1. At times material to this Indictment:

a. Defendant CHRISTOPHER KLUNDT, a resident of California, was a management-level employee of Company A.

b. Defendant DAVID SARGENT, a resident of Chicago, Illinois, was an attorney licensed to practice law in the State of Illinois.

c. Defendants CHRISTOPHER KLUNDT and DAVID SARGENT, who had been friends since attending college together, had co-founded in or about 2007 a company that had been acquired by Company A in or about 2018. Following that acquisition, KLUNDT continued to work for Company A, while SARGENT did not.

d. Individual A, who resided in Chicago, Illinois, was a friend and business associate of DAVID SARGENT.

e. Company A was a publicly traded company with its principal place of business in Santa Clara, California. Company A was engaged in the business of, among other things, education technology. Company A's stock was listed on the New York Stock Exchange and the NASDAQ, both of which were national securities exchanges.

f. On or about May 1, 2020, CHRISTOPHER KLUNDT attended via Zoom an internal Company A meeting during which information about Company A's First Quarter 2020 earnings were discussed in preparation for the public announcement of those earnings scheduled for May 4, 2020.

g. On or about May 4, 2020, Company A publicly announced First Quarter earnings, and the price of Company A's shares rose dramatically following the announcement.

h. As an employee of Company A, CHRISTOPHER KLUNDT owed a duty of trust and confidence to maintain the confidentiality of material, non-public information he learned as part of his job, and was prohibited from trading Company A stock based on that information.

i. Company A had a written policy expressly forbidding insider trading, based on material, non-public information about Company A or the companies with which it did business, in connection with buying or selling