



# Department of Justice

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District of Delaware

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## **NEWARK MAN PLEADS GUILTY TO INSIDER TRADING CHARGES**

Charles M. Oberly, United States Attorney for the District of Delaware, announced today that Jeffery Temple of Newark, DE, entered a guilty plea before U.S. District Judge Sue L. Robinson late on Thursday, March 24, 2011, to one count of securities fraud. Co-defendant Benedict Pastro also entered a plea to one count of securities fraud on March 10, 2011. As a result of their pleas, each defendant faces a maximum term of 20 years imprisonment, and a fine of up to \$5,000,000.

According to the indictment and statements made in court, during the period from June 2009 through September 2010, the defendants conducted securities trades in the securities of over sixteen (16) different public companies based on inside information that Temple obtained by virtue of his position as the network security manager for Richards Layton & Finger, a prominent Wilmington law firm. In this role, Temple was responsible for managing the firm's information technology systems, and had access to data on the firm's computer network.

The inside information that Temple obtained related to upcoming public announcements of mergers and acquisitions involving clients of the law firm. Temple would share the information with Pastro, his brother-in-law, and both defendants would purchase stocks and options just prior to the public announcements at issue. Once the public announcements were made, resulting in an increase in the price of the company's stock, the defendants would sell their shares and/or options. According to statements made during the plea hearing, the companies

involved included Facet Biotech Corporation, Odyssey Healthcare, Inc., and Southwest Water Company. As a result of executing securities transactions based on the inside information, the defendants collectively obtained over \$160,000 in illegal profits. Sentencing in Mr. Temple's case is scheduled for June 2011.

In June 2010, the United States Attorney's Office for the District of Delaware and the Delaware Department of Justice formed a Securities Fraud Working Group. Led by State Securities Commissioner Peter O. Jamison, III, and Keith M. Rosen, the Chief of the U.S. Attorney's Office Criminal Division, the working group has brought together federal and state resources to help address the problem of investment fraud in Delaware. Other federal law enforcement participants in the working group include the FBI, IRS, ICE, and the U.S. Postal Inspection Service.

The U.S. Attorney praised the work of the FBI in investigating this case, and thanked the Philadelphia Regional Office of the Securities and Exchange Commission for its invaluable assistance. The case is being prosecuted by Assistant United States Attorneys Keith M. Rosen and Shawn A. Weede.

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