



*United States Attorney
Southern District of New York*

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**SENIOR MANAGING DIRECTOR AT NEW CASTLE HEDGE FUND
PLEADS GUILTY IN MANHATTAN FEDERAL COURT TO
INSIDER TRADING**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today that MARK KURLAND pleaded guilty to a two-count Information charging him with conspiracy and securities fraud stemming from his involvement in the largest hedge fund insider trading case in history. KURLAND was a Senior Managing Director at New Castle Partners ("New Castle"), which formerly operated as an equity hedge fund at Bear Stearns Asset Management and then JP Morgan Chase. KURLAND pleaded guilty before United States Magistrate Judge RONALD L. ELLIS to conspiring to commit insider trading crimes with DANIELLE CHIESI, who formerly worked at New Castle, and who is charged separately in an Indictment with RAJ RAJARATNAM. KURLAND also pleaded guilty to substantive securities fraud.

KURLAND consented today to the filing of a criminal Information against him in Manhattan federal court. According to the Information, as well as statements made during today's guilty plea proceeding:

From mid-August 2008 through January 2009, KURLAND and CHIESI participated in a scheme to execute securities transactions based on material, nonpublic information ("Inside Information") pertaining to Advanced Micro Devices, Inc. ("AMD"), Akamai Technologies, Inc. ("Akamai"), and Sun Microsystems Inc. ("Sun"). As part of the conspiracy, CHIESI obtained Inside Information from sources at Akamai and International Business Machines Corp. ("IBM"). CHIESI provided that Inside Information to KURLAND with the understanding that New Castle, at KURLAND's direction, would trade based on it. CHIESI also got KURLAND's permission to direct trading at New Castle on the basis of that Inside Information. KURLAND knew that the Inside Information CHIESI obtained from her sources at Akamai and IBM was obtained in breach of fiduciary and other duties of trust and confidence.

The Information charges KURLAND with one count of conspiracy to commit securities fraud and one count of securities fraud. The conspiracy count carries a maximum sentence of five years in prison and a maximum fine of the greater of \$250,000 or twice the gross gain or loss from the offense. The securities fraud count carries a maximum sentence of 20 years in prison and a fine of \$5 million. KURLAND is also subject to forfeit the proceeds of his crimes.

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KURLAND, 61, resides in Mt. Kisco, New York. His case is assigned to United States District Judge VICTOR MARRERO. KURLAND is scheduled to be sentenced on April 27, 2010.

United States Attorney PREET BHARARA said: "Hedging your bets with illegal inside information isn't savvy business; it's a violation of federal law. Today, Mark Kurland has accepted the consequences of his calculating, criminal choice."

Mr. BHARARA praised the work of the Federal Bureau of Investigation and thanked the United States Securities and Exchange Commission for its assistance in the investigation. Mr. BHARARA also noted that the investigation is continuing.

Assistant United States Attorneys JONATHAN STREETER and REED BRODSKY and Special Assistant United States Attorney ANDREW MICHAELSON are in charge of the prosecution.

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