



*United States Attorney  
Southern District of New York*



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**THREE WALL STREET PROFESSIONALS FOUND GUILTY IN  
MANHATTAN FEDERAL COURT OF INSIDER TRADING CRIMES**

*Defendants And Co-Conspirators, Convicted On All Counts, Earned  
Millions In Illegal Profits*

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that ZVI GOFFER, who worked at the Schottenfeld Group LLC and Incremental Capital; EMANUEL GOFFER, who worked at Spectrum Trading LLC and Incremental Capital; and MICHAEL KIMELMAN, who worked with Incremental Capital, were found guilty today by a jury in Manhattan federal court of conspiracy and securities fraud crimes in connection with their participation in an insider trading ring comprised of Wall Street professionals and attorneys. The GOFFER brothers and KIMELMAN were convicted after a -week trial presided over by U.S. District Judge RICHARD J. SULLIVAN.

Manhattan U.S. Attorney PREET BHARARA stated: "Zvi Goffer may have had a reputation in the hedge fund world for being ubiquitous, but today he, along with his brother Emanuel and Michael Kimelman, discovered they are not above the law. Since this case was first brought by this office, our prosecutions have been responsible for dismantling elaborate networks of corrupt executives who gamed the system, exploited their access to proprietary information, shirked their ethical responsibilities, and violated the law with impunity. With today's guilty verdicts, each and every one of the defendants originally arrested in the Galleon insider trading investigation now stands convicted. And we will continue to work tirelessly with our partners at the FBI to root out corporate corruption on Wall Street and to hold privileged professionals who gallop over the line accountable for their actions."

According to the Superseding Indictment filed in Manhattan federal court, other court documents, and statements made during related court proceedings:

The defendants, along with their co-conspirators, including JASON GOLDFARB, who was an attorney in New York, New York; ARTHUR CUTILLO and BRIEN SANTARLAS, who were attorneys at the law firm of Ropes & Gray LLP in New York, New York; CRAIG DRIMAL, who worked in the office of the now-defunct Galleon Group ("Galleon"), but was not employed by Galleon; and DAVID PLATE, who worked as a proprietary trader at The Schottenfeld Group, operated an insider trading network through which ZVI GOFFER obtained, revealed, and traded on material, nonpublic information (the "Inside Information") regarding mergers and acquisitions of public companies.

ZVI GOFFER and others paid sources, including CUTILLO and SANTARLAS, in exchange for Inside Information. In violation of their duties of confidentiality to Ropes & Gray and its clients, CUTILLO and SANTARLAS provided Inside Information about several mergers and acquisitions of public companies for which Ropes & Gray was providing legal services prior to the public announcements of the deals, as well as other information that they learned in the course of their employment at the law firm. EMANUEL GOFFER and MICHAEL KIMELMAN, among others, received this Inside Information. For example, CUTILLO and SANTARLAS received cash payments for providing Inside Information concerning the acquisition of 3Com Corporation and Axcan Pharma, Inc., to GOLDFARB, who passed the Inside Information to ZVI GOFFER. GOFFER subsequently passed the Inside Information concerning 3Com to others, including EMANUEL GOFFER and MICHAEL KIMELMAN, who also earned profits trading on the information.

These defendants, along with their co-conspirators, DRIMAL and PLATE, traded hundreds of thousands of shares of stock based on the Inside Information and collectively earned millions of dollars in profits for themselves and their firms.

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ZVI GOFFER, 34, of New York, New York, was convicted of two counts of conspiracy to commit securities fraud and 12 counts of securities fraud. EMANUEL GOFFER, 32, of New York, New York and MICHAEL KIMELMAN, 40, of Larchmont, New York, were each convicted of one count of conspiracy to commit securities fraud and two counts of securities fraud.

Each of the conspiracy counts carries a maximum sentence of five years in prison and a fine of the greater of \$250,000 or twice the gross gain or loss from the offense. Each of the securities fraud counts carries a maximum sentence of 20

years in prison and a fine of \$5 million or twice the gross gain or loss from the offense.

ZVI GOFFER is scheduled to be sentenced by Judge SULLIVAN on September, 21, 2011, at 2:00 p.m.

EMANUEL GOFFER is scheduled to be sentenced by Judge SULLIVAN on October 7, 2011, at 10:00 a.m.

MICHAEL KIMELMAN is scheduled to be sentenced by Judge SULLIVAN on October 7, 2011, at 2:00 p.m.

GOLDFARB, 32 of New York, New York; CUTILLO, 34, of Ridgewood, New Jersey; DRIMAL, 55, of Weston, Connecticut; PLATE, 36, of New York, New York; SANTARLAS, 34, of Hoboken, New Jersey; and SHANKAR, have all previously pled guilty to conspiracy and securities fraud charges.

Mr. BHARARA praised the extraordinary work of the Federal Bureau of Investigation. He also thanked the SEC for its assistance in the investigation of this case.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, on which U.S. Attorney Bharara serves as a co-chair of the Securities and Commodities Fraud Working Group. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Assistant U.S. Attorneys ANDREW L. FISH and RICHARD C. TARLOWE are in charge of the prosecution.

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