

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

DENISE GREVAS

No. 21 CR 512

Judge Harry D. Leinenweber

PLEA AGREEMENT

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, JOHN R. LAUSCH, JR., and defendant DENISE GREVAS, and her attorneys, PATRICIA BROWN HOLMES, JAKE KAHN, and ANDREW CALDERON is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure. The parties to this Agreement have agreed upon the following:

Charge in This Case

2. The information in this case charges defendant with securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78(ff) and Title 17, Code of Federal Regulations, Section 240.10b-5.

3. Defendant has read the charge against her contained in the information, and that charge has been fully explained to her by her attorney.

4. Defendant fully understands the nature and elements of the crime with which she has been charged.

Charge to Which Defendant Is Pleading Guilty

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the information, which charges defendant with securities fraud, in violation

of Title 15, United States Code, Sections 78j(b) and 78(ff) and Title 17, Code of Federal Regulations, Section 240.10b-5.

Factual Basis

6. Defendant will plead guilty because she is in fact guilty of the charge contained in the information. In pleading guilty, defendant admits the following facts and that those facts establish her guilt beyond a reasonable doubt and constitute relevant conduct pursuant to Guideline § 1B1.3:

Beginning no later than August 2019, and continuing through September 2019, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant directly and indirectly, by the use of a means and instrumentality of interstate commerce, namely, the internet, willfully used and employed, in connection with the purchase and sale of securities, a manipulative and deceptive device and contrivance, in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing a device and scheme to defraud; and (b) engaging in an act, practice, and a course of business which operated and would operate as a fraud and deceit upon any person, in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a).

Defendant's spouse, Individual A, was employed in Illinois by Company A, a Denmark- based pharmaceutical company, as director of compensation, benefits, and HR operations for Company A's U.S. operations. In connection with his employment, Individual A had access to and learned material nonpublic information about Company A's business operations. Company A had a written policy expressly

forbidding its employees from using material nonpublic information learned in the course of the employee's job duties to personally profit, and that such activity could constitute a criminal offense. As such, Individual A owed Company A a duty of confidentiality as to any material nonpublic information that he learned through his employment at Company A. As Individual A's spouse, defendant owed a duty of confidentiality to Individual A, and in turn to Company A, which also precluded defendant from using material nonpublic information about Company A that defendant learned from Individual A. As a result, defendant could not use or share any confidential information that she obtained or learned from Individual A that had been entrusted to him through his employment with Company A.

In or around July 2019, Individual A was selected to work on a due diligence team in connection with his employment at Company A. One month later, on or about August 19, 2019, Individual A learned that the due diligence project concerned an upcoming acquisition that Company A was making of Company B, a pharmaceutical company headquartered in the state of Washington whose stock traded on the NASDAQ stock exchange. Company A prohibited employees working on the due diligence project, including Individual A, from disclosing information about the acquisition and from making trades in either Company A or Company B's stock during the insider period.

On or about August 19, 2019, Individual A called defendant at approximately 11:55 a.m. and had a 16 and a half minute telephone conversation with her. During that telephone conversation, Individual A told defendant that he was going to be busy

at work for the foreseeable future given his work on the due diligence project. During that conversation, Individual A told defendant the name of the acquisition target—Company B. Given the nature of this conversation, defendant knew that Individual A expected that she would maintain the confidentiality of this information and would not use or share it. Because the acquisition of Company B by Company A was material nonpublic information, and given the fact that defendant learned of this information in confidence from Individual A, defendant was prohibited from using the information to trade in Company B's stock.

Prior to receiving the August 19, 2019, phone call from Individual A, defendant had not purchased Company B's stock in several years. On August 19, 2019—after receiving information from Individual A about Company B—defendant purchased 1,100 shares of Company B's stock. Over the next month, between August 19, 2019, and September 13, 2019, defendant used five separate brokerage accounts, two of which were her family members' accounts over which she had control, to purchase 30,800 shares of Company B's stock over the internet in 145 separate transactions for between \$8 and \$10 a share. In total, during that time period, defendant purchased approximately \$280,787 worth of Company B's stock. Defendant purchased these shares of Company B's stock because of the material nonpublic information about Company A's acquisition of Company B that she learned from Individual A.

On the morning of September 16, 2019, Company A publicly announced its acquisition of Company B for a price of up to \$20 per share. This announcement

caused the price of Company B's stock to increase from approximately \$8 to \$10 a share to approximately \$18 a share. At approximately 8:02 a.m. on September 16, 2019, Individual A called defendant and they had a telephone conversation that lasted eight minutes and 55 seconds. In that conversation, Individual A told defendant about the acquisition announcement. In turn, defendant for the first time told Individual A that she purchased Company B's stock over the prior month and learned that Individual A was subject to a trading blackout period.

On September 16, 2019 and September 20, 2019, after the acquisition announcement, defendant sold all of the shares of Company B's stock that she had purchased between August 19, 2019 and September 13, 2019. In total, defendant made \$286,960 from selling Company B's stock after the acquisition announcement.

In sum, defendant misappropriated for her own benefit material nonpublic information she obtained from Individual A about Company's A acquisition of Company B, in breach of the duties of trust and confidence that defendant owed to Individual A. While in possession of this material nonpublic information, defendant used it to purchase Company B's securities. As a result of these trades, defendant made illegal profits of approximately \$286,960.

On or about August 19, 2019, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant, in connection with the purchase and sale of a security, willfully used and caused the use of a means and instrumentality of interstate commerce, namely, the internet, to enter an order to purchase 100 shares of Company B stock; in violation of Title 15, United States Code, Sections 78j(b) and

78ff(a), and Title 17, Code of Federal Regulations, Section 240.10b-5.

Maximum Statutory Penalties

7. Defendant understands that the charge to which she is pleading guilty carries the following statutory penalties:

a. A maximum sentence of 20 years' imprisonment. This offense also carries a maximum fine of \$5,000,000. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

b. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on the charge to which she has pled guilty, in addition to any other penalty imposed.

Sentencing Guidelines Calculations

8. Defendant understands that in determining a sentence, the Court is obligated to calculate the applicable Sentencing Guidelines range, and to consider that range, possible departures under the Sentencing Guidelines, and other sentencing factors under 18 U.S.C. § 3553(a), which include: (i) the nature and circumstances of the offense and the history and characteristics of the defendant; (ii) the need for the sentence imposed to reflect the seriousness of the offense, promote respect for the law, and provide just punishment for the offense, afford adequate deterrence to criminal conduct, protect the public from further crimes of the defendant, and provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner; (iii) the

kinds of sentences available; (iv) the need to avoid unwarranted sentence disparities among defendants with similar records who have been found guilty of similar conduct; and (v) the need to provide restitution to any victim of the offense.

9. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2018 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level is 8, pursuant to Guideline § 2B1.4(a).

ii. The offense level is increased by 12 levels pursuant to Guideline §§ 2B1.4(b)(1) and 2B1.1(b)(G) because defendant's gain of \$286,960 is greater than \$250,000, but does not exceed \$550,000.

iii. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for her criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for her actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to her ability to satisfy any fine that may be imposed in this case, a two-level reduction in the

offense level is appropriate.

iv. In accord with Guideline § 3E1.1(b), defendant has timely notified the government of her intention to enter a plea of guilty, thereby permitted the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently. Therefore, as provided by Guideline § 3E1.1(b), if the Court determines the offense level to be 16 or greater prior to determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government, defendant's criminal history points equal 0 and defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guideline Range.**

Therefore, based on the facts now known to the government, the anticipated offense level is 17 which, when combined with the anticipated criminal history category of I, results in an anticipated advisory sentencing guidelines range of 24 to 30 months' imprisonment, in addition to any supervised release and fine the Court may impose. Defendant and her attorney and the government acknowledge that the above guidelines calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional guidelines provisions apply in this case. Defendant

understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw her plea on the basis of the Court's rejection of these calculations.

10. Both parties expressly acknowledge that this Agreement is not governed by Fed. R. Crim. P. 11(c)(1)(B), and that errors in applying or interpreting any of the sentencing guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the guidelines. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw her plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

Agreements Relating to Sentencing

11. Each party is free to recommend whatever sentence it deems appropriate.

12. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, defendant will have no right to withdraw her guilty plea.

13. Regarding restitution, the parties agree that restitution is not applicable, pursuant to Title 18, United States Code, Section 3663A(c)(3)(B), because determining complex issues of fact related to identifying particular victims and the amount of those victims' losses would complicate or prolong the sentencing process to a degree that the need to provide restitution to any victim is outweighed by the burden on the sentencing process.

14. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order payable to Clerk of the U.S. District Court.

15. Defendant agrees that the United States may enforce collection of any fine imposed in this case pursuant to Title 18, United States Code, Sections 3572, 3616, and 3664(m), notwithstanding any payment schedule set by the Court.

Forfeiture

16. The information charges that defendant is liable to the United States for approximately \$286,960, which funds are subject to forfeiture because those funds constitute proceeds of the scheme alleged in the information. By entry of a guilty plea to the information, defendant acknowledges that proceeds of trades described in the information, and above in paragraph 6, are subject to forfeiture.

17. Defendant agrees to the entry of a forfeiture judgment in the amount of \$286,960. Prior to sentencing, defendant agrees to the entry of a preliminary order of forfeiture relinquishing any right ownership she has in the above-described funds

and further agrees to the seizure of these funds so that these funds may be disposed of according to the law. Defendant understands that forfeiture of this property shall not be treated as satisfaction of any fine, cost of imprisonment, or any other penalty the Court may impose upon defendant in addition to the forfeiture judgment.

18. The government agrees that Defendant should receive credit toward any forfeiture judgment for prompt payment of any civil monetary penalty or disgorgement imposed in related proceedings, such as a civil proceeding commenced by the Securities and Exchange Commission, arising out of the same conduct that is the subject offense described herein.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

19. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 21 CR 512.

20. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial

civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

Waiver of Rights

21. Defendant understands that by pleading guilty she surrenders certain rights, including the following:

a. **Right to be charged by indictment.** Defendant understands that she has a right to have the charge prosecuted by an indictment returned by a concurrence of twelve or more members of a grand jury consisting of not less than sixteen and not more than twenty-three members. By signing this Agreement, defendant knowingly waives her right to be prosecuted by indictment and to assert at trial or any appeal any defects or errors arising from the information, the information process, or the fact she has been prosecuted by way of information.

b. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charge against her, and if she does, she would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge

sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and her attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict her unless, after hearing all the evidence, it was persuaded of her guilt beyond a reasonable doubt. The jury would have to agree unanimously before it could return a verdict of guilty or not guilty.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and her attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in her own behalf. If the witnesses for defendant would not appear voluntarily, she could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that she could decline to testify, and no inference of guilt could be drawn from her refusal to testify. If defendant desired to do so, she could testify in her own behalf.

viii. With respect to forfeiture, defendant understands that if the case were tried before a jury, she would have a right to retain the jury to determine whether the government had established the requisite nexus between defendant's offense and any specific property alleged to be subject to forfeiture.

c. **Appellate rights.** Defendant further understands she is waiving all appellate issues that might have been available if she had exercised her right to trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

22. Defendant understands that by pleading guilty she is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to her, and the consequences of her waiver of those rights.

Presentence Investigation Report/Post-Sentence Supervision

23. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope, and extent of defendant's conduct regarding the charge against her, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

24. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of her financial circumstances, including her recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of her sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

25. For the purpose of monitoring defendant's compliance with her obligations to pay a fine during any term of supervised release or probation to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual

income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release or probation to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

Other Terms

26. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

27. Defendant understands that, if convicted, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

Conclusion

28. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

29. Defendant understands that her compliance with each part of this Agreement extends throughout the period of her sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event she violates this Agreement, the government, at its

option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.


30. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

31. Defendant and her attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

32. Defendant acknowledges that she has read this Agreement and carefully reviewed each provision with her attorney. Defendant further acknowledges that she understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: October 21, 2021

MATTHEW
MADDEN

 Digitally signed by MATTHEW
MADDEN
Date: 2021.10.06 08:59:42 -05'00'

Signed by Matthew F. Madden on behalf of
JOHN R. LAUSCH, JR.
United States Attorney

Denise Grevas
Denise Grevas (Oct 7, 2021 11:11 CDT)

DENISE GREVAS
Defendant

/s/ Jared Hasten

JASON YONAN
JARED HASTEN
Assistant U.S. Attorneys

/s/ Patricia Brown Holmes

PATRICIA BROWN HOLMES
JAKE KAHN
ANDREW CALDERON
Attorney for Defendant