

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

-v.-

SANDEEP GOYAL,
a/k/a "Sandy Goyal,"

Defendant.

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SEALED INFORMATION

11 Cr.

11 CRIM 935

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The United States Attorney charges:

Relevant Entities and Individuals

1. From in or about May 2007 through in or about October 2011, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, worked as an associate analyst for a global asset management firm based in New York, New York. Prior to that, from in or about the summer of 2006 through in or about May 2007, GOYAL worked as a research associate in the equity research department of a global financial services company. From in or about 2003 through in or about the summer of 2006, GOYAL worked for Dell, Inc. ("Dell"), at Dell's corporate headquarters in Round Rock, Texas.

2. At all times relevant to this Information, Dell was a technology company listed on the Nasdaq Stock Market under the ticker symbol "DELL." Furthermore, at all times relevant to this Information, Dell's policies prohibited the unauthorized disclosure of Dell's confidential information. Among other

things, Dell's policies provided that "Dell employees have a duty to protect confidential Dell information" and that "[i]t is a violation of Dell policy to use confidential information obtained during employment at Dell for personal gain." Dell's policies further provided that Dell's "confidential information should never be discussed with non-Dell employees . . . and should only be provided to or discussed with Dell employees for valid business reasons."

3. From in or about 2004 through in or about early 2010, a coconspirator not named herein ("CC-1") was an employee of Dell, and worked at Dell's corporate headquarters in Round Rock, Texas. From in or about March 2007 through in or about March 2009, CC-1 worked in Dell's investor relations department, and from in or about March 2009 through in or about April 2010, CC-1 worked in Dell's corporate development department.

4. At all times relevant to this Information, a coconspirator not named herein ("CC-2") was an analyst for a hedge fund based in Stamford, Connecticut (the "Hedge Fund"). At certain times relevant to this Information, the Hedge Fund had approximately \$4 billion in assets under management.

The Insider Trading Scheme

5. From in or about late 2007 through in or about late 2009, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, and others known and unknown, engaged in an insider trading scheme in

which GOYAL obtained material, nonpublic information from CC-1 concerning the quarterly financial results of Dell (the "Inside Information"), and then provided that Inside Information to CC-2 so that the Hedge Fund could execute profitable securities transactions on the basis of the Inside Information. The Inside Information included specific information about Dell's quarterly revenues, gross margins, and/or operating margins before that information was made public in connection with the company's quarterly earnings announcements.

6. After receiving the Inside Information from SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, CC-2 shared the Inside Information with one or more coconspirators at the Hedge Fund (the "Hedge Fund Coconspirators"). The Hedge Fund Coconspirators, and others known and unknown, then executed and caused others to execute transactions in the securities of Dell based in whole or in part on the Inside Information, resulting in substantial profits for the Hedge Fund.

7. For example, in advance of Dell's May 29, 2008 public announcement of its financial results for the quarter ended April 30, 2008, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, obtained from CC-1, and provided to CC-2, Inside Information concerning Dell's quarterly financial results. The Inside Information indicated that Dell's gross margins would exceed prevailing market expectations. CC-2 provided this Inside

Information to one or more of the Hedge Fund Coconspirators, and based in whole or in part on that Inside Information, one or more of the Hedge Fund Coconspirators caused the Hedge Fund to purchase shares of Dell stock.

8. Shortly after Dell's May 29, 2008 public earnings announcement, which caused the price of Dell shares to increase by approximately 5%, one or more of the Hedge Fund Coconspirators caused the Hedge Fund to sell all of the Dell shares that it held at the time of the announcement, realizing illegal profits of approximately \$1 million for the Hedge Fund.

9. As another example, in advance of Dell's August 28, 2008 public announcement of its financial results for the quarter ended July 31, 2008, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, obtained from CC-1, and provided to CC-2, Inside Information concerning Dell's quarterly financial results, indicating that Dell's gross margins would be materially lower than prevailing market expectations. CC-2 provided this Inside Information to one or more of the Hedge Fund Coconspirators, and based in whole or in part on that Inside Information, one or more of the Hedge Fund Coconspirators caused the Hedge Fund to sell short shares of Dell stock and purchase Dell put option contracts.

10. Shortly after Dell's August 28, 2008 public earnings announcement, which caused the price of Dell shares to drop by approximately 13%, one or more of the Hedge Fund

Coconspirators caused the Hedge Fund to cover its entire short position in Dell and to sell all of the Dell put options that had been purchased by the Hedge Fund, realizing illegal profits of more than \$2 million.

11. In exchange for providing information, including the Inside Information, to CC-2, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, received payments from the Hedge Fund totaling approximately \$75,000 in or about 2008, and approximately \$100,000 in or about 2009. The payments were made, at the direction of the Hedge Fund, through soft dollar payments to a relative of GOYAL's.

12. The Inside Information that SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, obtained from CC-1 and provided to CC-2 was obtained in violation of: (i) fiduciary and other duties of trust and confidence that CC-1 owed to Dell and Dell's shareholders; (ii) expectations of confidentiality held by Dell; and (iii) Dell's written policies regarding the use and safekeeping of confidential information.

The Conspiracy

13. From in or about late 2007 through in or about late 2009, in the Southern District of New York and elsewhere, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an

offense against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Object of the Conspiracy

Securities Fraud

14. It was a part and an object of the conspiracy that SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon any person, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Means and Methods of the Conspiracy

15. Among the means and methods by which SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, and others known and unknown, would and did carry out the conspiracy were the following:

a. CC-1 disclosed the Inside Information to GOYAL in violation of CC-1's duties of trust and confidence.

b. GOYAL provided the Inside Information he obtained from CC-1 to CC-2, and CC-2 then shared the Inside Information with the Hedge Fund Coconspirators.

c. The Hedge Fund Coconspirators used the Inside Information to execute and to cause others to execute profitable securities transactions at the Hedge Fund, knowing that the information had been disclosed by one or more Dell employees in violation of duties of trust and confidence owed to Dell and Dell's shareholders.

Overt Acts

16. In furtherance of the conspiracy, and to effect the illegal object thereof, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about May 2008, CC-1 had a telephone conversation with GOYAL during which CC-1 passed the Inside Information to GOYAL.

b. In or about May 2008, GOYAL had a telephone conversation with CC-2 during which GOYAL passed the Inside Information to CC-2.

c. In or about May 2008, one or more of the Hedge Fund Coconspirators caused the Hedge Fund to execute securities transactions in Dell securities on the basis of the Inside Information.

d. On or about August 5, 2008, GOYAL, from his office in New York, New York, had a telephone conversation with CC-2 during which GOYAL passed the Inside Information to CC-2.

e. On or about August 5, 2008, while working from a home office in New York, New York, CC-2 sent an email to one of the Hedge Fund Coconspirators.

f. In or about August 2008, one or more of the Hedge Fund Coconspirators caused the Hedge Fund to execute securities transactions in Dell on the basis of the Inside Information.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Securities Fraud)

The United States Attorney further charges:

17. The allegations contained in paragraphs 1 through 12 and 15 through 16 are repeated and realleged as though fully set forth herein.

18. From in or about late 2007 through in or about late 2009, in the Southern District of New York and elsewhere, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, GOYAL received the Inside Information from CC-1 and relayed such Inside Information to CC-2 for the purpose

of securities trading, and the Hedge Fund executed securities transactions based on such Inside Information.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.)

FORFEITURE ALLEGATION

19. As a result of committing both of the foregoing securities fraud offenses alleged in Counts One and Two of this Information, SANDEEP GOYAL, a/k/a "Sandy Goyal," the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the securities fraud offenses, including but not limited to the following:

Money Judgment

a. At least a sum of money in United States currency which was derived from proceeds traceable to the commission of the securities fraud offenses.

Substitute Assets Provision

20. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981; Title 28, United States Code, Section 2461; Title 18, United States Code, Sections 371 and 2; Title 15, United States Code, Sections 78j(b) and 78ff; and Title 17, Code of Federal Regulations, Section 240.10b-5.)


PREET BHARARA 
United States Attorney

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INFORMATION

11 Cr. ____ (KBF)

(Title 18, United States Code,
Sections 371 and 2; Title 15, United
States Code, Sections 78j(b) and 78ff.)

PREET BHARARA
United States Attorney.
