



*United States Attorney
Southern District of New York*



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**MANHATTAN U.S. ATTORNEY ANNOUNCES GUILTY PLEA OF CRAIG
DRIMAL TO INSIDER TRADING CHARGES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that CRAIG DRIMAL pled guilty today to conspiracy and securities fraud charges arising from a scheme in which he obtained and traded on material, nonpublic information, including information misappropriated from the law firm of Ropes & Gray. DRIMAL pled guilty before U.S. District Judge RICHARD J. SULLIVAN.

According to the Indictment, a Complaint previously filed in this case, and statements made during today's guilty plea proceeding:

In 2007 and 2008, CRAIG DRIMAL obtained material, nonpublic information ("Inside Information") from ZVI GOFFER about several mergers and acquisitions of public companies, and traded based on that Inside Information. The Inside Information included information provided by two Ropes & Gray attorneys, ARTHUR CUTILLO and BRIEN SANTARLAS, regarding the potential acquisition of 3Com Corporation ("3Com") and the potential acquisition of Axcan Pharma, Inc. ("Axcan"). CUTILLO and SANTARLAS delivered the Inside Information to JASON GOLDFARB, another attorney, and GOLDFARB provided the Inside Information to ZVI GOFFER who, in turn, allegedly delivered it to DRIMAL. DRIMAL then executed trades based on the Inside Information and made profits exceeding \$6 million. Following the public announcement of the acquisition of Axcan, DRIMAL delivered a cash payment to GOFFER for the Axcan tip.

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DRIMAL, 54, pled guilty to five counts of securities fraud based on his trading in 3Com and Axcan, and one count of conspiracy. The conspiracy count carries a maximum sentence of five years in prison, and each of the securities fraud counts carries a maximum sentence of 20 years in prison. DRIMAL faces a total maximum sentence of 105 years in prison on all counts. He

also faces a maximum fine of \$250,000, or twice the gross gain or loss from the offense on the conspiracy count and a maximum fine of \$5 million on each of the securities fraud counts.

DRIMAL is scheduled to be sentenced by Judge SULLIVAN on September 9, 2011, at 10:00 a.m.

CUTILLO, SANTARLAS and GOLDFARB previously pled guilty to conspiracy and securities fraud charges. Charges against GOFFER remain pending and are merely accusations. He is presumed innocent unless and until proven guilty.

Mr. BHARARA praised the work of the Federal Bureau of Investigation and 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 Mr. 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 FISH and RICHARD TARLOWE are in charge of the prosecution.

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