



*United States Attorney
Southern District of New York*

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**FORMER UBS INVESTMENT BANKER PLEADS GUILTY
IN MANHATTAN FEDERAL COURT TO INSIDER TRADING CHARGES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that IGOR POTEROBA, a former investment banker in the Healthcare Group of UBS Securities LLC ("UBS"), pled guilty yesterday to conspiracy and securities fraud charges in connection with his participation in an insider trading scheme in which he obtained inside information about six mergers and acquisitions that certain UBS clients were contemplating, and then passed that information on to a co-conspirator, ALEXEI P. KOVAL, a/k/a "Aleksey Koval," so he could trade on it. POTEROBA, 37, of Darien, Connecticut, pled guilty in Manhattan federal court before U.S. District Judge PAUL A. CROTTY.

According to documents previously filed in Manhattan federal court:

Since approximately 2006, POTEROBA has served as an Executive Director at UBS. POTEROBA obtained material, non-public information (the "UBS Inside Information") in the course of his employment with UBS regarding certain mergers and acquisitions involving the following six publicly traded healthcare companies: Guilford Pharmaceuticals, Inc., Molecular Devices Corporation, PharmaNet Development Group, Inc., Via Cell, Inc., Millennium Pharmaceuticals, Inc., and Indevus Pharmaceuticals, Inc. (collectively, the "Healthcare Companies"). In violation of his duties of trust and confidence, POTEROBA then disclosed the UBS Inside Information to KOVAL, who in turn disclosed the UBS Inside Information to another co-conspirator ("CC-1").

As part of the scheme, POTEROBA typically tipped KOVAL by telephone in advance of a public announcement that one of the Healthcare Companies was to be acquired. Shortly after receiving such a call, KOVAL and CC-1 purchased securities in a Healthcare Company on the basis of the UBS Inside Information. Following

the public announcement of the acquisition, KOVAL and CC-1 quickly sold the securities they had purchased. KOVAL and CC-1 executed dozens of securities transactions based on UBS Inside Information provided by POTEROBA. POTEROBA then received a portion of the profits from KOVAL.

POTEROBA pled guilty to three counts of securities fraud and one count of conspiracy to commit securities fraud. The securities fraud counts each carry a maximum sentence of 20 years in prison and a maximum fine of \$5 million. The conspiracy count carries a maximum sentence of five years in prison and a maximum fine of \$250,000, or twice the gross gain or loss from the offense. POTEROBA agreed as part of his plea agreement to forfeit at least \$465,095.21, representing the amount of proceeds obtained as a result of the securities fraud offenses.

POTEROBA is scheduled to be sentenced by Judge CROTTY on March 16, 2011.

Mr. BHARARA praised the investigative work of the FBI. Mr. BHARARA also thanked the U.S. Securities and Exchange Commission for its assistance in the investigation.

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.

This case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorney MARISSA MOLÉ is in charge of the prosecution.

The charges in a separate Indictment filed against KOVAL are merely accusations, and KOVAL is presumed innocent unless and until proven guilty.

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