



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
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**FORMER HEDGE FUND MANAGER, INVESTMENT BANKER,
AND TWO OTHERS CHARGED WITH INSIDER TRADING**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced today that JOSEPH CONTORINIS, MICHAEL KOULOIROUDIS, and GEORGE PAPARRIZOS were arrested this morning on charges of conspiracy and securities fraud. NICOS ACHILLEA STEPHANOU was previously arrested on related securities fraud charges. According to the criminal Complaints unsealed in Manhattan federal court earlier today:

STEPHANOU's employer, an international investment bank with offices in New York City and London, provided advice regarding the acquisitions of Albertson's Corporation ("Albertson's") as well as ElkCorp Corporation ("ElkCorp"). From at least 2005 through about December 2006, STEPHANOU, who worked on both deals, stole material nonpublic information from his employer regarding the deals and provided that information to individuals -- including his friends and other associates -- who purchased stock in Albertson's and ElkCorp using multiple brokerage accounts. As a result of their trading, those individuals ultimately reaped profits exceeding \$7 million.

Each of CONTORINIS, KOULOIROUDIS, and PAPARRIZOS, at various times between September 2005 and December 2006, obtained material nonpublic information about the acquisition of Albertson's and/or ElkCorp from an investment banker who worked on both deals. As a result, CONTORINIS, the portfolio manager of

a hedge fund at an investment advisory firm, caused his hedge fund to purchase approximately 2.5 million shares of Albertson's stock, ultimately leading to profits of approximately \$7 million. KOULOIROUDIS traded in the securities of Albertson's and ElkCorp in multiple brokerage accounts, reaping profits of approximately \$270,000. Based on the material nonpublic information, PAPARRIZOS traded in the securities of Albertson's and ElkCorp, generating profits of several thousand dollars.

On December 27, 2008, STEPHANOU was arrested at Newark Liberty International Airport on a three-count Complaint unsealed today in Manhattan federal court. On December 30, 2008, STEPHANOU was presented before United States Magistrate Judge THEODORE H. KATZ and detained.

CONTORINIS, KOULOIROUDIS and PAPARRIZOS were arrested earlier today in Manhattan, Brooklyn, and Foster City, California, respectively. CONTORINIS and KOULOIROUDIS are expected to be presented today before United States Magistrate Judge ANDREW J. PECK in Manhattan federal court. PAPARRIZOS is expected to be presented today in San Francisco federal court.

CONTORINIS, 44, currently resides in New York, New York. KOULOIROUDIS, 59, currently resides in Brooklyn, New York. PAPARRIZOS, 37, currently resides in Foster City, California. STEPHANOU, 34, currently resides in London, England.

STEPHANOU is charged with one count of conspiracy and two counts of securities fraud. CONTORINIS, KOULOIROUDIS and PAPARRIZOS are each charged with one count of conspiracy and one count of securities fraud. The conspiracy charge carries a maximum sentence of 5 years in prison and a maximum fine of the greater of \$250,000, or twice the gross gain or gross loss from the offense. Each securities fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$5 million, or twice the gross gain or loss from the offense.

Mr. DASSIN praised the work of the FBI in the investigation of this case, and thanked the United States Securities and Exchange Commission for its assistance. Mr. DASSIN also thanked UBS Investment Bank for its cooperation and assistance.

Assistant United States Attorneys ANDREW L. FISH and REED M. BRODSKY are in charge of the prosecution.

The charges contained in the Complaints are merely accusations, and the defendants are presumed innocent unless and until proven guilty.