



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

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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**MERRILL LYNCH INVESTMENT BANKER SENTENCED TO 37 MONTHS
IN PRISON FOR LEAKING DETAILS OF M&A DEALS TO
INTERNATIONAL INSIDER TRADING RING**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that STANISLAV SHPIGELMAN was sentenced to 37 months in prison for his role in an international insider trading ring that netted more than \$6 million in illegal profits.

According to the charges, court papers and statements made in court, SHPIGELMAN, an investment banking analyst in the Mergers and Acquisitions Department of Merrill Lynch & Co., leaked confidential information concerning six different pending Merrill Lynch deals, including the acquisition of Reebok International by Adidas-Salomon AG, to others who he knew intended to trade on that information. Specifically, SHPIGELMAN provided the deal information to EUGENE PLOTKIN, an Associate at Goldman Sachs & Co., and DAVID PAJCIN, who then traded and tipped others to trade based on SHPIGELMAN's information.

In imposing the sentence, United States District Judge KENNETH M. KARAS noted that the heavy sentence imposed on SHPIGELMAN would act as a deterrent to other investment bankers and analysts -- young and old -- who might participate in insider trading schemes. In addition to the 37 months' imprisonment, SHPIGELMAN was sentenced to two years of supervised release to follow his prison term. Judge KARAS ordered that SHPIGELMAN surrender to begin serving his sentence on or about March 9, 2007.

On July 14, 2006, SHPIGELMAN pleaded guilty to a Criminal Information charging that SHPIGELMAN provided PLOTKIN and PAJCIN with information concerning the six Merrill Lynch deals. This allowed PLOTKIN, PAJCIN, and others with whom they shared the inside information to purchase securities based on knowledge of the deals prior to the public announcement of the transactions. They then liquidated those positions after the public announcement of

the transactions, often for large profits. According to the Information to which SHPIGELMAN pleaded guilty, PLOTKIN and others earned at least \$6.4 million in illicit gains based on trading in advance of the following Merrill Lynch deals:

MERRILL LYNCH CLIENT	TARGET	ANNOUNCEMENT	DATE OF PUBLIC ANNOUNCEMENT
Procter & Gamble Company ("P&G")	The Gillette Company ("Gillette")	P&G acquires The Gillette Company	01/28/05
Eon Labs, Inc. ("Eon")	Eon Labs, Inc.	Novartis AG to acquire Eon Labs, Inc.	02/21/05
Cinergy Corp. ("Cinergy")	Cinergy	Cinergy and Duke Energy Agree to merge	05/09/05
Celgene Corp. ("Celgene")	Celgene	Amgen, Inc. seeking to acquire Celgene; deal ultimately unsuccessful	----
Adidas-Salomon AG ("Adidas")	Reebok International, Ltd. ("Reebok")	Adidas to acquire Reebok	08/03/05
Quest Diagnostics, Inc. ("Quest")	LabOne, Inc.	Quest to acquire LabOne	08/08/05

As detailed in the Information and other documents publicly filed in the case, EUGENE PLOTKIN and DAVID PAJCIN were at the center of a multi-faceted scheme to unlawfully trade on inside information from a number of sources, including: (1) SHPIGELMAN at Merrill Lynch; (2) NICKOLAUS SHUSTER and JUAN RENTERIA, two employees of a Wisconsin printing plant who stole advance copies of Business Week magazine and provided inside information from the magazine's "Inside Wall Street" column; and (3) JASON SMITH, a New Jersey postal carrier who, while serving as a juror on a federal Grand Jury in New Jersey, leaked confidential information concerning the grand jury's investigation of accounting fraud at Bristol-Myers Squibb Company.

SHPIGELMAN is the second defendant to be sentenced in the investigation, which has resulted in the arrests of six individuals. On December 12, 2006, JASON SMITH was sentenced to 33 months' imprisonment. NICKOLAUS SHUSTER has pleaded guilty based on his role in the insider trading network and is awaiting sentencing. PAJCIN is cooperating with the Government's investigation. PLOTKIN and RENTERIA are awaiting trial scheduled to begin April 23, 2007.

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the efforts of the Federal Bureau of Investigation and the United States Securities and Exchange Commission for their handling of this investigation.

Assistant United States Attorney BENJAMIN M. LAWSKY is in charge of the prosecution.

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