



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
JANUARY 21, 2009**

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**MANHATTAN FEDERAL GRAND JURY INDICTS SEVEN WALL STREET
PROFESSIONALS AND ATTORNEYS FOR INSIDER TRADING**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that seven Wall Street professionals and attorneys were indicted today as a result of the Office's ongoing investigation of insider trading at hedge funds and stock trading firms. The defendants -- ZVI GOFFER, ARTHUR CUTILLO, JASON GOLDFARB, CRAIG DRIMAL, EMANUEL GOFFER, MICHAEL KIMELMAN, and DAVID PLATE -- were previously charged in a criminal Complaint unsealed on November 5, 2009. Today's ten-count Indictment includes an additional count of conspiracy to commit securities fraud and three additional counts of securities fraud.

According to documents previously filed in this and related cases, and the Indictment returned today by the Grand Jury in Manhattan federal court:

The defendants operated an insider trading network through which ZVI GOFFER obtained, passed to others, and traded on material, nonpublic information (the "Inside Information") regarding mergers and acquisitions of public companies. In an effort to conceal their fraudulent schemes, several of the defendants used prepaid telephones to share the Inside Information.

The following seven defendants are charged in the Indictment: ZVI GOFFER, who formerly worked at The Schottenfeld Group LLC and Incremental Capital; CUTILLO, who worked as an attorney at the law firm of Ropes & Gray LLP in New York, New York; GOLDFARB, who worked as an attorney in New York, New York; DRIMAL, who worked in the offices of the Galleon Group ("Galleon"), but was not employed by Galleon; EMANUEL GOFFER, who formerly worked at Spectrum Trading LLC and Incremental Capital;

KIMELMAN, who worked with Incremental Capital; and PLATE, who worked at The Schottenfeld Group.

ZVI GOFFER and others paid sources in exchange for Inside Information, including two Ropes & Gray LLP attorneys, ARTHUR CUTILLO and BRIEN SANTARLAS. In violation of their duties of confidentiality to Ropes & Gray and its clients, CUTILLO and SANTARLAS provided Inside Information about several mergers and acquisitions of public companies for which Ropes & Gray was providing legal services prior to the public announcements of the deals, as well as other information that they learned in the course of their employment at the law firm. CUTILLO and SANTARLAS received cash payments for providing Inside Information concerning the acquisition of 3Com Corporation and Axcan Pharma, Inc. to GOLDFARB, who passed the Inside Information to ZVI GOFFER and other co-conspirators. On December 10, 2009, SANTARLAS pleaded guilty to one count of conspiracy to commit securities fraud and one substantive count of securities fraud, pursuant to a cooperation agreement.

ZVI GOFFER and his co-conspirators also obtained Inside Information from another co-conspirator, GAUTHAM SHANKAR, about the acquisition of Kronos, Inc., and Hilton Hotels Corp. prior to the public announcements of those deals. On October 20, 2009, SHANKAR pleaded guilty to one count of conspiracy to commit securities fraud and one substantive count of securities fraud pursuant to a cooperation agreement.

As a result of their trades of hundreds of thousands of shares of stock based on the Inside Information, ZVI GOFFER, DRIMAL, EMANUEL GOFFER, KIMELMAN and PLATE collectively earned profits of at least \$11 million for themselves and their firms.

The defendants are scheduled to be arraigned on the Indictment on February 2, 2010 before United States District Judge RICHARD J. SULLIVAN. The charges contained in the Indictment and the potential maximum penalties are summarized in the following chart:

COUNT	CHARGE	CHARGED DEFENDANT	MAXIMUM PENALTIES
One	Conspiracy to Commit Securities Fraud	ZVI GOFFER, ARTHUR CUTILLO, JASON GOLDFARB	5 years; \$250,000 or twice the gross gain or loss

Two	Conspiracy to Commit Securities Fraud	ZVI GOFFER, JASON GOLDFARB, CRAIG DRIMAL, EMANUEL GOFFER, MICHAEL KIMELMAN, DAVID PLATE	5 years; \$250,000 or twice the gross gain or loss
Three	Securities Fraud	ZVI GOFFER, ARTHUR CUTILLO, JASON GOLDFARB	20 years; \$5 million or twice the gross gain or loss
Four	Securities Fraud	ZVI GOFFER, CRAIG DRIMAL	20 years; \$5 million or twice the gross gain or loss
Five	Securities Fraud	ZVI GOFFER, EMANUEL GOFFER	20 years; \$5 million or twice the gross gain or loss
Six	Securities Fraud	ZVI GOFFER, MICHAEL KIMELMAN	20 years; \$5 million or twice the gross gain or loss
Seven	Securities Fraud	ZVI GOFFER, DAVID PLATE	20 years; \$5 million or twice the gross gain or loss
Eight	Securities Fraud	ZVI GOFFER, ARTHUR CUTILLO, JASON GOLDFARB	20 years; \$5 million or twice the gross gain or loss
Nine	Securities Fraud	ZVI GOFFER, EMANUEL GOFFER	20 years; \$5 million or twice the gross gain or loss
Ten	Securities Fraud	ZVI GOFFER, DAVID PLATE	20 years; \$5 million or twice the gross gain or loss

ZVI GOFFER, 33, resides in New York, New York.

ARTHUR CUTILLO, 33, resides in Ridgewood, New Jersey.

JASON GOLDFARB, 31, resides in New York, New York.

CRAIG DRIMAL, 53, resides in Weston, Connecticut.

EMANUEL GOFFER, 31, resides in New York, New York.

MICHAEL KIMELMAN, 38, resides in Larchmont, New York.

DAVID PLATE, 34, resides in New York, New York.

Mr. BHARARA, a member of the President's Financial Fraud Enforcement Task Force, praised the work of the Federal Bureau of Investigation, and thanked the United States Securities and Exchange Commission for its assistance in the investigation. Mr. BHARARA also noted that the investigation is continuing.

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

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

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