



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE  
JANUARY 14, 2011**

**CONTACT: U.S. ATTORNEY'S OFFICE  
ELLEN DAVIS,  
EDELI RIVERA,  
JESSIE ERWIN  
PUBLIC INFORMATION OFFICE  
(212) 637-2600**

**ATTORNEY 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 ARTHUR CUTILLO, an attorney, pled guilty today to conspiracy and securities fraud charges arising from an insider trading scheme in which CUTILLO misappropriated from his employer material, nonpublic information regarding law firm clients for securities trading. CUTILLO received cash payments for this inside information. CUTILLO 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:

At all relevant times, CUTILLO worked at the law firm of Ropes & Gray LLP. In 2007 and 2008, CUTILLO and another Ropes & Gray attorney, BRIEN SANTARLAS, provided ZVI GOFFER with inside information they misappropriated from Ropes & Gray about several mergers and acquisitions of public companies for which the law firm was providing legal services. The inside information included information regarding the potential acquisition of 3Com Corporation ("3Com") and the potential acquisition of Axcan Pharma, Inc. ("Axcan"). CUTILLO and SANTARLAS provided the inside information concerning these companies to JASON GOLDFARB, another New York attorney, who allegedly passed the inside information to GOFFER. In exchange for providing the inside information to GOFFER, CUTILLO, SANTARLAS, and allegedly GOLDFARB, received cash payments.

CUTILLO, 34, pled guilty to one count of conspiracy and one count of securities fraud. 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. The securities fraud count carries a maximum sentence of 20 years in

prison and a maximum fine of \$5 million. Sentencing is scheduled for April 27, 2011, at 9:30 a.m. before Judge SULLIVAN.

SANTARLAS previously pled guilty to conspiracy and securities fraud charges. Charges against GOFFER and GOLDFARB remain pending.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation. He thanked the U.S. Securities and Exchange Commission for its assistance in this matter. He also thanked Ropes & Gray for its assistance.

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 REED BRODSKY are in charge of the prosecution.

The charges contained in the Indictment as to GOFFER and GOLDFARB are merely accusations, and they are presumed innocent unless and until proven guilty.

11-015

###