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**MERRILL LYNCH INVESTMENT BANKER STANISLAV SHPIGELMAN
PLEADS GUILTY TO INSIDER TRADING**

*Trading Ahead of Merrill Lynch Deals Netted
International Scheme More Than \$6 million*

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that STANISLAV SHPIGELMAN, an investment banking analyst with Merrill Lynch & Co., pleaded guilty in Manhattan federal court to insider trading based on SHPIGELMAN's involvement with Eugene Plotkin, a former Associate at Goldman Sachs & Co., and others in a massive insider trading scheme that resulted in more than \$6 million in illicit gains.

At today's proceeding before United States District Judge KENNETH M. KARAS, SHPIGELMAN pleaded guilty to a one-count criminal Information charging him with insider trading, a charge that carries a maximum sentence of 20 years' in prison. During the proceeding, SHPIGELMAN admitted that he leaked inside information he learned through his work as an investment banking analyst in the Mergers and Acquisitions Department to others who he knew intended to trade on that information. In particular, SHPIGELMAN admitted that he leaked the details of pending mergers and acquisitions being handled by Merrill Lynch, including the August 2005 acquisition of Reebok International, Ltd. by Adidas-Salomon AG.

The Information charges that SHPIGELMAN provided Plotkin and others with information concerning approximately six different Merrill Lynch deals. This allowed Plotkin and others with whom SHPIGELMAN 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, Plotkin

and others earned at least \$6.4 million in illicit gains based on trading ahead 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

SHPIGELMAN was arrested on April 11, 2006, along with Plotkin and others pursuant to a criminal Complaint. According to the Complaint, the investigation that led to the arrests of SHPIGELMAN, Plotkin, and several others began in early August 2005, when the FBI began examining highly profitable trading in call options for the common stock of Reebok just prior to Reebok's August 3, 2005 public announcement that it had agreed to be acquired by Adidas. Following this announcement, Reebok's common stock increased more than \$13 per share (more than 30 percent) from its closing price the day before.

In the two days prior to the Adidas-Reebok announcement, an account in the name of Sonja Anticevic purchased nearly 2,000 "out of the money" call options for Reebok stock at a total cost of approximately \$130,000. Immediately following the announcement and the surge in the price of Reebok's shares,

the Anticevic Account liquidated its entire position in the call options, obtaining proceeds of approximately \$2,171,000 from the sale of the call options and realizing profits of over \$2,000,000.

According to the Complaint, further investigation revealed that the Anticevic Account was controlled by David Pajcin, a co-conspirator of Plotkin and SHPIGELMAN. As detailed in the Complaint, Plotkin and Pajcin were at the center of schemes to trade on inside information from SHPIGELMAN at Merrill Lynch, as well as other schemes, including: (1) a scheme to obtain advance copies of Business Week magazine in order to trade on inside information from the magazine's "Inside Wall Street" column; and (2) a scheme to trade on inside information provided by a Grand Juror serving on a New Jersey federal Grand Jury investigating accounting fraud at Bristol-Myers Squibb.

Plotkin has been indicted and is awaiting trial, as are Nickolaus Shuster and Juan Renteria, two printing plant employees who have been charged with leaking the Business Week information to Plotkin and Pajcin. Jason Smith, the Grand Juror who allegedly tipped Plotkin and Pajcin about the progress of the investigation of Bristol-Myers, was arrested on May 11, 2006, and has been charged pursuant to a criminal Complaint.

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SHPIGELMAN, 23, resides in Brooklyn, New York.

SHPIGELMAN faces a maximum penalty of 20 years in prison and is scheduled to be sentenced by Judge KARAS on November 17, 2006.

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

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

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