



*United States Attorney
Southern District of New York*



FOR IMMEDIATE RELEASE
JULY 16, 2010

CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER
JANICE OH
EDELI RIVERA
PUBLIC INFORMATION OFFICE
(212) 637-2600

**FORMER PROPRIETARY TRADER PLEADS GUILTY TO INSIDER
TRADING CHARGES IN MANHATTAN FEDERAL COURT**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that DAVID PLATE, 35, of New York, New York, pleaded guilty today to conspiracy and securities fraud charges arising from an insider trading scheme in which PLATE executed trades in the securities of 3Com Corporation ("3Com") and Axcan Pharma, Inc. ("Axcan").

According to the charging documents and the guilty plea proceeding:

In 2007, PLATE worked as a proprietary trader at The Schottenfeld Group LLC. While at Schottenfeld, PLATE received from ZVI GOFFER material, nonpublic information regarding the potential acquisitions of 3Com and Axcan. PLATE believed that this information came from someone who was working on the transactions and who had a duty to maintain the confidentiality of the information. PLATE purchased 3Com and Axcan securities transactions based on this inside information.

In fact, ZVI GOFFER had obtained the information regarding the 3Com and Axcan acquisitions (via an intermediary) from 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 (including the 3Com and Axcan acquisitions) prior to the public announcements of the deals.

PLATE pleaded guilty to one count of conspiracy and one count of securities fraud contained in the Indictment before United States District Judge RICHARD J. SULLIVAN. A sentencing date has not yet been scheduled.

SANTARLAS previously pleaded guilty to conspiracy and

securities fraud charges. Charges against ZVI GOFFER and CUTILLO remain pending, and both are presumed innocent unless and until proven guilty.

Mr. BHARARA 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.

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

10-220

###