



*United States Attorney
Southern District of New York*



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**ATTORNEY SENTENCED IN MANHATTAN FEDERAL COURT
TO 30 MONTHS IN PRISON FOR INSIDER TRADING SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that attorney ARTHUR CUTILLO was sentenced today in Manhattan federal court to 30 months in prison for his participation in an insider trading scheme in which he misappropriated material, nonpublic information ("Inside Information") from his employer for the purpose of securities trading. CUTILLO previously pled guilty to one count of conspiracy and one count of securities fraud on January 14, 2011. U.S. District Judge RICHARD J. SULLIVAN imposed today's sentence.

U.S. Attorney PREET BHARARA said: "Attorney Arthur Cutillo exploited his access to confidential information in exchange for cash. With today's sentence, he now joins a growing group of privileged professionals who are paying a high price for insider trading."

According to the charging documents and court proceedings in this case:

At all relevant times, CUTILLO worked at the law firm of Ropes & Gray LLP. In 2007 and 2008, he, along with BRIEN SANTARLAS, another Ropes & Gray attorney, provided ZVI GOFFER, a former hedge fund manager, with Inside Information about several mergers and acquisitions of public companies for which Ropes & Gray 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 in turn passed the Inside Information to GOFFER. In exchange for providing GOFFER the Inside Information, CUTILLO, GOLDFARB, and SANTARLAS received cash payments.

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In addition to his prison term, Judge SULLIVAN sentenced CUTILLO, 34, of Toms River, New Jersey, to two years of supervised release. He also ordered CUTILLO to pay a \$200 assessment and forfeit \$378,608, representing the amount of foreseeable proceeds obtained as a result of the securities fraud offenses.

CUTILLO's co-conspirator SANTARLAS and co-defendant GOLDFARB previously pled guilty to conspiracy and securities fraud charges in connection with this scheme. Co-defendant ZVI GOFFER was convicted after a one month jury trial of conspiracy and securities fraud charges in connection with this scheme. GOLDFARB's sentencing is scheduled for August 19, 2011, at 10:00 a.m.; ZVI GOFFER's sentencing is scheduled for September 21, 2011, at 2:00 p.m.; and SANTARLAS's sentencing is scheduled for October 28, 2011, at 2:30 p.m.

Mr. BHARARA praised the investigative work of the FBI. He also thanked the U.S. Securities and Exchange Commission for its assistance in the investigation.

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, RICHARD TARLOWE, and REED BRODSKY are in charge of the prosecution.

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