

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

JUDGE OETKEN

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UNITED STATES OF AMERICA :

INFORMATION

-v.- :

12 Cr.

ALNOOR EBRAHIM, :

**12 CRIM471**

Defendant. :

- - - - - x

COUNT ONE

(Conspiracy to Commit Wire Fraud and Securities Fraud)

The United States Attorney charges:

Relevant Entities and Individuals

1. At all times relevant to this Information, AT&T Inc. ("AT&T") was a worldwide telecommunications service provider headquartered in Dallas, Texas, that provided wireless services through its subsidiary AT&T Mobility. At all times relevant to this Information, AT&T's shares were traded on the New York Stock Exchange in New York, New York.

2. At all times relevant to this Information, Apple, Inc. ("Apple") was a technology company that produced, among other things, consumer electronics. Apple, headquartered in Cupertino, California, was a public company whose shares traded on the Nasdaq Stock Market. At various times relevant to this Information, AT&T was the exclusive service provider in the United States for Apple's "iPhone" and sold the iPhone through its distribution channels.

3. At all times relevant to this Information, Research in Motion Limited ("RIM") was a global telecommunications company that produced, among other things, wireless handheld communications devices. RIM, headquartered in Ontario, Canada, was a public company whose shares traded on the Nasdaq Stock Market. At all relevant times relevant to this Information, AT&T was a service provider in the United States for RIM's "Blackberry" products and sold Blackberry products through its distribution channels.

4. At all times relevant to this Information, an expert networking firm ("the Firm") was a private company that provided "expert networking" services to money managers, including hedge funds (hereinafter, "Firm Clients"), whose principal purpose was to purchase and sell securities to make money. The Firm paid employees at public companies (hereinafter referred to as "Firm Consultants") to provide information to Firm Clients. At all times relevant to this Information, Firm Clients paid money to the Firm to gain access to Firm Consultants, including payments made in the form of "soft dollars," whereby a Firm Client caused its trading activity to be directed through the Firm's designated broker-dealer, so that commissions or fees from the executed trading activity of the client satisfied the payment for the Firm's services.

5. At all times relevant to this Information, ALNOOR EBRAHIM, the defendant, worked as an associate director for AT&T Mobility in Atlanta, Georgia, and, at the same time, was a Firm Consultant who regularly spoke with Firm Clients.

The Wire Fraud and Insider Trading Scheme

6. From in or about 2008 through in or about 2010, ALNOOR EBRAHIM, the defendant, conspired with certain employees of the Firm ("Firm Employees") and certain Firm Clients to defraud public companies of material, nonpublic information ("Inside Information"), and to engage in insider trading.

7. As a Firm Consultant, ALNOOR EBRAHIM, the defendant, provided to one or more Firm Employees Inside Information concerning AT&T and its suppliers, including Apple and RIM, knowing that the Inside Information would then be transmitted to Firm Clients for purposes of executing securities transactions. In particular, EBRAHIM provided Inside Information concerning AT&T's sales of Apple's iPhone and RIM's Blackberry products, as well as other handset devices sold through AT&T's distribution channels.

8. As a Firm Consultant, ALNOOR EBRAHIM, the defendant, provided Inside Information concerning AT&T and its suppliers, including Apple and RIM, directly to Firm Clients, understanding that the information would be used for purposes of executing securities transactions.

9. From in or about late 2008 through in or about 2010, the Firm paid ALNOOR EBRAHIM, the defendant, more than \$180,000 for providing information, including Inside Information, to the Firm and, directly and indirectly, to Firm Clients.

10. ALNOOR EBRAHIM, the defendant, provided Inside Information to Firm Employees and Firm Clients in violation of: (i) the fiduciary and other duties of trust and confidence owed by him to AT&T; (ii) expectations of confidentiality held by AT&T; (iii) AT&T's written policies regarding the safeguarding of Inside Information; and (iv) non-disclosure agreements with AT&T's suppliers.

#### The Conspiracy

11. From in or about 2008 through in or about 2010, in the Southern District of New York and elsewhere, ALNOOR EBRAHIM, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit: (1) to commit wire fraud, in violation of Title 18, United States Code, Section 1343; and (2) to commit securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

## Objects of the Conspiracy

### Wire Fraud

12. It was a part and object of the conspiracy that ALNOOR EBRAHIM, the defendant, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, namely, a scheme and artifice, among other things, to deprive AT&T of the exclusive use of its intangible property, including certain confidential business information, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, all in violation of Title 18, United States Code, Section 1343.

### Securities Fraud

13. It was further a part and an object of the conspiracy that ALNOOR EBRAHIM, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal

Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon any person, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Means and Methods of the Conspiracy

14. Among the means and methods by which ALNOOR EBRAHIM, the defendant, and his co-conspirators would and did carry out the conspiracy were the following:

a. Certain Firm Employees arranged for EBRAHIM and other Firm Consultants to provide information, including Inside Information, to Firm Clients.

b. One or more Firm Employees obtained Inside Information from EBRAHIM that EBRAHIM disclosed in violation of fiduciary and other duties of trust and confidence owed by EBRAHIM to AT&T, and then provided that Inside Information to Firm Clients, for purposes of executing and causing others to execute securities transactions based, in part, on the Inside Information.

c. During telephone conversations facilitated by certain Firm Employees, EBRAHIM provided Inside Information to

Firm Clients directly, in violation of his fiduciary and other duties of trust and confidence owed to AT&T, for purposes of executing and causing others to execute securities transactions based, in part, on the Inside Information.

Overt Acts

15. In furtherance of the conspiracy, and to effect the illegal objects thereof, ALNOOR EBRAHIM, the defendant, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about September 28, 2009, EBRAHIM had a telephone conversation with a cooperating witness during which EBRAHIM provided material, nonpublic information concerning AT&T's sales of the Apple iPhone.

b. In or about August, 2010, EBRAHIM had a telephone conversation with an employee of an investment firm, during which EBRAHIM provided Inside Information concerning AT&T's sales of RIM products.

c. In or about June, 2010, EBRAHIM had a telephone conversation with an employee of a hedge fund located in New York, New York.

(Title 18, United States Code, Section 371.)

FORFEITURE ALLEGATION

16. As a result of committing the foregoing wire fraud and securities fraud conspiracy alleged in Count One of this

Information, ALNOOR EBRAHIM, the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the wire fraud and securities fraud offense, including but not limited to a sum of money in United States currency which was derived from proceeds traceable to the commission of the wire fraud and securities fraud offense.

Substitute Assets Provision

17. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- d. cannot be located upon the exercise of due diligence;
- e. has been transferred or sold to, or deposited with, a third party;
- f. has been placed beyond the jurisdiction of the court;
- g. has been substantially diminished in value; or
- h. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any

other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981;  
Title 28, United States Code, Section 2461; Title 18, United States Code, Sections 371 and 2; Title 15, United States Code, Sections 78j(b) and 78ff; and Title 17, Code of Federal Regulations, Sections 240.10b-5.)

  
PREET BHARARA   
United States Attorney

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(18 U.S.C. § 371)

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PREET BHARARA  
United States Attorney.

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