



*United States Attorney
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**FORMER UBS INVESTMENT BANKER SENTENCED IN MANHATTAN
FEDERAL COURT TO 22 MONTHS IN PRISON FOR INSIDER
TRADING SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that IGOR POTEROBA, a former investment banker in the Healthcare Group of UBS Securities LLC ("UBS"), was sentenced today to 22 months in prison for his participation in an insider trading scheme in which he passed material, non-public information regarding six mergers and acquisitions that certain UBS clients were contemplating to a co-conspirator, ALEXEI P. KOVAL, who then traded on this information, generating hundreds of thousands of dollars in illicit profits. POTEROBA, 37, was sentenced in Manhattan federal court by U.S. District Judge PAUL A. CROTTY.

Manhattan U.S. Attorney PREET BHARARA said: "The message of today's sentence of Igor Poteroba should be crystal clear -- this Office, along with our law enforcement partners, will not abide corrupt insiders who use their privileged positions to steal their companies' valuable secrets and cash in on them. Professionals who engage in insider trading will be punished to the full extent of the law."

According to documents previously filed in Manhattan federal court:

Since 2006, POTEROBA served as an Executive Director at UBS where he obtained material, non-public information (the "UBS Inside Information") regarding certain mergers and acquisitions involving the following six publicly-traded healthcare companies: Guilford Pharmaceuticals, Inc., Molecular Devices Corporation, PharmaNet Development Group, Inc., Via Cell, Inc., Millennium Pharmaceuticals, Inc., and Indevus Pharmaceuticals, Inc. (collectively, the "Healthcare Companies"). In violation of his duties of trust and confidence, he then disclosed the UBS Inside Information to KOVAL, who in turn disclosed the UBS Inside Information to another co-conspirator ("CC-1").

As part of the scheme, POTEROBA typically tipped KOVAL by telephone in advance of a public announcement that one of the Healthcare Companies was to be acquired. Shortly after receiving such a call, KOVAL and CC-1 purchased securities in the Company. Following the public announcement of the acquisition, KOVAL and CC-1 quickly sold the securities they had purchased. KOVAL and CC-1 executed dozens of securities transactions based on UBS Inside Information provided by POTEROBA. POTEROBA then received a portion of the profits from KOVAL.

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In addition to his prison term, Judge CROTTY sentenced POTEROBA, of Darien, Connecticut, to three years of supervised release and ordered him to forfeit , representing the amount of foreseeable proceeds obtained as a result of the securities fraud offenses. Judge CROTTY also ordered POTEROBA to pay a \$25,000 fine and will determine the amount of restitution at a later date.

POTEROBA's co-defendant, ALEXEI KOVAL, 37, of Chicago, Illinois, and Pasadena, California, pled guilty to related charges on January 7, 2011, and is scheduled to be sentenced on May 24, 2011, at 4:00 p.m., before Judge CROTTY.

Mr. BHARARA praised the investigative work of the FBI. Mr. BHARARA 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.

This case is being handled by the Office's Securities

and Commodities Fraud Task Force. Assistant U.S. Attorney
MARISSA MOLÉ is in charge of the prosecution.

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