

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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: UNITED STATES OF AMERICA :  
: : INFORMATION  
: - v. - :  
: 12 Cr.  
: DAVID BLECH, :  
: :  
: Defendant. :  
: :  
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COUNT ONE

(Securities Fraud)

The United States Attorney charges:

Introduction

1. At all times relevant to this Information, Pluristem Therapeutics, Inc. ("Pluristem") was a biotechnology company. At all times relevant to Count One of this Information, Pluristem's common stock was traded on the OTC Bulletin Board, which is an electronic quotation system for over-the-counter securities that are not listed on a national securities exchange.

2. As described more fully in the following paragraphs, between in or about May 2007 and in or about September 2007, DAVID BLECH, the defendant, engaged in a fraudulent scheme to manipulate the market for Pluristem

securities by using brokerage accounts under his control to sell off his holdings of Pluristem stock in a manner that disguised these sales for the purposes of creating an illusion of greater liquidity and so that the price of Pluristem stock would not significantly drop.

#### The Scheme

3. During the period relevant to this Information, DAVID BLECH, the defendant, exercised control over several dozen nominee brokerage accounts - namely, accounts listed in the names of individuals and entities other than BLECH, but which BLECH controlled (the "Nominee Accounts").

4. Between in or about January 2007 and in or about May 2007, Pluristem engaged in efforts to raise capital from investors through a private placement ("Pluristem's Private Placement"). During this period, BLECH acquired significant holdings of Pluristem stock in the Nominee Accounts.

5. At or about the time when Pluristem's Private Placement closed in or about May 2007, DAVID BLECH, the defendant, caused the Nominee Accounts to engage in buying and selling that had the net effect of reducing the total holdings of Pluristem stock across the various Nominee Accounts (the "Pluristem Selloff"). BLECH continued the Pluristem Selloff,

which he carried out from Manhattan, through at least in or about September 2007.

6. Aware that the Pluristem Selloff would put downward pressure on the price of Pluristem's stock, DAVID BLECH, the defendant, engaged in fraudulent and manipulative efforts to conceal the Pluristem Selloff and mitigate its negative impact on Pluristem's stock price. Specifically, during the same period - and often on the same day - when BLECH was causing certain Nominee Accounts under his control to sell Pluristem stock, BLECH caused other Nominee Accounts under his control to buy Pluristem stock, with the result that BLECH was effectively trading Pluristem stock with himself.

7. Overall, between on or about May 15, 2007, and on or about September 14, 2007, BLECH caused various Nominee Accounts to sell approximately 150 million shares of Pluristem, while simultaneously causing various Nominee Accounts to buy approximately 100 million shares of Pluristem. Thus, BLECH caused the Nominee Accounts to shed approximately 50 million shares of Pluristem through manipulative and fraudulent trading activity calculated to artificially counteract the negative impact of the Pluristem Selloff on Pluristem's stock price by

indicating false levels of liquidity and buying interest in the market for Pluristem stock.

Statutory Allegation

8. From in or about May 2007 through in or about September 2007, in the Southern District of New York and elsewhere, DAVID BLECH, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ 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 facts 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 other persons and entities in connection with the purchase and sale of Pluristem stock.

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

COUNT TWO

(Securities Fraud)

The United States Attorney further charges:

Introduction

9. At all times relevant to this Information, Intellect Neurosciences, Inc. ("Intellect") was a biopharmaceutical company. At all times relevant to this Information, Intellect's common stock was traded on the OTC Bulletin Board.

10. As described more fully in the following paragraphs, between in or about February 2008 and in or about March 2008, DAVID BLECH, the defendant, engaged in a fraudulent scheme to manipulate the market for Intellect securities by using brokerage accounts under his control to sell off his holdings of Intellect stock in a manner that disguised these sales for the purposes of creating an illusion of greater liquidity and so that the price of Intellect stock would not significantly drop.

The Scheme

11. During the period relevant to this Information, DAVID BLECH, the defendant, exercised control over several dozen nominee brokerage accounts - namely, accounts listed in the

names of individuals and entities other than BLECH, but which BLECH controlled (the "Nominee Accounts").

12. Between in or about 2005 and in or about February 2008, DAVID BLECH, the defendant, acquired significant holdings of Intellect stock in the Nominee Accounts.

13. Thereafter, between on or about February 15, 2008 and on or about March 13, 2008, DAVID BLECH, the defendant, acting in Manhattan, caused the Nominee Accounts to engage in buying and selling that had the net effect of reducing the total holdings of Intellect stock across the various Nominee Accounts (the "Intellect Selloff").

14. Aware that the Intellect Selloff would put downward pressure on the price of Intellect's stock, DAVID BLECH, the defendant, engaged in fraudulent and manipulative efforts to conceal the Intellect Selloff and mitigate its negative impact on Intellect's stock price. Specifically, during the same period - and often on the same day - when BLECH was causing certain Nominee Accounts under his control to sell Intellect stock, BLECH caused other Nominee Accounts under his control to buy Intellect stock, with the result that BLECH was effectively trading Intellect stock with himself.

15. Overall, during the Intellect Selloff, BLECH caused various Nominee Accounts to sell approximately 2 million shares of Intellect, while simultaneously causing various Nominee Accounts to buy approximately 1.6 million shares of Intellect. Thus, BLECH caused the Nominee Accounts to shed approximately 400,000 shares of Intellect through manipulative and fraudulent trading activity calculated to artificially counteract the negative impact of the Intellect Selloff on Intellect's stock price by indicating false levels of liquidity and buying interest in the market for Intellect stock.

Statutory Allegation

16. From in or about February 2008 through in or about March 2008, in the Southern District of New York and elsewhere, DAVID BLECH, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ 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 facts 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 other persons and entities in connection with the purchase and sale of Intellect stock.

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

#### FORFEITURE ALLEGATION

17. As a result of committing the offenses alleged in Counts One and Two of this Information, DAVID BLECH, 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 offense.

#### SUBSTITUTE ASSET PROVISION

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

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

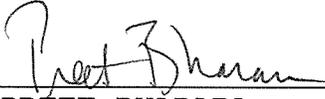
d. has been substantially diminished in value;

or

e. has been commingled with other property which cannot be subdivided 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 said defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981, Title 28, United States Code, Section 2461.)

  
PREET BHARARA  
United States Attorney