



*United States Attorney
Southern District of New York*

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**ACCOMPLICE OF FORMER UBS INVESTMENT BANKER
PLEADS GUILTY IN MANHATTAN FEDERAL COURT
TO INSIDER TRADING**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today that MICHAEL KOULOIROUDIS, an accomplice of a former UBS investment banker, pleaded guilty before United States District Judge PAUL G. GARDEPHE on charges of conspiracy and securities fraud as a result of trading based on inside information stolen from UBS.

According to the Complaint and Superseding Indictment previously filed in this case, and statements made during KOULOIROUDIS's guilty plea:

From 2005 through November 2006, KOULOIROUDIS executed securities trades based on material, nonpublic information about mergers and acquisitions that KOULOIROUDIS received from NICOS A. STEPHANOU, who was working as an investment banker at UBS's New York, New York, and London, England offices. STEPHANOU and KOULOIROUDIS had a close personal friendship. KOULOIROUDIS knew that STEPHANOU was tipping him in violation of STEPHANOU's duty of confidentiality to his employer and its clients. Specifically, from late 2005 through early 2006, STEPHANOU was on the investment banking team representing a private equity firm that was interested in acquiring Albertson's Corporation. During the course of the transaction, STEPHANOU tipped KOULOIROUDIS about positive and negative developments on the deal, and KOULOIROUDIS executed trades based on that information. Later, in September 2006, STEPHANOU obtained and then provided material, nonpublic information about ElkCorp's exploration of strategic alternatives to KOULOIROUDIS who, in turn, executed trades based on that information. As a result of his illegal trading, KOULOIROUDIS reaped profits of nearly \$200,000 in multiple trading accounts.

KOULOIROUDIS pleaded guilty to one count of conspiracy to commit securities fraud and one count of securities fraud (Count Five). The conspiracy charge carries a maximum sentence

of 5 years in prison and a maximum fine of the greater of \$250,000, or twice the gross gain or gross loss from the offense. The securities fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$5 million, or twice the gross gain or loss from the offense.

KOULOIROUDIS, 59, of Brooklyn, New York, is scheduled to be sentenced on February 11, 2010, by Judge GARDEPHE.

Mr. BHARARA praised the work of the Federal Bureau of Investigation and thanked the United States Securities and Exchange Commission for its assistance.

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

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