



*United States Attorney  
Southern District of New York*



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**ASSISTANT TO TOP DISNEY EXECUTIVE PLEADS GUILTY  
IN MANHATTAN FEDERAL COURT TO INSIDER TRADING SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that BONNIE J. HOXIE pled guilty today to fraud charges related to her participation in an insider trading scheme in which HOXIE, an assistant to a top executive at the Walt Disney Company ("Disney"), and her co-conspirator, YONNI SEBBAG, a/k/a "Jonathan Cyrus," obtained confidential inside information, including about Disney's quarterly earnings, and attempted to sell the information to buyers seeking to trade on it. HOXIE, 34, of Los Angeles, California, entered her guilty plea today in Manhattan Federal court before U.S. Magistrate Judge MICHAEL H. DOLINGER.

According to the Information to which HOXIE pled guilty, the criminal Complaint previously filed in Manhattan federal court, and statements made during the guilty plea proceeding:

From March 2010 through May 25, 2010, HOXIE was employed as a secretary to Disney's Head of Corporate Communications. In this capacity, HOXIE obtained material, nonpublic information, including Disney's quarterly earnings statements (the "Inside Information"). Then, in violation of HOXIE's duties of trust and confidence, HOXIE disclosed the Inside Information to SEBBAG, for the purpose of selling the Inside Information to outside investors so that the investors could trade in advance of the official public announcement of Disney's earnings.

As part of the scheme, letters were sent anonymously to multiple hedge funds and other investment companies, many of which were located in Manhattan, offering to sell the Inside Information for purposes of illegal insider trading. Various agents of the FBI, who were working in undercover capacities, posed as hedge fund traders (the "Tippees") and offered to buy the Inside Information for purposes of trading in advance of the public announcement of the Inside Information.

On May 8, 2010, three days in advance of the May 11, 2010, public announcement of Disney's earnings for the second quarter of 2010, HOXIE sent to SEBBAG a confidential document titled "The Walt Disney Company Q2 Fiscal 2010 Key Topics Speaking Points," which contained a collection of talking points that Disney executives referred to while answering analysts' questions during the May 11, 2010, earnings call. This Inside Information was, in turn, provided to the Tippees.

In addition, on May 11, 2010, roughly two hours in advance of the public announcement, HOXIE and SEBBAG discussed over email the procurement of additional Inside Information to be sold to the Tippees. After obtaining additional Inside Information from HOXIE, SEBBAG notified the Tippees that Disney's earnings per share would be 48 cents, which was better than what stock analysts had predicted.

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HOXIE pled guilty to one count of conspiracy to commit securities fraud and wire fraud and one count of wire fraud. The wire fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000, or twice the gross gain or loss from the offense. The conspiracy count carries a maximum sentence of five years in prison and a maximum fine of \$250,000, or twice the gross gain or loss from the offense.

HOXIE is scheduled to be sentenced by U.S. District Judge ALVIN K. HELLERSTEIN on December 21, 2010.

Manhattan U.S. Attorney PREET BHARARA said: "Today, Bonnie Hoxie admitted to playing with a stacked deck by selling valuable Disney secrets to make a quick buck. This Office will continue to work with the FBI and the U.S. Securities and Exchange Commission to prosecute individuals who commit insider trading and jeopardize the integrity of our financial markets."

Mr. BHARARA praised the work of the FBI. He 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 JULIAN J. MOORE is in charge of the prosecution.

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