



*United States Attorney
Southern District of New York*



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**ZVI GOFFER SENTENCED IN MANHATTAN FEDERAL COURT
TO 10 YEARS IN PRISON FOR INSIDER TRADING**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that ZVI GOFFER was sentenced today in Manhattan federal court to 10 years in prison for his participation in an insider trading scheme in which he obtained and traded on material, nonpublic information ("Inside Information"), including information misappropriated from a law firm. Following a four week jury trial, GOFFER was convicted in June 2011 on all counts against him, including 12 counts of securities fraud and two counts of conspiracy to commit securities fraud. GOFFER was sentenced today by U.S. District Judge RICHARD J. SULLIVAN.

Manhattan U.S. Attorney PREET BHARARA said: "Today's sentence is a fitting conclusion to yet another sordid chapter in the illegal insider trading conspiracies that have become so alarmingly pervasive. Unfortunately, it is not the final chapter."

According to the Indictment, a Complaint previously filed in this case, and the trial evidence:

In 2007 and 2008, ZVI GOFFER led an insider trading ring that obtained privileged and confidential information from two attorneys, ARTHUR CUTILLO and BRIEN SANTARLAS, about mergers and acquisitions of public companies. GOFFER and his co-conspirators traded on this Inside Information and earned over \$10 million in illegal profits. The Inside Information included the potential acquisition of 3Com Corporation ("3Com") and the potential acquisition of Axcan Pharma, Inc., ("Axcan"). GOFFER obtained the inside information from CUTILLO and SANTARLAS through JASON GOLDFARB, an attorney at another law firm who acted as an intermediary. GOFFER then traded on the information and provided the information to other co-conspirators. Following the announcement of the 3Com acquisition, GOFFER paid approximately \$75,000 to CUTILLO, SANTARLAS and GOLDFARB. Following the announcement of the Axcan acquisition, GOFFER paid approximately

\$22,500 to CUTILLO, SANTARLAS and GOLDFARB. In an effort to avoid detection by law enforcement, GOFFER distributed prepaid cellular telephones to CUTILLO, SANTARLAS, GOLDFARB and other conspirators.

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In addition to the prison term, Judge SULLIVAN sentenced GOFFER, 34, to three years of supervised release. He was also ordered to pay forfeiture in the amount of

CUTILLO, GOLDFARB, and SANTARLAS previously pled guilty to conspiracy and securities fraud charges in connection with this scheme. CUTILLO and GOLDFARB were sentenced to 30 months and 36 months in prison, respectively. SANTARLAS is scheduled to be sentenced on October 28, 2011, at 2:30 p.m.

Mr. BHARARA praised the investigative work of the FBI and thanked the SEC for its assistance with 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.

Assistant U.S. Attorneys ANDREW FISH, REED BRODSKY, and RICHARD TARLOWE are in charge of the prosecution.

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