

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 : Crim. No. 17-
 v. :
 : 15 U.S.C. §§ 78j(b) and 78ff,
 : 17 C.F.R. §§ 240.10b-5 and
 RICHARD YU : 240.10b5-2, and 18 U.S.C. § 2
 :

I N F O R M A T I O N
(Securities Fraud)

The defendant having waived in open court prosecution by Indictment, the Acting United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant RICHARD YU resided in Pennington, New Jersey.

b. Celator was a biopharmaceutical company headquartered in Ewing Township, New Jersey. Celator developed and tested a drug to treat cancer called Vyxeos (the "Cancer Drug"). Securities of Celator were traded on the Nasdaq Stock Market under the symbol CPXX.

2. From in or around March 2016 to in or about May 2016, in Mercer County, in the District of New Jersey, and elsewhere, defendant

RICHARD YU

did unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and the mails and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, 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 persons, to wit: by knowingly executing transactions in the securities of Celator in or about March 2016 and May 2016 based on material, non-public information disclosed in breach of a duty of trust and confidence that was owed directly, indirectly, and derivatively to Celator and its shareholders, and to other persons who were the source of the material nonpublic information; and by knowingly disclosing material, non-public information concerning Celator's impending acquisition by another publicly traded company which was obtained in breach of the aforementioned duty of trust and confidence to a family member for the purpose of the family member's executing securities transactions in the securities of Celator.

The Insider Trading Scheme

3. From in or about March 2016 to in or about May 2016, RICHARD YU carried out an insider trading scheme in which he traded on material, non-public information relating to Celator, which he received from a close personal friend, referred to herein as "Person 1," and which was misappropriated by Person 1 in violation of a duty of trust and confidence owed to Celator and its

shareholders and to the sources of the information.

4. In particular, RICHARD YU traded on material, non-public information ahead of two public announcements by Celator. The first was Celator's announcement on or about March 14, 2016, that the Phase 3 trial results for its Cancer Drug were positive, which caused Celator's stock price to increase substantially the day after the announcement. The second was on May 31, 2016, when Celator publicly announced that it had entered into a merger agreement with another publicly traded company. This announcement also caused the stock price of Celator to increase substantially.

5. Prior to both of these public announcements, RICHARD YU received material, non-public information from Person 1 about the upcoming announcement for the purpose of RICHARD YU's trading in the securities of Celator.

6. RICHARD YU participated in the scheme knowing that the information he was provided by Person 1 was material, non-public information, which Person 1 had misappropriated from Celator in breach of his duty of trust and confidence, so that it could be used to execute profitable trades, which RICHARD YU repeatedly did.

7. As part of the scheme, RICHARD YU also provided material, non-public information relating to the potential acquisition of Celator by another publicly traded company to a member of his family for the purpose of the family member's trading in the securities of Celator.

8. As part of the scheme, RICHARD YU obtained approximately \$93,024.50 in illicit profits, and his relative obtained approximately \$107,045 in illicit profits.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5 and 240.10b5-2 and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATIONS

1. As the result of committing the offenses constituting specified unlawful activity as defined in 18 U.S.C. § 1956(c)(7), as alleged in this Information, defendant RICHARD YU 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(c), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the said conspiracy and securities fraud offenses, and all property traceable thereto, including, but not limited to, a sum of money equal to at least \$93,024.50 in United States currency.

Substitute Assets Provision

2. 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 21 U.S.C. § 853(p), as

incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.


WILLIAM E. FITZPATRICK
Acting United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

RICHARD YU

INFORMATION FOR

**15 U.S.C. §§ 78j(b) and 78ff,
17 C.F.R. §§ 240.10b-5 and 240.10b5-2, and
18 U.S.C. § 2**

**WILLIAM E. FITZPATRICK
ACTING UNITED STATES ATTORNEY
FOR THE DISTRICT OF NEW JERSEY**

**DANIEL SHAPIRO
ASSISTANT U.S. ATTORNEY
NEWARK, NEW JERSEY
(973) 353-6087**
