

NEWS

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FOR IMMEDIATE RELEASE
Feb. 6, 2007

New Jersey Businessman Gets 30 Months
in Prison for Insider Trading

(More)

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NEWARK – A New Jersey plastics manufacturer who pleaded guilty in June to insider trading in the purchase of stock in the Musicland stores chain and another company, C-Cube Microsystems, Inc., was sentenced today to 30 months in federal prison, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Katharine S. Hayden also ordered Alfred S. Teo, Sr., 60, of Kinnelon, New Jersey to pay a fine of \$1 million. Judge Hayden ordered Teo to surrender to the federal Bureau of Prisons on a date soon after April 10, 2007 to begin serving his prison sentence.

Teo is the chairman of Lyndhurst, N.J.-based Alpha Industries Group, whose companies manufacture plastic bags and film. In the seventh week of his trial, Teo pleaded guilty to three counts of insider trading related to his trades in Musicland stock.

Specifically, Teo admitted that he purchased 45,000 shares of Musicland stock in November and December 2000. He admitted that he did so with insider knowledge that Musicland was about to be acquired by Best Buy Co. at a substantial premium.

Teo also pleaded guilty the same day to two separate counts of insider trading contained in a second Indictment. Those counts related to trades in stock of C-Cube Microsystems, Inc. In that case, he admitted that he obtained material, non-public information regarding C-Cube while he was a member of the Cirrus Logic Inc. board of directors. Cirrus at the time was considering acquiring C-Cube.

In addition to benefitting himself through insider trading, Teo admitted that he tipped a number of friends and associates. As a result of Teo's conduct, shareholders of both companies lost more than \$1.5 million, in the aggregate.

Teo was initially indicted on Aug. 18, 2004 in a 46-count Indictment that also charged him with violating the federal securities laws by making false filings with the Securities and Exchange Commission and making misrepresentations within filings that had been made with the Commission. As a result of his guilty plea, those counts of the Indictment have been dismissed.

Teo was prosecuted by Assistant U.S. Attorney Craig Carpenito of the Securities and Health Care Fraud Unit of the Criminal Division of the U.S. Attorney's Office in Newark.

Christie credited the staff of the SEC in New York, under the direction of Regional Director Mark K. Schonfeld, as well as Special Agents of the FBI in Newark, under the direction of Special Agent in Charge Leslie G. Wiser, with developing the case against Teo.

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Defense Counsel:

John Farmer, Esq. and John Azzarello, Esq., Newark