

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Criminal No. 11-
 :
 : 18 U.S.C. § 371
 KENNETH ROBINSON : 15 U.S.C. §§ 78j(b) and
 : 78ff; 17 C.F.R. § 240.10b-5
 : 18 U.S.C. § 2

INFORMATION

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

COUNT ONE

(Conspiracy to Commit Securities Fraud)

1. At all times relevant to this Information:

a. Matthew Kluger ("Kluger"), a resident of Oakton, Virginia, was a 1995 graduate of New York University School of Law. Starting while in law school through on or about March 11, 2011, Kluger worked as a summer associate and later an attorney at various law firms, including Cravath, Swaine and Moore; Skadden, Arps, Slate Meagher & Flom; Fried Frank; and Wilson Sonsini Goodrich & Rosati (collectively, the "Law Firms") and a Fortune 500 corporation. As an attorney at the Law Firms, Kluger had access to material nonpublic information ("Inside Information") concerning clients' potential sales and mergers, as well as other material, nonpublic information. Kluger had a duty

not to disclose Inside Information he learned through his position at the Law Firms, and not to use such information for his personal benefit or the benefit of others.

b. Garrett Bauer ("Bauer"), a resident of New York, New York, was a professional stock trader who worked at various proprietary trading firms.

c. Defendant KENNETH ROBINSON ("ROBINSON"), a resident of Long Beach, New York, was at one time a registered trader but primarily worked in the mortgage loan business.

The Conspiracy

2. From in or about 1994 to in or about March 2011, in Hudson and Middlesex Counties, in the District of New Jersey, and elsewhere, defendant

KENNETH ROBINSON

did knowingly and willfully combine, conspire, confederate and agree with Kluger, Bauer and others to commit offenses against the United States, namely, securities fraud, by using and employing by the direct and indirect use of the means and instrumentalities of interstate commerce and the mails, in connection with the purchase and sale of securities, manipulative and deceptive devices, including the purchases and sales of securities of issuers on the basis of material nonpublic information about those securities and issuers, in breach of a duty of trust and confidence that was owed directly, indirectly,

and derivatively, to the issuers of those securities, the shareholders of those issuers, and to other persons who are the source of the material nonpublic information, contrary to Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

Object of the Conspiracy

3. The object of the conspiracy was for defendant KENNETH ROBINSON, Kluger, Bauer and others, to obtain money by purchasing and selling securities on the basis of Inside Information Kluger gained through his employment at the Law Firms.

Manner and Means of the Conspiracy

4. It was a part of the conspiracy that while at the Law Firms, Kluger regularly stole from the Law Firms, and disclosed to defendant KENNETH ROBINSON, Inside Information regarding anticipated corporate mergers and acquisitions on which the Law Firms were working. Early in the scheme, Kluger disclosed information relating to deals on which he personally worked. As the scheme developed, and in an effort to avoid law enforcement detection, Kluger was careful to steal and disclose information about deals on which he did not personally work, but about which he learned by searching the Law Firms' computer systems.

5. Once Kluger gave the Inside Information to defendant KENNETH ROBINSON, defendant KENNETH ROBINSON then passed the information to Bauer with instructions regarding how many shares Bauer should purchase for defendant KENNETH ROBINSON and Kluger. Bauer, in turn, then purchased shares for himself, defendant KENNETH ROBINSON, and Kluger in his trading accounts and quickly sold those shares once the transaction was publicly announced. Many of the shares that Bauer purchased were executed through computer servers in New Jersey.

6. When Bauer obtained the illicit profits from selling the shares, he gave defendant KENNETH ROBINSON (directly) and Kluger (through defendant KENNETH ROBINSON) their portions of the proceeds in cash - often tens or hundreds of thousands of dollars at a time - that Bauer withdrew from ATM machines.

7. In two transactions, instead of Bauer buying and selling the securities, defendant KENNETH ROBINSON traded in his own accounts based on Inside Information from Kluger and paid Kluger his share of the proceeds in cash.

8. In an effort to prevent their insider trading scheme from being detected, defendant KENNETH ROBINSON, Bauer, and Kluger at various times used pay phones and prepaid cellular phones to discuss their illicit scheme and transactions.

Overt Acts

9. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. In or about January 2011, Kluger accessed the computer system of his client, Wilson Sonsini Goodrich & Rosati, regarding CSR PLC's planned merger with Zoran Corp., and shared that information with defendant KENNETH ROBINSON so Bauer could purchase Zoran Corp. stock.

b. Between on or about January 24, 2011 and on or about February 17, 2011, Bauer caused the purchase of approximately 1,461,056 shares of Zoran Corp.

c. After the stock price of Zoran Corp. went up, due to a public announcement on or about February 21, 2011 that CSR PLC was to merge with Zoran Corp., Bauer sold the shares of Zoran Corp. for a profit of approximately \$1,957,257.

d. On or about March 3, 2011, defendant KENNETH ROBINSON accepted from Bauer approximately \$182,000 in cash, as a portion of the proceeds of the illicit Zoran Corp. stock transaction, which defendant KENNETH ROBINSON agreed to split with Kluger.

In violation of Title 18, United States Code, Section 371.

COUNTS TWO AND THREE
(Securities Fraud)

On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

KENNETH ROBINSON

by use of the means and instrumentalities of interstate commerce, the mails, and facilities of national securities exchanges, directly and indirectly, knowingly and willfully used manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5 (Rule "10b-5") in connection with the purchases and sales of securities by (a) employing devices, schemes, and artifices to defraud members of the investing public; (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 a course of business which operated and would operate as a fraud and deceit upon persons, in that he executed and caused the execution of the securities transactions listed below based upon the material, nonpublic information Kluger obtained through his employment as an attorney at the Law Firms and elsewhere:

COUNT	APPROX. DATES	SECURITIES TRANSACTION
2	10/26/2009- 11/5/2009	Purchases of approximately 65,000 shares of 3Com stock
3	7/28/2010- 8/17/2010	Purchases of approximately 32,000 shares of McAfee stock

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


PAUL J. FISHMAN
United States Attorney

CASE NUMBER: _____

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District of New Jersey**

UNITED STATES OF AMERICA

v.

KENNETH ROBINSON

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18 U.S.C. § 371;
15 U.S.C. §§ 78j(b) and 78ff;
17 C.F.R. § 240.10b-5; and
18 U.S.C. § 2

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