

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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:
UNITED STATES OF AMERICA :
:
- v. - :
:
MOSHE STRUGANO, :
:
Defendant. :
:
- - - - - X

SEALED INDICTMENT

22 Cr.

22 CRIM 226

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The Grand Jury charges:

Relevant Entities and Individuals

1. At all times relevant to this Indictment, Ormat Technologies Inc. ("Ormat"), was an international renewable energy company headquartered in the State of Nevada, with offices and production facilities in Yavne, Israel, a suburb of Tel Aviv. Ormat's stock traded on the New York Stock Exchange ("NYSE") and the Tel Aviv Stock Exchange ("TASE") under the ticker "ORA."

2. At all times relevant to this Indictment, U.S. Geothermal Inc. ("U.S. Geothermal") was a renewable energy company headquartered in Boise, Idaho, that operated geothermal power projects in Oregon, Nevada, and Idaho. Until Ormat acquired U.S. Geothermal in 2018, U.S. Geothermal traded on the NYSE American under the ticker "HTM."

3. At all times relevant to this Indictment, MOSHE STRUGANO, the defendant, was an Israeli citizen and a corporate lawyer practicing in Tel Aviv, Israel. STRUGANO's law practice specialized in registering and establishing offshore companies and trusts, and opening related financial accounts.

4. At all times relevant to this Indictment, a co-conspirator not named herein ("CC-1") was an Israeli citizen and the head of Mergers and Acquisitions for Ormat. CC-1 was an independent contractor for Ormat and worked out of Ormat's offices in Yavne. By virtue of CC-1's position at Ormat, CC-1 had access to material nonpublic information about Ormat, including its intent to acquire U.S. Geothermal.

5. At all times relevant to this Indictment, MOSHE STRUGANO, the defendant, and CC-1 maintained a personal relationship and friendship.

6. At all times relevant to this Indictment, Liversey Holdings Limited ("Liversey") was a company established by MOSHE STRUGANO, the defendant, in the Seychelles. STRUGANO was the beneficial owner of Liversey.

7. At all times relevant to this Indictment, MOSHE STRUGANO, the defendant, controlled multiple accounts at a particular private bank based in Switzerland ("Bank-1"), including an account STRUGANO opened in the name of Liversey in or about 2017 (the "Liversey Account"). A particular individual

(the "Broker") was an employee of Bank-1 and the relationship manager for Bank-1's relationship with STRUGANO. At all times relevant to this Indictment, the Broker was based in Israel.

Overview of the Insider Trading Scheme

8. From at least in or about December 2017 through in or about January 2018, CC-1 violated duties of trust and confidence CC-1 owed to Ormat by passing material nonpublic information regarding Ormat's intent to acquire U.S. Geothermal to MOSHE STRUGANO, the defendant, so that STRUGANO could use that information to make timely trades in U.S. Geothermal stock. STRUGANO, who was aware of CC-1's breach of duty, used this material nonpublic information to execute profitable trades in U.S. Geothermal securities.

9. From on or about December 19, 2017 through on or about January 18, 2018, MOSHE STRUGANO, the defendant, purchased nearly 4% of the total outstanding shares of U.S. Geothermal through the Liversey Account. Prior to December 19, 2017, STRUGANO had never purchased U.S. Geothermal securities through Bank-1.

10. Following the public announcement of Ormat's acquisition of U.S. Geothermal on or about January 24, 2018, MOSHE STRUGANO, the defendant, sold the U.S. Geothermal securities he purchased for a profit of approximately \$1.2 million.

Relevant Confidentiality Duties

11. At all times relevant to this Indictment, employees and contractors of Ormat, including CC-1, had an obligation to maintain the confidentiality of information received in connection with their work for Ormat, and an obligation not to provide the information to others for the purpose of securities trading.

Ormat and U.S. Geothermal Merger Negotiations

12. In or about September 2017, Ormat and U.S. Geothermal agreed to reengage in previously abandoned merger discussions. CC-1 was one of the principal negotiators for Ormat in these restarted discussions.

13. CC-1 continued to participate in merger discussions with U.S. Geothermal throughout December 2017. In particular, on December 13, 2017, CC-1 and the Chief Financial Officer of Ormat met with three U.S. Geothermal directors at a restaurant in Manhattan, New York, to negotiate the terms of the merger. The next day the parties continued their discussions at Ormat's lawyers' offices in Manhattan.

CC-1's Disclosure of the Impending Merger to STRUGANO

14. On or about Saturday, December 16, 2017, the day after returning to Israel from New York, CC-1 sent MOSHE STRUGANO, the defendant, a WhatsApp message that asked, in sum and substance, if STRUGANO was in Israel that week. STRUGANO responded, in sum

and substance, that he was and suggested they talk on Monday.

15. On or about Monday, December 18, 2017, MOSHE STRUGANO, the defendant, and CC-1 exchanged several WhatsApp messages, including messages suggesting that they would speak the next day.

16. On or about Tuesday, December 19, 2017:

a. At approximately 9:07 a.m., Israel Standard Time, CC-1 sent MOSHE STRUGANO, the defendant, a WhatsApp message that asked, in sum and substance, where STRUGANO was. STRUGANO responded, in sum and substance, that he would call soon. STRUGANO's calendar showed an entry for a meeting with CC-1 that day.

b. At approximately 2:00 p.m., Ormat held a board meeting to discuss negotiations with U.S. Geothermal, which CC-1 attended. During the meeting, the Ormat board authorized the acquisition of U.S. Geothermal at a price of up to \$5.50 per share, which was the asking price of U.S. Geothermal.

c. Almost immediately after the Ormat board meeting ended, CC-1 tipped off MOSHE STRUGANO, the defendant, that the Ormat-U.S. Geothermal deal was going to close through a coded WhatsApp message. Within a minute of receiving that message, STRUGANO placed a failed WhatsApp call to the Broker. STRUGANO then tried to call the Broker another four times over the next four minutes.

d. Minutes later, Bank-1 received a telephonic order from STRUGANO to purchase 7,000 shares of U.S. Geothermal for the Liversey Account. This was the first time STRUGANO had ever asked Bank-1 to purchase U.S. Geothermal stock for his accounts.

e. Later that night, the U.S. Geothermal board approved in principle the acquisition by Ormat at a purchase price of \$5.45 per share.

17. From on or about December 19, 2017 through on or about January 23, 2018, Ormat and U.S. Geothermal finalized their merger agreement. Throughout this time period, the parties treated their intent to merge as confidential. On or about January 24, 2018, Ormat and U.S. Geothermal announced that Ormat had acquired U.S. Geothermal at a price of \$5.45 per share.

STRUGANO's Purchases of U.S. Geothermal Securities

18. From on or about December 19, 2017 through on or about January 18, 2018, MOSHE STRUGANO, the defendant, directed Bank-1 to purchase large blocks of U.S. Geothermal stock for the Liversey Account. Bank-1 filled those orders in the approximate amounts and prices on or about the dates listed below:

Order Date	Number of Shares	Average Purchase Price per Share
December 19, 2017	7,000	\$3.34
December 20, 2017	15,000	\$3.33
December 21, 2017	25,000	\$3.32
December 22, 2017	50,000	\$3.42
December 26, 2017	13,650	\$3.52
December 27, 2017	50,000	\$3.49
December 28, 2017	80,000	\$3.47

December 29, 2017	50,000	\$3.42
January 8, 2018	80,000	\$3.61
January 9, 2018	80,000	\$4.00
January 12, 2018	50,000	\$3.89
January 16, 2018	80,000	\$3.93
January 17, 2018	80,000	\$3.98
January 18, 2018	80,000	\$4.03

19. To carry out these trades, MOSHE STRUGANO, the defendant, sent WhatsApp messages to the Broker instructing the Broker to purchase U.S. Geothermal shares. The Broker in turn sent STRUGANO WhatsApp messages confirming executed orders. In these WhatsApp messages, STRUGANO repeatedly pushed the Broker to acquire large blocks of U.S. Geothermal shares.

20. On or about January 10, 2018, the Broker sent MOSHE STRUGANO, the defendant, WhatsApp messages that asked if STRUGANO wanted to purchase more U.S. Geothermal shares. STRUGANO responded, "Let's stop for now. Delete all messages."

21. Approximately two days later, MOSHE STRUGANO, the defendant, sent the Broker a WhatsApp message directing the Broker to recommence purchasing U.S. Geothermal shares. The Broker continued purchasing U.S. Geothermal shares for STRUGANO until on or about January 18, 2018, when the Broker informed STRUGANO, in sum and substance, that the Liversey Account was overleveraged and in shortfall.

22. Over the next several days, MOSHE STRUGANO, the defendant, asked the Broker, in sum and substance, to tell

Bank-1 to give him a few more days to make up the shortfall in the Liversey Account. On or about January 24, 2018, the Broker told STRUGANO in sum and substance, that STRUGANO was out of time with Bank-1. STRUGANO told the Broker to ask Bank-1 to wait one more day, and then a few hours.

23. Less than an hour later, on or about January 24, 2018, Ormat and U.S. Geothermal publicly announced their merger agreement. Upon the public announcement of the merger, U.S. Geothermal's stock price jumped from approximately \$4.23 per share to approximately \$5.39 per share. That same day, MOSHE STRUGANO, the defendant, instructed the Broker to begin selling off his position in U.S. Geothermal.

24. Between December 19, 2017, and January 18, 2018, MOSHE STRUGANO, the defendant, purchased approximately 740,650 shares of U.S. Geothermal, at a total cost of approximately \$2,763,706. STRUGANO was responsible for approximately 33% of the total volume of trading in U.S. Geothermal stock over that time period. By January 18, 2018, STRUGANO accumulated an approximately 3.8% equity stake in U.S. Geothermal. At its peak, STRUGANO's stake in U.S. Geothermal represented 47% of his total assets under management at Bank-1.

25. From on or about January 24, 2018 through on or about April 13, 2018, Bank-1 sold all the shares in U.S. Geothermal that MOSHE STRUGANO, the defendant, had purchased through the

Liversey Account, netting STRUGANO approximately \$1.2 million in profit.

26. To fill the trade orders in U.S. Geothermal securities placed by MOSHE STRUGANO, the defendant, Bank-1 in turn placed trade orders through other banks, including Bank-1's institutional account at a bank ("Bank-2") that operated in Switzerland, the United Kingdom, and the United States. Portions of the trade orders placed by STRUGANO were filled over the NYSE and NASDAQ by Bank-2's U.S. subsidiary and its employees, who were located in Manhattan, New York.

The Cover Up

27. After the public announcement of the Ormat-U.S. Geothermal merger, MOSHE STRUGANO, the defendant, took steps to cover up the fact that he received material nonpublic information about the impending merger from CC-1.

28. Specifically, on or about January 31, 2018, the Broker, at Bank-1's direction, interviewed MOSHE STRUGANO, the defendant, about the reasons for STRUGANO's trades in U.S. Geothermal. STRUGANO told the Broker that he did not know anyone who worked at or for Ormat and that he had no link to Ormat. STRUGANO insisted that his decision to trade in U.S. Geothermal was based on publicly available information and advice from an unnamed friend in Singapore. STRUGANO failed to disclose his relationship with CC-1.

29. The next day, on or about February 1, 2018, MOSHE STRUGANO, the defendant, hosted the Broker, CC-1 and others at STRUGANO's house in Caesarea, Israel for STRUGANO's birthday.

30. On or about March 8, 2018, after CC-1 had been informed that the U.S. Financial Industry Regulatory Authority ("FINRA") contacted Ormat to inquire about insider trading in U.S. Geothermal stock, MOSHE STRUGANO, the defendant, defriended CC-1 on Facebook.

STATUTORY ALLEGATIONS

31. From at least in or about 2017 up to and including at least in or about 2018, in the Southern District of New York and elsewhere, MOSHE STRUGANO, the defendant, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff and Title 17, Code of Federal Regulations, Section 240.10b-5.

32. It was a part and object of the conspiracy that MOSHE STRUGANO, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by use of the instrumentalities of interstate and foreign commerce, and of the mails, and the facilities of national securities exchanges, would and did use and employ, in connection with the purchase

and sale of securities, 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 or causing to be made untrue statements material fact and omitting to state material facts necessary in order to make the statements made, in 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 on other persons, in violation of Title 15, United States Code, Section 78j(b) and 78ff.

Overt Acts

33. In furtherance of the conspiracy and to effect its illegal object, MOSHE STRUGANO, the defendant, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

- a. On or about December 19, 2017, CC-1 shared material non-public information with STRUGANO.
- b. On or about December 19, 2017, STRUGANO purchased 7,000 U.S. Geothermal shares based in part on material, nonpublic information he had received from CC-1; STRUGANO's order was filled, in part, by trades Bank-2 executed over the NYSE and NASDAQ.
- c. On or about December 20, 2017, STRUGANO purchased

15,000 U.S. Geothermal shares based in part on material, nonpublic information he had received from CC-1; STRUGANO's order was filled, in part, by trades Bank-2 executed over the NYSE and NASDAQ.

d. On or about December 21, 2017, STRUGANO purchased 25,000 U.S. Geothermal shares based in part on material, nonpublic information he had received from CC-1; STRUGANO's order was filled, in part, by trades Bank-2 executed over the NYSE and NASDAQ.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Securities Fraud)

The Grand Jury further charges:

34. The allegations contained in paragraphs 1 through 30 and 33 of this Indictment are hereby repeated, realleged, and incorporated by reference, as if fully set forth herein.

35. On the dates set forth below, in the Southern District of New York and elsewhere, MOSHE STRUGANO, the defendant, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, the mails and the facilities of national securities exchanges, in connection with the purchase and sale of securities, did 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 or causing to be made untrue statements material fact and omitting to state material facts necessary in order to make the statements made, in 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 on other persons, to wit, CC-1 provided material, nonpublic information to STRUGANO in violation of CC-1's duties of trust and confidence, and STRUGANO, aware of this breach of duty, used the material, nonpublic information to execute and cause others to execute the securities transactions listed below on or about the dates listed below:

Order Date	Transaction in U.S. Geothermal Stock
December 19, 2017	Purchase of 7,000 shares
December 20, 2017	Purchase of 15,000 shares
December 21, 2017	Purchase of 25,000 shares
December 22, 2017	Purchase of 50,000 shares
December 26, 2017	Purchase of 13,650 shares
December 27, 2017	Purchase of 50,000 shares
December 28, 2017	Purchase of 80,000 shares
December 29, 2017	Purchase of 50,000 shares
January 8, 2018	Purchase of 80,000 shares
January 9, 2018	Purchase of 80,000 shares
January 12, 2018	Purchase of 50,000 shares
January 16, 2018	Purchase of 80,000 shares
January 17, 2018	Purchase of 80,000 shares
January 18, 2018	Purchase of 80,000 shares

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

COUNT THREE
(Securities Fraud)

The Grand Jury further charges:

36. The allegations contained in paragraphs 1 through 30 and 33 of this Indictment are hereby repeated, realleged, and incorporated by reference, as if fully set forth herein.

37. From at least in or about 2017 through at least in or about 2018, in the Southern District of New York and elsewhere, MOSHE STRUGANO, the defendant, willfully and knowingly executed a scheme and artifice to (a) defraud persons in connection with securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, and (b) obtain, by means of false and fraudulent pretenses, representations, and promises, money and property in connection with the purchase and sale of securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, to wit, STRUGANO and CC-1 schemed to defraud Ormat of confidential information related to Ormat's agreement to acquire U.S. Geothermal by improperly obtaining that information through deceptive means and then converting that information to their own use, for the purpose of

executing securities transactions in U.S. Geothermal stock.

(Title 18, United States Code, Sections 1348 and 2)

FORFEITURE ALLEGATIONS

38. As a result of committing the offense alleged in Counts One through Three of this Indictment, MOSHE STRUGANO, the defendant, 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, any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Assets Provision

39. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:


- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- 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 divided without difficulty;

it is the intent of the United States, pursuant to Title 21,
United States Code, Section 853(p) and Title 28, United States
Code, Section 2461, to seek forfeiture of any other property of
the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981(a)(1)(C);
Title 21, United States Code, Section 853(p); and
Title 28, United States Code, Section 2461.)



FOREPERSON


DAMIAN WILLIAMS
United States Attorney

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v.

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SEALED INDICTMENT

22 Cr.

(15 U.S.C. §§ 78j(b) & 78ff;
17 C.F.R. § 240.10b-5;
18 U.S.C. §§ 371, 1348 & 2)

DAMIAN WILLIAMS

United States Attorney


Foreperson

4/14/22

Filed indictment under seal
Arrest warrant issued

USMJ Wang

MG