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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

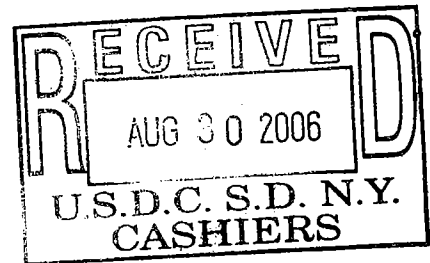
-against-

SONJA ANTICEVIC, DAVID PAJGIN, EUGENE
PLOTKIN, STANISLAV SHPIGELMAN,
NICKOLAUS SHUSTER, JUAN C. RENTERIA, JR.,
HENRY SIEGEL, ELVIS SANTANA, MONIKA
VUJOVIC, MIKHAIL PLOTKIN, PERICA
LOPANDIC, BRUNO VERINAC, ZORAN SORMAZ,
ILIJA BORAC, ANTUN DILBER, ANTO KRSIC,
and JASON C. SMITH,

Defendants.

05 Civ. 6991 (KMW)

FOURTH AMENDED
COMPLAINT



Plaintiff Securities and Exchange Commission (the "Commission") alleges the following against Defendants Sonja Anticevic ("Anticevic"), David Pajcin ("Pajcin"), Eugene Plotkin ("Plotkin"), Stanislav (aka "Stan") Shpigelman ("Shpigelman"), Nickolaus Shuster ("Shuster"), Juan C. Renteria, Jr. ("Renteria"), Henry Siegel ("Siegel"), Elvis Santana ("Santana"), Monika Vujovic ("Vujovic"), Mikhail Plotkin, Perica Lopandic ("Lopandic"), Bruno Verinac ("Verinac"), Zoran Sormaz ("Sormaz"), Ilija Borac ("Borac"), Antun Dilber ("Dilber"), Anto Krsic ("Krsic"), and Jason C. Smith ("Smith") (collectively, the "Defendants"):

SUMMARY

1. This case involves a widespread and brazen international scheme of serial insider trading orchestrated by Plotkin, a former Associate in the Fixed Income Research division at Goldman Sachs Group (“Goldman Sachs”), and Pajcin, a former analyst at Goldman Sachs, resulting in at least \$6.8 million of illicit gains. Beginning in late 2004, Pajcin and Plotkin engaged in a conspiracy with several individuals to surreptitiously obtain confidential non-public information from a variety of sources, including investment banks, financial publications, and a federal grand jury. Pursuant to this conspiracy, Pajcin and Plotkin developed, organized, and participated in, at least three separate insider-trading schemes (collectively, the “Insider Trading Schemes”). Pajcin and Plotkin agreed to share all proceeds from their fraudulent enterprises.

2. In the first scheme, Pajcin and Plotkin recruited Shpigelman, a Mergers and Acquisitions Analyst at Merrill Lynch & Co., Inc. (“Merrill Lynch”), to provide them with information about pending mergers and acquisitions deals on which Merrill Lynch was working, prior to the time such information became public (the “Merrill Lynch Scheme”). As part of this scheme, Plotkin and Pajcin promised to compensate Shpigelman with a percentage of the profits they made from trades entered into on the basis of the insider information Shpigelman provided. Pursuant to this scheme, from late 2004 to the summer of 2005 (the “Relevant Period”), Shpigelman provided Pajcin and Plotkin with non-public information concerning at least six mergers or acquisitions that Merrill Lynch was working on prior to the time the deals became public, including mergers or acquisitions involving Reebok International Ltd. (“Reebok”), Eon Labs, Inc. (“Eon Labs”), Cinergy Corp. (“Cinergy”), Celgene Corp. (“Celgene”), The Gillette Company (“Gillette”), and LabOne, Inc. (“LabOne”).

3. In the second scheme, Plotkin and Pajcin recruited two individuals, first Shuster, and later Renteria, to obtain employment at Quad/Graphics, Inc. (“Quad”), one of the four printing plants that print BusinessWeek magazine, for the sole purpose of stealing copies of the magazine before it was distributed to the public (the “BusinessWeek Scheme”). Pursuant to this scheme, Shuster and Renteria were hired at Quad, repeatedly obtained copies of the upcoming edition of BusinessWeek, and then called Pajcin and Plotkin and read them key portions of the “Inside Wall Street” column – a widely-read column that generally moves the price of the securities of companies mentioned in it – prior to the time the column was made available to the public. Collectively, Shuster and Renteria provided Pajcin and Plotkin with material non-public information concerning at least twenty companies that were featured in the “Inside Wall Street” column.

4. In the third scheme, one of Pajcin’s longstanding friends, Smith, told Pajcin and Plotkin that he was sitting on a federal grand jury in the District of New Jersey that was convened to investigate, among other things, potential accounting fraud at Bristol-Myers Squibb Co. (“Bristol-Myers”). Smith then leaked information about the grand jury proceedings to Pajcin and Plotkin in order to enable them to trade on non-public information (the “Grand Jury Scheme”). As part of this scheme, Smith communicated to Pajcin and Plotkin that it appeared as if one of Bristol-Myers’ then-current high-ranking executives would be indicted, and based on that information, various of the Defendants purchased put options in Bristol-Myers or shorted Bristol-Myers stock in an attempt to profit on the negative information. Later, a day before the announcement of a deferred prosecution agreement with Bristol-Myers in which the high-ranking executive was not indicted, Smith told Pajcin that the grand jury did not return an

indictment against the high-ranking executive. Based on this tip, each of the Bristol-Myers traders liquidated or covered his position in an attempt to avoid losses.

5. After obtaining the material non-public information stemming from the Insider Trading Schemes, Pajcin first executed trades based on such information through an account in his own name, and later through accounts in the name of Pajcin's aunt, Anticevic, and Vujovic, an exotic dancer whom Pajcin and Plotkin met at a gentleman's club. Pajcin and Plotkin also tipped several individuals in Europe, including Lopandic and Verinac – two Croatian nationals residing in Germany – and several individuals in the United States, including Plotkin's father, Mikhail Plotkin, about the Merrill Lynch deals, the companies mentioned in BusinessWeek, and the information obtained in the secret grand jury proceedings. Lopandic and Verinac, in turn, tipped various other individuals residing in Europe about the confidential non-public information. Pajcin and Plotkin had arrangements with the individuals in the United States and with Lopandic and Verinac in Europe to be paid a percentage of all profits made on the basis of the information provided pursuant to the Insider Trading Schemes. Lopandic and Verinac, in turn, had arrangements with other Europeans to share in the profits made on the basis of this confidential information. Smith provided Pajcin with money to help fund the Insider Trading Schemes. In exchange, Pajcin and Plotkin agreed to provide Smith with a percentage of Pajcin's trading profits related to Smith's contribution to the Insider Trading Schemes. Pajcin and Plotkin had an agreement among themselves to share equally in the profits from the Insider Trading Schemes. As a result of the inside-information gleaned from the Insider Trading Schemes, the Defendants collectively garnered at least \$6.8 million in illicit profits.

6. By this action, the Commission seeks, among other things, an order providing for: permanent injunctive relief against all of the Defendants, the repatriation of all profits realized

from the unlawful insider trading activity set forth herein currently held abroad, and disgorgement of all profits realized from the unlawful insider trading activity set forth herein, along with civil monetary penalties.

JURISDICTION AND VENUE

7. Venue lies in this Court pursuant to Section 27 of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78aa. Certain of the acts, practices, transactions and courses of business alleged herein occurred within the Southern District of New York. For example, certain of the common stocks referred to herein are traded on the New York Stock Exchange, located in New York, New York, and several of the option contracts referred to herein are traded on the American Stock Exchange, located in New York, New York. Defendants Pajcin and Plotkin engaged in several meetings in furtherance of the illegal trading schemes set forth herein in New York, New York, and Shpigelman, the source of much of the information that served as the basis for many of the trades discussed herein, worked at Merrill Lynch in New York, New York during the Relevant Period.

8. Defendants, directly or indirectly, have made use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged herein.

DEFENDANTS

9. **Anticevic**, age 63, is a Croatian national residing in OMIS, Croatia. Anticevic, a retired seamstress, is Defendant Pajcin’s aunt. During the Relevant Period, certain of the securities referred to herein were traded through the following accounts held in Anticevic’s name: an account at CyberTrader, Inc. (“CyberTrader”), account number 19660984 (the

“Anticevic CyberTrader Account”), and an account at Saxo Bank A/S (“Saxo Bank”), a bank located in Copenhagen, Denmark, account number 66855INET (the “Anticevic Saxo Bank Account”). In addition, during the Relevant Period, Anticevic held at least one account in her name at Direktanlage.at AG (“Direktanlage”), a bank located in Salzburg, Austria, account number 658-73351-0007 (any and all such accounts, the “Anticevic Direktanlage Account”). Anticevic gave Pajcin permission to execute trades through the various accounts in her name, and Pajcin executed trades through the various Anticevic accounts discussed herein.

10. **Pajcin**, age 29, was, during the Relevant Period, a resident of Clifton, New Jersey. Pajcin was formerly associated with several broker-dealers, including Goldman Sachs. Pajcin obtained a degree in Economics from the University of Notre Dame in 2000. During the Relevant Period, Pajcin traded certain of the securities referred to herein through an account held in his name at OptionsXpress Holdings, Inc. (“OptionsXpress”), account number 5AL93N1 (the “Pajcin Account”).

11. **Plotkin**, age 27, was, during the Relevant Period, a resident of Brooklyn, New York and Airmont, New York. Plotkin was employed at Goldman Sachs from July 2000 until May 25, 2006, when he was terminated after the Commission announced charges against him and after he was arrested in a parallel criminal action. Plotkin held several positions at Goldman Sachs and was most recently an Associate in the Fixed Income Research division. Plotkin holds Series 7 and Series 63 securities licenses. Plotkin obtained a Bachelor of Arts degree in Economics from Harvard University in 2000.

12. **Shpigelman**, age 23, was, during the Relevant Period, a resident of Brooklyn, New York. Shpigelman was employed as a Mergers and Acquisitions Analyst at Merrill Lynch from July 2004 until his termination on May 5, 2006. On April 11, 2006 the Commission

announced charges against him and he was arrested in a parallel criminal case. Shpigelman holds Series 7 and Series 63 securities licenses. Shpigelman obtained a Bachelor of Science degree in Business Management from the School of Management at Binghamton University in 2004. Shpigelman was the source of the confidential non-public information, and a tipper, in the Merrill Lynch Scheme.

13. **Shuster**, age 25, was, during the Relevant Period, a resident of Newark, New Jersey, Hartford, Wisconsin, and, most recently, Lexington, Tennessee. Shuster was employed at Quad from approximately October 11, 2004, to approximately January 6, 2005, when he was terminated. Shuster was, along with Renteria, a source of the confidential non-public information, and a tipper, in the BusinessWeek Scheme.

14. **Renteria**, age 21, is a resident of Milwaukee, Wisconsin. Renteria began working at Quad on or about May 15, 2005, where he was employed until April 11, 2006, when the Commission announced charges against him and he was arrested in a parallel criminal case. Renteria was, along with Shuster, a source of the confidential non-public information, and a tipper, in the BusinessWeek Scheme.

15. **Siegel**, age 56, is a resident of Pomona, New York. During the Relevant Period, Siegel traded certain of the securities referred to herein through an account held in his name at Charles Schwab & Co., Inc. ("Charles Schwab"), account number 71780879. Siegel was a tippee of Pajcin and Plotkin in the Merrill Lynch and BusinessWeek Schemes.

16. **Santana**, age 23, is a resident of Brooklyn, New York. During the Relevant Period, Santana traded certain of the securities referred to herein through an account held in his name at OptionsXpress, account number 05AV-3ET1. Santana was a tippee of Pajcin and Plotkin in the Merrill Lynch and BusinessWeek Schemes.

17. **Vujovic**, age 24, is a resident of New York, New York. During the Relevant Period, certain of the securities referred to herein were traded through an account held in Vujovic's name at Ameritrade, Inc. ("Ameritrade"), account number 782-827190 (the "Vujovic Account"). Vujovic gave Pajcin permission to execute trades through the Vujovic Account, and Pajcin executed trades through the Vujovic Account as discussed herein.

18. **Mikhail Plotkin**, age 50, is a resident of Palo Alto, California and the father of Plotkin. During the Relevant Period, Mikhail Plotkin traded certain of the securities referred to herein through an account jointly held in his name and in the name of his wife, at OptionsXpress, account number 5AT5-X01. Mikhail Plotkin was a tippee in the Merrill Lynch and BusinessWeek Schemes.

19. **Lopandic**, age 39, is a German and Croatian national, with a residential address in Reinbek, Germany. During the Relevant Period, Lopandic traded certain of the securities referred to herein through an account held in his name at Saxo Bank, account number 67316INET, and/or in account number 056-01490 at Lehman Brothers International Europe ("LBIE"), which was the executing broker for Lopandic's Saxo Bank account (the two accounts collectively, the "Lopandic Account"). During the Relevant Period Lopandic was also a co-signatory on at least two brokerage accounts at Direktanlage, account number 400091887, held in the name of Borac, and account number 400083752, held in the name of Krsic, through which certain of the securities referred to herein were traded. Lopandic was both a tipper and a tippee in the Merrill Lynch and BusinessWeek Schemes.

20. **Verinac**, age 37, is a Croatian national, with a residential address in Hamburg, Germany. During the Relevant Period, Verinac was a co-signatory on at least one brokerage account at Direktanlage, account number 400058634, held in the name of Dilber, through which

certain of the securities referred to herein were traded. Verinac was both a tipper and a tippee in the Merrill Lynch and BusinessWeek Schemes.

21. **Sormaz**, age 41, is a Croatian national with a residential address in Zagreb, Croatia. During the Relevant Period, Sormaz traded certain of the securities referred to herein through an account held in his name at Saxo Bank, account number 67247INET, and/or in account number 056-01490 at LBIE, which was the executing broker for Sormaz' Saxo Bank account (the two accounts collectively, the "Sormaz Saxo Bank Account"). Upon information and belief, during the Relevant Period Sormaz also held at least one brokerage account at Direktanlage (any and all such accounts, the "Sormaz Direktanlage Account"), through which certain of the securities referred to herein were traded. Sormaz was a tippee in the Merrill Lynch and BusinessWeek Schemes.

22. **Borac**, age 51, is a Croatian national with a residential address in Zagreb, Croatia. During the Relevant Period, Borac traded certain of the securities referred to herein through an account held in his name at Saxo Bank, account number 66374INET, and/or in account 056-01490 at LBIE, which was the executing broker for Borac's Saxo Bank account (the two accounts collectively, the "Borac Saxo Bank Account"). During the Relevant Period Borac also held at least one brokerage account at Dirketanlage, account number 400091887 (any and all such accounts, the "Borac Direktanlage Account"), through which certain of the securities referred to herein were traded. Lopandic was a co-signatory on the Borac Direktanlage Account. Borac was a tippee in the Merrill Lynch and BusinessWeek Schemes.

23. **Dilber**, 67, is a Croatian national with a residential address in Pula, Croatia. During the Relevant Period, Dilber held at least one brokerage account at Direktanlage, account number 400058634 (any and all such accounts, the "Dilber Direktanlage Account") through

which certain of the securities referred to herein were traded. Verinac was a co-signatory on the Dilber Direktanlage Account. Dilber was a tippee in the BusinessWeek and Merrill Lynch Scheme, and, upon information and belief, in the Merrill Lynch Scheme.

24. **Krsic**, 62, is a Croatian national with a residential address in Zupanja, Croatia. During the Relevant Period, Krsic held at least one brokerage account at Direktanlage, account number 400083752 (any and all such accounts, the “Krsic Direktanlage Account”), through which certain of the securities referred to herein were traded. Lopandic was a co-signatory on the Krsic Direktanlage Account. Krsic was a tippee in the BusinessWeek Scheme, and, upon information and belief, in the Merrill Lynch Scheme.

25. **Smith**, age 30, is a resident of Jersey City, New Jersey. During the Relevant Period, Smith was employed as a letter carrier for the United States Postal Office. On May 11, 2006 the Commission announced charges against Smith and he was arrested in a parallel criminal case. Smith was the source of the confidential non-public information, and a tipper, in the Grand Jury Scheme, as well as a participant in the Insider Trading Schemes.

RELEVANT ENTITIES

26. **Merrill Lynch** is a Delaware corporation, with headquarters in New York, New York. It is one of the world’s leading financial management and advisory companies with offices in 36 countries and territories. Its Global Markets & Investment Banking Group is a leading global strategic advisor to corporations, governments, institutions and individuals worldwide, that routinely works on large mergers and acquisitions between public corporations. During the Relevant Period, Merrill Lynch served as a financial advisor on transactions between, among others, The Proctor & Gamble Company (“P&G”) and Gillette; Novartis AG (“Novartis”)

and Eon Labs; Duke Energy (“Duke”) and Cinergy; Quest Diagnostics, Inc. (“Quest”) and LabOne; and Reebok and adidas-Salomon AG (“Adidas”).

27. **BusinessWeek** is a weekly financial news magazine owned and published by The McGraw-Hill Companies, Inc. (“McGraw-Hill”), with headquarters in New York, New York.

28. **Quad** is a privately-held, employee-owned, Wisconsin corporation that operates and owns several printing plants, including a plant in Hartford, Wisconsin, that serves as one of four plants that prints BusinessWeek magazine.

29. **Direktanlage** is a Salzburg, Austria, based subsidiary of Direkt Anlage Bank AG, which is headquartered in Munich, Germany. On November 19, 2001 Direktanlage acquired volksbankdirekt.at (a/k/a “vbankdirekt.at”). For purposes of this Complaint, references to “Direktanlage” accounts includes accounts opened at volksbankdirekt.at that were subsequently acquired by Direktanlage. Direktanlage operates as a discount broker. Direktanlage’s trades are cleared by Merrill Lynch, which otherwise acts as an agent for Direktanlage, through an omnibus account number 34401046 (the “Direktanlage Omnibus Account”). Upon information and belief, during the Relevant Period, the individuals trading the securities referenced herein through the Direktanlage Omnibus Account were Lopandic, Verinac, Sormaz, Borac, Dilber and/or Krsic, hereinafter referred to as the “Direktanlage Traders.”

30. **Saxo Bank** is a bank based in Copenhagen, Denmark. Saxo Bank is also an online trading bank.

31. **LBIE** is a London-based affiliate of Lehman Brothers Inc., a subsidiary of Lehman Brothers Holdings Inc. LBIE is an investment firm and a broker-dealer, and is regulated by the Securities and Futures Authority in the United Kingdom. In addition, LBIE is a member

of several European stock exchanges. LBIE acts as an agent for certain trades that Saxo Bank places in the United States securities markets.

FACTS

32. Pajcin and Plotkin met and became friends in 2000 when they were both working at Goldman Sachs. Beginning in or about mid-2004, they began to devise a series of schemes whereby they could obtain confidential non-public information from a variety of sources in order to enable them to profit from trades made on the basis of such information. Among the schemes undertaken by Pajcin and Plotkin were: (i) a scheme to obtain confidential non-public information from a variety of investment banks about pending mergers and acquisitions transactions; (ii) a scheme to obtain confidential non-public information from business periodicals before publication; and (iii) a scheme to obtain confidential non-public information from a federal grand jury investigating Bristol-Myers. As part of their effort to obtain confidential non-public information, Pajcin and Plotkin placed a series of online job advertisements and met with a number of individuals, including individuals employed at various investment banks who, Pajcin and Plotkin believed, might provide them with confidential non-public information concerning pending mergers and acquisitions; a number of exotic dancers who, Pajcin and Plotkin believed, might garner information from individuals employed on Wall Street; and a number of individuals who, Pajcin and Plotkin believed, would be able to steal copies of a periodical before it was distributed to the public.

33. Ultimately, Pajcin and Plotkin consummated at least three different schemes: (i) the Merrill Lynch Scheme, whereby Pajcin and Plotkin obtained from Shpigelman confidential non-public information about pending mergers and acquisitions originating from Merrill Lynch; (ii) the BusinessWeek Scheme, whereby Pajcin and Plotkin obtained from

