

George C. Canellos
Regional Director
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
3 World Financial Center, Room 4300
New York, New York 10281
(212) 336-1020

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	07 Civ. 919 (FM)
	:	
-against-	:	
	:	
ARAGON CAPITAL ADVISORS, LLC,	:	SECOND
ARAGON PARTNERS, LP, ZVI ROSENTHAL,	:	AMENDED
AMIR ROSENTHAL, AYAL ROSENTHAL,	:	COMPLAINT
OREN ROSENTHAL,	:	
DAVID HEYMAN, HEYMAN & SON	:	
INVESTMENT PARTNERSHIP LP,	:	
YOUNG KIM, and BAHRAM DELSHAD,	:	
	:	
Defendants,	:	
	:	
-and-	:	
	:	
ZVI ROSENTHAL, AMIR ROSENTHAL,	:	
OREN ROSENTHAL, AYAL ROSENTHAL	:	
NOGA DELSHAD ROSENTHAL,	:	
EFRAT ROSENTHAL and RIVKA ROSENTHAL,	:	
	:	
Relief Defendants.	:	

Plaintiff Securities and Exchange Commission (the "Commission"), for its
Second Amended Complaint against Defendants Aragon Capital Advisors, LLC
("Aragon Capital"), Aragon Partners, LP ("Aragon Partners"), Zvi Rosenthal ("Zvi"),
Amir Rosenthal ("Amir"), Ayal Rosenthal ("Ayal"), Oren Rosenthal ("Oren") and Relief

Defendants, Zvi, Amir, Oren, Ayal, Noga Delshad Rosenthal (“Noga”), Efrat Rosenthal (“Efrat”) and Rivka Rosenthal (“Rivka”), alleges as follows:

SUMMARY

1. This case involves a brazen scheme of serial insider trading orchestrated by a father and his sons which netted them, their friends, and other relatives more than \$2 million. From at least 2001 through November 2005 (the “Relevant Period”), the father, Zvi, a former senior manager at Taro Pharmaceutical Industries, Ltd. (“Taro”), systematically stole, on at least 12 occasions¹, material, nonpublic information from Taro, traded on it in some instances, and provided it, directly or indirectly, to his sons: Amir, an attorney formerly associated with a large law firm, headquartered in New York; Ayal, an accountant formerly associated with PricewaterhouseCoopers (“PwC”); and Oren, an attorney formerly associated with a large law firm, headquartered in Los Angeles, each of whom traded on the information. (Zvi, Amir, Oren and Ayal are collectively referred to herein as the “Insider Trading Defendants.”) The scheme grew to include other relatives and friends, with Amir passing along tips about Taro to his father-in-law, Bahram Delshad (“Bahram”); his friend David Heyman (“Heyman”), who was employed by Ernst & Young (“E&Y”); and Young Kim (“Kim”), Amir’s supervisor at his law firm.²

¹ As is described more fully below, the Court has already determined that Amir and Zvi traded on information stolen from Taro in July 2004 as alleged in the Commission’s First Amended Complaint. See Order entered November 24, 2009. For that reason, although the trading involved 13 separate Taro announcements, only 12 of them are alleged herein.

² Bahram, Heyman, Heyman & Son Investment Partnership LP (an investment vehicle Heyman set up and through which he traded)(“Heyman & Son”) and Kim have each previously settled the Commission’s claims against them and have agreed to the entry of final judgments against them.

2. In addition to buying and selling Taro stock, the Insider Trading Defendants used the stolen nonpublic material information to purchase or sell sophisticated options contracts that were designed to capitalize on stock price movements, but which would escape detection more easily than purchasing or selling stock. Through strategic but frequent options trading, the Insider Trading Defendants garnered significant gains or avoided significant losses.

3. As the scheme progressed, Amir created a vehicle through which Amir's family could benefit from his trading on Taro's nonpublic information without detection. In 2003, Amir created a hedge fund, Aragon Partners, and its investment adviser, Aragon Capital, to pool money from family members to trade in Taro securities. Through Aragon Partners, the Insider Trading Defendants were able to obscure their identities, further distancing themselves from Zvi, the source of their inside information at Taro. In addition, at Amir's request, Noga, his fiancée at the time, set up a brokerage account in which he could trade. Trading in Noga's account also served to avoid association of the trading with Zvi. As detailed more fully below, Amir distributed the proceeds he garnered from his unlawful trading in the Aragon Partners account in direct payments to Oren, Ayal, Efrat, Rivka and himself, and payments to others for the benefit of Oren, Ayal, Efrat, Rivka, Noga, himself and Zvi. He distributed the proceeds he accumulated in Noga's account to, or for the benefit of, himself and Noga.

4. In addition to the claims asserted against Bahram, Heyman, Heyman & Son and Kim, which have been finally adjudicated through settlement, certain of the claims against Amir, Zvi and Ayal originally asserted in the Commission's First Amended Complaint have been resolved against them by Order entered November 24, 2009, and by Judgment entered January 29, 2010. Specifically, those claims arising out

of (a) the trading of Zvi, Amir, Bahram and Heyman ahead of Taro's July 29, 2004 earnings announcement; and (b) the trading of Amir and Kim on the basis of inside information provided by Ayal and Heyman in 2005 about companies other than Taro have been resolved as set forth in the Court's November 24, 2009 Order.

5. By this action, the Commission seeks, among other things, an order providing for: permanent injunctive relief against Aragon Partners, Aragon Capital, Oren and Ayal, the disgorgement of all profits and losses avoided from the unlawful insider trading activity set forth herein, plus prejudgment interest, and civil monetary penalties; and disgorgement of all ill-gotten gains and losses avoided that any Defendant or Relief Defendant received as a result of the insider trading activity set forth herein.

JURISDICTION AND VENUE

6. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77t(b), and Section 21(d) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78u(d), for permanent injunctive relief against Defendants Aragon Partners, Aragon Capital, Oren and Ayal, from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, against all Defendants for disgorgement of all ill-gotten gains and losses avoided, and prejudgment interest thereon and, against the Insider Trading Defendants, for civil penalties pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d)(3) and Section 21A of the Exchange Act, 15 U.S.C. § 78u-1. The Commission also brings this action against all Defendants, Noga, Efrat and Rivka as Relief Defendants to the extent that they received ill-gotten gains resulting from the Insider Trading Defendants' unlawful trading and for other and further relief that may be just.

7. Venue lies in this Court pursuant to Sections 20(b) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77v(a), and Sections 21(d), 21A, and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u-1, 78aa. Certain of the acts, practices, transactions and courses of business alleged herein occurred within the Southern District of New York, and Amir, Oren, and Ayal lived and worked within this District. Several of the communications between and among the Insider Trading Defendants were made from or within this District and several of the trades were placed from the homes and offices of Amir, Oren and Ayal within this District.

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 AND RELIEF DEFENDANTS

9. **Zvi**, age 65, resides in Tenafly, New Jersey, although, since in or about September 2007, he has been incarcerated in the Federal Penitentiary in Otisville, New York as a result of his most recent criminal conviction described below. Zvi is married to Rivka and is the father of Amir, Ayal, Oren, and Efrat. Zvi was employed by Taro from 1994 to February 2006. From 1994 to 1997, Zvi worked at Taro Israel as Assistant to the Senior Vice President and Chief Operating Officer of Taro Israel, and supervised production at Taro Israel's Haifa, Israel plant. In 1997, he moved to Taro USA and began coordinating all of Taro's manufacturing worldwide as Taro's Vice President of Materials Management and Logistics. In 1998, the United States Attorney's Office for the Eastern District of New York ("USAO-EDNY") charged Zvi with making false claims to the United States Department of Defense in violation of 18 U.S.C. § 267 in

connection with Zvi's work (prior to joining Taro) as Operations Manager at Isratex, Inc., a company that manufactured military uniforms and clothing under contract with the United States military. On April 14, 2000, Zvi pleaded guilty to a single felony count of false claims in violation of 18 U.S.C. § 267. He was fined \$20,000 and sentenced to three years' probation, including six months of home confinement with electronic monitoring, although he was permitted to continue working at Taro. On February 8, 2007 the USAO-EDNY charged Zvi with conspiracy to commit securities fraud in violation of 18 U.S.C. § 371 in connection with his providing material, non-public information about Taro to his son Amir, who traded on the information and provided it to others, who also traded. On February 8, 2007, Zvi pled guilty to felony conspiracy to commit securities fraud in violation of 18 U.S.C. § 371, and received a sentence of 60 months in prison. During the Relevant Period, Zvi engaged in certain of the transactions referenced herein through his Ameritrade account, or authorized Amir to do so on his behalf, and through accounts he maintained abroad, including accounts at the Israel Discount Bank in Israel. As described more fully below, Zvi is also named as a Relief Defendant to the extent that he received proceeds of unlawful trading by any Defendant and in which he has no legitimate interest.

10. **Amir**, age 32, resides in New York, New York. Amir is Zvi's middle son. Amir graduated from New York University School of Law in 2004, and was admitted to the New York Bar in 2006. He has since been disbarred as a result of his criminal conviction described below. Amir was the managing member of Aragon Capital, the investment adviser to Aragon Partners, the Rosenthal family hedge fund, and traded for the benefit of himself and his family in the Aragon Partners' brokerage account, and until 2004, in accounts he set up and controlled in his siblings' names. In

September 2004, Amir was hired as an associate in the Structured Finance group at a large law firm formerly headquartered in New York, New York. During the Relevant Period, and in addition to his trading in the Aragon Partners account, Amir made certain of the transactions referenced herein through the following accounts: (i) his account at Brown & Co., an account originally set up for him and funded by his father, Zvi; (ii) accounts in the names of his brothers, Oren and Ayal, and sister, Efrat, each at Brown & Co., and each funded by Zvi, but opened with signatures forged by Amir; (iii) an account in Noga's name at Ameritrade, set up with her knowledge and participation; and (iv) his Ameritrade account. On February 8, 2007 the USAO-EDNY charged Amir with conspiracy to commit securities fraud in violation of 18 U.S.C. § 371 in connection with his trading while in possession of material non-public information about Taro that he received from Zvi and providing material, non-public information about Taro to others, including Heyman, who traded on the information. On February 8, 2007, Amir pled guilty to felony conspiracy to commit securities fraud in violation of 18 U.S.C. § 371, and received a sentence of 33 months in prison. As described more fully below, Amir is also named as a Relief Defendant to the extent that he received proceeds of unlawful trading by any Defendant and in which he has no legitimate interest.

11. **Ayal**, age 29, resides in Tel Aviv, Israel, having moved there in April 2009. Ayal is Zvi's youngest son. Ayal graduated from Rutgers College with a bachelor's degree in management in 2001, and began working as an Associate at PwC. In 2002, he received a Masters degree in accounting from the University of Texas (Austin) while working at PwC. Ayal is a licensed Certified Public Accountant. In the spring of 2005, he moved from PwC's Audit Services Group into the Transaction Services Group. Ayal resigned from PwC on May 4, 2006. During the Relevant Period,

Ayal made certain of the trades referenced herein through his Ameritrade account and knowingly and substantially assisted Amir in the illicit trades he made in Ayal's Brown & Co. account. On February 8, 2007, the USAO-EDNY charged Ayal with conspiracy to commit securities fraud in violation of 18 U.S.C. § 371 in connection with his providing material, nonpublic information to Amir concerning a possible merger of two publicly traded companies that Ayal knew about as a result of his work at PwC. On February 8, 2007, Ayal pled guilty to felony conspiracy to commit securities fraud in violation of 18 U.S.C. § 371 and received a sentence of three months in prison. As described more fully below, Ayal is also named as a Relief Defendant to the extent that he received proceeds of insider trading committed by any other Defendant and in which he had no legitimate interest.

12. **Oren**, age 34, resides in Los Angeles, California. Oren is Zvi's eldest son. Oren graduated from the University of Southern California Law School in 2003 and began working as a litigation associate with the New York office of a large law firm headquartered in Los Angeles, California. He was admitted to the New York Bar in 2004. In December 2005, Oren transferred to the law firm's Los Angeles office, where he worked on general commercial litigation, white collar criminal defense, and internal investigations until he resigned in January 2007. He was admitted to the bar of California in June 2006 and now practices criminal law there. During the Relevant Period, Oren made certain of the trades referenced herein through his Ameritrade account, and knowingly and substantially assisted Amir in the illicit trades he made in Oren's Brown & Co. account. As described more fully below, Oren is also named as a Relief Defendant to the extent that he received proceeds of insider trading committed by any other Defendant and in which he had no legitimate interest.

13. **Aragon Capital** is an inactive Delaware limited liability company set up in 2003 by Amir to act as the General Partner of, and investment adviser to, Aragon Partners. Amir is Aragon Capital's managing and only member.

14. **Aragon Partners** is an inactive Delaware limited partnership set up in 2003 by Amir as a hedge fund, and the vehicle through which he placed illicit trades using stolen Taro nonpublic information. Oren, Ayal, Efrat and Rivka each are limited partners in Aragon Partners (collectively, the "Limited Partners"), and with Amir (the managing member of Aragon Partners' general partner, Aragon Capital), each has a 20% ownership stake. Aragon Partners was substantially funded by transfers from each of the Brown & Co. accounts set up by Amir in the names of Oren, Ayal and Efrat and through which Amir traded as described herein. Amir, as managing member of Aragon Capital, made many of the illicit trades described below through Aragon Partners' CyberTrader, Inc. account. Beginning in January 2006, and after he learned of the criminal investigation into his trading, Amir began directing distributions out of the Aragon Partners' account to and on behalf of its Limited Partners, himself, Zvi and Noga, as described below. None of the Limited Partners, nor Amir, Zvi or Noga, had any legitimate claim to the proceeds of Amir's illicit trading in the Aragon Partners' account as described herein.

15. **Noga**, age 32, resides in New York, New York. Amir and Noga married in August 2003. During the relevant period, certain trades referenced herein were made by Amir through a brokerage account Noga opened and owned at Ameritrade, which Noga initially funded. Together with Amir's distributions from the Aragon Partners' account, the proceeds from Amir's trading in Noga's account were deposited into their joint bank account and were used by Noga and Amir to make an all-cash purchase of a New York

city condominium. After he learned of the criminal investigation into his trading, Amir also distributed money out of the Aragon Partners account to Noga or to third-parties on Noga's behalf. Noga had no legitimate interest in the proceeds of Amir's illegal trading in her account, nor in any proceeds generated by Amir's illegal trading in the Aragon Partners account. To the extent that Noga received any of the proceeds of insider trading committed by any other Defendant and in which she had no legitimate interest, she is named as a Relief Defendant.

16. **Efrat**, age 27, resides in New Haven, Connecticut. She is Zvi and Rivka's daughter and is a limited partner in Aragon Partners. Efrat received distributions of ill-gotten gains from Aragon Partners in which she had no legitimate interest. In addition, during the Relevant Period, Amir made certain of the transactions referenced herein through Efrat's account at Brown & Co. Efrat had no legitimate interest in the proceeds of Amir's illegal trading in Efrat's Brown & Co. account. To the extent that Efrat received any of the proceeds of insider trading committed by any other Defendant and in which she had no legitimate interest, she is named as a Relief Defendant.

17. **Rivka**, age 63, resides in Tenafly, New Jersey. She is Zvi's wife, the mother of Amir, Oren, Ayal and Efrat, and a limited partner in Aragon Partners. She received distributions of ill-gotten gains from Aragon Partners in which she had no legitimate interest. To the extent that Rivka received any of the proceeds of insider trading committed by any other Defendant and in which she had no legitimate interest, she is named as a Relief Defendant.

SETTLED PARTIES

18. **Heyman**, age 32, resides in New York, New York. Heyman is a long-time friend of Amir. During the Relevant Period, Heyman made certain of the

transactions referenced herein through his own Ameritrade account, and through his Heyman & Son account described below. On February 8, 2007 the USAO-EDNY charged Heyman with conspiracy to commit securities fraud in violation of 18 U.S.C. § 371 in connection with his trading Taro securities while in possession of material non-public information that he received from Amir; and in connection with his providing material, nonpublic information to Amir concerning a possible merger of two publicly traded companies that Heyman learned of as a result of his work at E&Y. On February 8, 2007, Heyman pled guilty to felony conspiracy to commit securities fraud in violation of 18 U.S.C. § 371.

19. **Heyman & Son** is a limited partnership and hedge fund formed by Heyman in 2005 and funded with money from Heyman's family. During the Relevant Period, Heyman made certain of the trades referenced herein through Heyman & Son's Ameritrade brokerage account. On January 24, 2008, the Court entered Final Judgment on consent against Heyman and Heyman & Son Investment Partnership, L.P., by which Heyman and Heyman & Son were permanently enjoined from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act, and were ordered to pay disgorgement and prejudgment interest.

20. **Kim**, age 37, resides in Riverside, California, but during the Relevant Period, he resided in Union City, New Jersey. Kim graduated from Cornell University School of Law in 1998 and, in 2000, began working at the New York-based law firm where Amir later worked. From approximately September 2004 until June 2006, Kim supervised Amir. During the Relevant Period, Kim made certain of the transactions referenced herein through his Ameritrade account. On February 16, 2007, the Court entered Final Judgment on consent against Kim by which Kim was permanently enjoined

from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and was ordered to pay disgorgement, prejudgment interest and penalties.

21. **Bahram**, age 59, resides in Englewood Cliffs, New Jersey. Bahram, a retired jewelry shop owner, is Noga's father and Amir's father-in-law. On October 21, 2008, the Court entered Final Judgment on consent against Bahram by which Bahram was permanently enjoined from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act, and was ordered to pay disgorgement, prejudgment interest and penalties.

RELEVANT ENTITY

22. **Taro** was an Israeli corporation with its principal place of business in Yakum, Israel during the Relevant Period. In 2010, Taro became an indirect subsidiary of Sun Pharmaceutical Industries Ltd. Taro develops, manufactures, and markets generic prescription and over-the-counter pharmaceutical products, and active pharmaceutical ingredients, primarily in the United States, Canada, and Israel. Taro earns most of its profits from sales in the United States market. Taro USA was a United States-based, wholly owned subsidiary of Taro operating in Hawthorne, New York. At all times during the Relevant Period, Taro's shares were registered under Section 12(g) of the Securities Exchange Act of 1934 and quoted on the Nasdaq National Market under the symbol TARO. At all times during the Relevant Period, Taro was a foreign private issuer and filed Forms 20-F annually.

FACTS

23. Throughout the Relevant Period, the Insider Trading Defendants stole material, nonpublic information from Taro and traded on it.

A. Zvi's Access to Information at Taro

24. During the Relevant Period, Zvi was employed at Taro as Vice President of Materials Management and Logistics. In that position, he was responsible for the manufacture and distribution process of all of the products Taro sells, including raw material procurement, inventory management, and production scheduling. To coordinate Taro's production and distribution, and ensure that Taro matched product demand with production and inventory levels, Zvi had access to daily electronic sales and order data for the U.S. market ("Sales Reports"). In 2001, he participated in daily sales data meetings ("Daily Meetings"). Because Zvi had real-time access to Taro's sales data, he had early knowledge of the company's earnings prospects.

25. Zvi's production and distribution responsibilities also required that he be alerted to the progress of applications Taro had made to the U.S. Food & Drug Administration ("FDA") for approval of new products Taro wished to market. Zvi was a member of Taro's Product Launch Committee ("PLC"). The PLC met weekly to discuss the status of various FDA approval processes, and coordinated production of new products in the FDA pipeline with Zvi, so that he could coordinate production of batches for the FDA and ultimately ensure rapid initial distribution of the product on the day Taro obtained FDA approval. Zvi also met regularly with Taro's Director of Regulatory Affairs, who would provide Zvi with the company's changing estimates of expected FDA approval for each pending drug or product so that Zvi could begin drug production as approval neared.

26. Zvi's position gave him access to Taro's most significant nonpublic information: financial information, including current sales and earnings projections, and FDA approval of new products. Beginning in 2001, Zvi passed that information on to his sons, and he and they traded on it. Zvi passed the information to Amir, Oren and/or

Ayal, or to Amir, who then passed it on to Oren and Ayal. The transmission of the information was made in frequent, sometimes daily, telephone calls, and frequent meetings among and between Zvi, Amir, Oren and Ayal.

B. Taro's Trading and Confidentiality Policies

27. Throughout the Relevant Period, Taro's "Statement of Policy Concerning Trading in Securities of the Company" (the "Trading Policy") prohibited Zvi or any member of his family from trading in Taro securities during specific periods before and after public earnings announcements (the "Blackout Period"). Taro's Trading Policy prohibited directors, officers, and employees of Taro (and each of their husbands, wives, parents, and children) from trading Taro securities at any time, except during a ten-day window each quarter beginning the third business day after Taro publicly announced its quarterly financial results, and ending the thirteenth business day following the announcement. Virtually all of the Insider Trading Defendants' trades prior to Taro's earnings announcements violated Taro's Trading Policy.

28. Throughout the Relevant Period, Taro's Disclosure Policy stated that "employees, officers and directors must not discuss confidential, nonpublic information about [Taro] with anyone outside [Taro]." In its Trading Policy, Taro similarly prohibited directors, officers and employees from "disclosing, or otherwise passing on to anyone any information concerning [Taro] and its plans and prospects of which [the directors, offices and employees became] aware through [their] work or otherwise."

C. Amir's Trading Through Accounts He Set Up in His Siblings' Names

29. Beginning in 2001, Amir opened accounts at Brown & Co. in the names of his brother, Oren, his brother, Ayal, and his sister, Efrat. Posing as his siblings, Amir forged his siblings' signatures on letters that directed the transfer into each of these

accounts of the amounts then on deposit in each sibling's custodial account that had been opened, funded, and controlled by Zvi. Amir made the transfers with Zvi's knowledge and consent.

30. Amir filled out each sibling's Brown & Co. account opening application and forged each of their signatures on their respective applications. While Amir intended to direct all of the trading in each account, and did so, he did not disclose his control of the accounts at any time to Brown & Co.

31. Oren and Ayal knew that Amir was trading in the Brown & Co. accounts Amir opened in their names, and that he was trading in Taro securities in those accounts. Each received account statements addressed to him at the family's residence. Oren and Ayal each also knew that Amir was trading in Taro securities while in possession of material nonpublic information that Amir had received improperly from their father, Zvi, because each of them spoke to or saw Amir or their father several times a month, often several times a week or more, and each frequently made trades in his own account at Ameritrade within days of trades that Amir made in their respective Brown & Co. accounts on the basis of the material nonpublic information Amir had improperly received from Zvi. The trades that Oren and Ayal executed were often identical to, or reflected the same expectations as to stock price movements as, those Amir had placed.

32. Each of Oren, Ayal and Amir understood that the proceeds earned by Amir's trading in Oren's and Ayal's Brown & Co. accounts belonged to the account holder, not Amir.

33. Notwithstanding their knowledge of Amir's unlawful trading, neither Oren nor Ayal took any steps to stop Amir's use of their accounts to trade on the material nonpublic information provided to him by Zvi.

D. The Illicit Trades

34. From approximately May 2001 through November 2005, the Insider Trading Defendants engaged in a scheme to profit from trading Taro securities in advance of Taro announcements concerning five FDA approvals of new drugs or products and seven Taro earnings announcements, yielding more than \$2 million in illicit profits and avoided losses:

Date	Announcement	Total Profits/ Losses Avoided
May 29, 2001	FDA Approval of CB Cream	\$121,334
July 19, 2001	Earnings Announcement	\$234,701
October 18, 2001	Earnings Announcement	\$188,895
November 26, 2002	FDA approval of Econazole Nitrate Cream 1%	\$ 32,229
February 20, 2003	Earnings Announcement	\$ 36,491
April 16, 2003	Earnings Announcement	\$ 20,869
April 29, 2004	Earnings Announcement	\$ 5,410
August 20, 2004	FDA Approval of Loratadine Syrup	\$ 94,029
March 2, 2005	FDA Approval for Miconazole Nitrate Vaginal Cream, 4%	\$340,574
April 14, 2005	FDA Approval for Ciclopirox Olamine Cream	\$292,980
April 26, 2005	Earnings Announcement	\$132,484
November 17, 2005	Earnings Announcement	\$750,891
	Total Trading Profits and Losses Avoided	\$2,250,887

May 29, 2001 Announcement of FDA Approval of CB Cream

35. On or about May 29, 2001, Taro announced that the FDA had approved its application to distribute a new generic drug, Clotrimazole/Betamethasone Dipropionate Cream USP (“CB Cream”). This information was material.

36. By virtue of his responsibility for coordinating production and shipment of new product and because of his involvement in the PLC meetings, Zvi knew Taro’s estimates of when it could expect FDA approval for CB Cream. From September through November 2000, Zvi attended PLC meetings where the group discussed the status of CB Cream production and progress in the FDA approval process. Zvi was in charge of the production plan for CB Cream, and was responsible for ensuring that Taro manufactured and packaged sufficient stocks of CB Cream so that it was ready to ship to

distributors and customers immediately upon FDA approval. In March 2001, Zvi participated in PLC meetings and was aware that Taro expected FDA approval of CB Cream some time in April 2001. By May 2, 2001, Zvi was receiving daily reports from Taro's home offices in Israel concerning CB Cream production in anticipation of an expected approval from the FDA. By May 9, 2001, Taro employees involved in the product launch of CB Cream knew that FDA approval would most likely come by the first week of June 2001. On May 9, 2001, Taro learned in a conference call with the FDA that CB Cream was in "first generic drug review," which usually extends the FDA approval process by three to four weeks. Taro's Chairman and Vice Chairman communicated the FDA's schedule to the PLC. Also on May 9, 2001, Zvi assisted Taro's Director of Regulatory Affairs with preparing a response to FDA requests by translating documents written in Hebrew concerning production of CB Cream.

37. On May 29, 2001, at 2:54 p.m., Taro received a fax from the FDA notifying it of the FDA's approval of CB Cream. Taro issued a press release at 5:26 p.m. the same day, announcing the FDA approval. Taro was the first generic manufacturer to enter the market with the product.

38. Throughout the approval process for CB Cream, Zvi communicated regularly, directly or indirectly, with Amir and Ayal, providing them with the material, nonpublic information he possessed concerning the FDA approval for CB Cream, and both Amir and Ayal traded options in advance of the announcement. The Insider Trading Defendants made trades in the following accounts surrounding the May 29, 2001 announcement of FDA Approval of CB Cream:

5/29/2001		FDA Approval of CB Cream		
Account	Trade Date	Buy/Sale	Qty ³	Description
Amir				
	5/17/2001	B	100	Jun 60 C ⁴
	5/17/2001	B	45	Jun 60 C
	5/18/2001	B	55	Jun 60 C
	5/29/2001	B	5	Jun 60 C
	6/1/2001	S	(50)	Jun 60 C
	6/1/2001	S	(30)	Jun 60 C
	6/1/2001	S	(30)	Jun 60 C
	6/1/2001	S	(20)	Jun 60 C
	6/1/2001	S	(20)	Jun 60 C
	6/1/2001	S	(20)	Jun 60 C
	6/1/2001	S	(20)	Jun 60 C
	6/1/2001	S	(20)	Jun 60 C
	6/1/2001	S	(15)	Jun 60 C
	5/23/2001	B	30	Jul 65 C
	5/23/2001	B	20	Jul 65 C
	6/1/2001	S	(50)	Jul 65 C
Ayal (Ameritrade)				
	5/22/2001	B	1	Jun 60 C
	5/22/2001	B	2	Jun 60 C
	5/22/2001	B	2	Jun 60 C
	5/22/2001	B	2	Jun 60 C
	5/25/2001	B	1	Jun 60 C
	5/30/2001	S	(2)	Jun 60 C
	5/30/2001	S	(3)	Jun 60 C
	5/30/2001	S	(3)	Jun 60 C

39. The following profits⁵ resulted from trading by Amir and Ayal while in possession of material nonpublic information surrounding the May 29, 2001 announcement of FDA approval of CB Cream:

³ The quantities in parentheses are sales.

⁴ "C" refers to calls. "P" refers to puts.

⁵ As part of the Court's January 29, 2010 Judgment, Amir has already been adjudged liable for the profits from his trading ahead of the CB Cream announcement. Neither Zvi's nor Ayal's liability for these trades was part of that Judgment, nor Amir's responsibility for Ayal's trades if Amir passed on the tip he received from Zvi to Ayal.

Account	Profit
Amir	\$118,798
Ayal (Ameritrade)	\$ 2,536
Total Profit	\$121,334

July 19, 2001 Earnings Announcement

40. On July 19, 2001, Taro announced that earnings for the second quarter of 2001 were a record for the company. Taro reported a 49% improvement of sales from the same quarter a year earlier, and net income of \$6.1 million, or \$0.48 per share. This information was material.

41. By virtue of his position at Taro, his participation in Daily Meetings and his access to daily Sales Reports, among other sources of information, Zvi knew that Taro's second quarter 2001 earnings would be strong. After the launch of CB Cream on May 29, 2001, Zvi knew that sales were strong at Taro, and on or about May 31, 2001, Zvi received an email from his supervisor stating that Taro expected to ship \$3 million of CB Cream within the first twenty four hours following the product launch. Zvi knew that only one week after its launch, Taro had sold \$40 million worth of CB Cream. On or about July 3, 2001, Zvi received the final sales data for the second quarter, which showed that Taro had \$69.2 million in sales for the quarter, exceeding its quarterly forecast by 185%.

42. During this time, Zvi communicated regularly, directly or indirectly, with Amir, providing him with the material, nonpublic information he possessed regarding the impending earnings release. In his own account and in the Brown & Co. accounts of Oren and Efrat, Amir traded Taro options while in possession of material, nonpublic information that Zvi supplied:

7/19/2001		Earnings Announcement		
Account	Trade Date	Buy/Sale	Qty	Description
Amir				
	7/12/2001	B	40	Aug 90 C
	7/18/2001	S	(40)	Aug 90 C
	7/18/2001	B	80	Jul 90 C
	7/18/2001	B	40	Jul 90 C
	7/18/2001	B	40	Jul 90 C
	7/18/2001	B	40	Jul 90 C
	7/18/2001	B	39	Jul 90 C
	7/18/2001	B	20	Jul 90 C
	7/18/2001	B	20	Jul 90 C
	7/18/2001	B	10	Jul 90 C
	7/18/2001	B	10	Jul 90 C
	7/18/2001	B	1	Jul 90 C
	7/19/2001	S	(50)	Jul 90 C
	7/19/2001	S	(50)	Jul 90 C
	7/19/2001	S	(50)	Jul 90 C
	7/19/2001	S	(50)	Jul 90 C
	7/19/2001	S	(50)	Jul 90 C
	7/20/2001	S	(50)	Jul 90 C
Efrat (Brown & Co.)				
	7/18/2001	B	40	Jul 90 C
	7/18/2001	B	40	Jul 90 C
	7/18/2001	B	20	Jul 90 C
	7/19/2001	S	(50)	Jul 90 C
	7/20/2001	S	(50)	Jul 90 C
Oren (Brown & Co.)				
	7/12/2001	B	30	Aug 90 C
	7/20/2001	S	(30)	Aug 90 C
	7/18/2001	B	40	Jul 90 C
	7/18/2001	B	20	Jul 90 C
	7/18/2001	B	20	Jul 90 C
	7/18/2001	B	20	Jul 90 C
	7/19/2001	S	(50)	Jul 90 C
	7/20/2001	S	(50)	Jul 90 C

43. The following profits resulted from trading by Amir while in possession of material nonpublic information surrounding the July 19, 2001 earnings announcement:

Account	Profit
Amir	\$ 175,811
Efrat (Brown & Co.)	\$ 18,848
Oren (Brown & Co.)	\$ 40,042
Total Profit	\$ 234,701

October 18, 2001 Earnings Announcement

44. On October 18, 2001 at approximately 7:02 a.m., Taro reported record third quarter earnings for 2001. Taro reported approximately \$41.4 million in sales, an increase of approximately 52% over the same quarter a year earlier, and an increase in net income of approximately 161% to \$7.3 million, or \$0.29 per share. This information was material.

45. By virtue of his position at Taro, prior to its public announcement, Zvi knew that Taro's third quarter earnings in 2001 would be strong. Zvi's participation in Daily Meetings at Taro, and his constant access to daily Sales Reports, among other sources of information, gave Zvi material, nonpublic information about Taro's sales and earnings for the record-breaking third quarter of 2001.

46. During the time preceding Taro's third quarter 2001 earnings announcement, Zvi communicated regularly, directly or indirectly, with Amir, providing him with the material, nonpublic information he possessed about the impending earnings announcement. With the material, nonpublic information, Zvi and Amir traded options in Taro in their own accounts. Amir also used the material nonpublic information supplied by Zvi to trade in the Brown & Co. accounts of Efrat and Oren.

10/18/2001		Earnings Announcement		
Account	Trade Date	Buy/Sale	Qty	Description
Amir (Ameritrade)				
	10/1/2001	B	50	Oct 35 C
	10/1/2001	B	28	Oct 35 C
	10/1/2001	B	10	Oct 35 C
	10/1/2001	B	12	Oct 35 C
	10/11/2001	S	(30)	Oct 35 C
	10/11/2001	S	(20)	Oct 35 C
	10/11/2001	S	(30)	Oct 35 C
	10/11/2001	S	(20)	Oct 35 C
Amir (Brown & Co.)				
	10/1/2001	B	80	Oct 35 C
	10/1/2001	B	20	Oct 35 C
	10/11/2001	S	100	Oct 35 C

	10/1/2001	S	(36)	Oct 40 P
	10/5/2001	B	15	Oct 40 P
	10/19/2001	B	21	Oct 40 P
Efrat (Brown & Co.)				
	10/1/2001	S	(73)	Oct 40 P
	10/19/2001	B	73	Oct 40 P
	10/11/2001	S	(49)	Nov 40 C
	11/16/2001	Expired	49	Nov 40 C
Oren (Brown & Co.)				
	10/1/2001	S	(55)	Oct 40 P
	10/19/2001	B	55	Oct 40 P
	10/11/2001	S	(77)	Nov 40 C
	11/16/2001	Expired	77	Nov 40 C
Zvi (Ameritrade)				
	10/11/2001	S	(10)	Nov 40 C
	11/16/2001	Expired	10	Nov 40 C

47. The following profits resulted from trading by Zvi and Amir while in possession of material nonpublic information surrounding the October 18, 2001 earnings announcement:

Account	Profit
Zvi	\$ 4,280
Amir	\$ 92,489
Efrat (Brown & Co.)	\$ 45,266
Oren (Brown & Co.)	\$ 46,860
Total Profit	\$ 188,895

**November 26, 2002 Announcement of
FDA Approval of Econazole Nitrate Cream, 1%**

48. On November 26, 2002, Taro announced that the FDA had approved its application for approval of Econazole Nitrate Cream, 1% (“Econazole Cream”). This information was material.

49. By virtue of his position, which included coordinating production schedules for newly-FDA-approved products at Taro and because of his attendance at PLC meetings, Zvi knew that Taro anticipated that it would be the first manufacturer to market generic Econazole Cream, and was frequently updated as to when Taro expected

FDA approval. Zvi was involved from October 2001 to April 2002 in preparing validation batches for the FDA, and was responsible for making the necessary production preparations to be able to ship product to fill orders once final FDA approval was received.

50. By early August 2002, Zvi knew that FDA approval and product launch were expected to occur during the fourth quarter 2002. After a meeting in August or September 2002, Taro's Vice Chairman told Taro's staff that the FDA would approve the application, and that Taro expected approval within the next few months. Zvi knew that the PLC viewed Econazole Cream as a profitable product with no generic competition in the market. On November 15, 2002, Zvi attended a PLC meeting where the group discussed the imminent FDA approval for Econazole Cream.

51. During this time, Zvi communicated regularly, directly or indirectly, with Amir and Oren, providing them with the material, nonpublic information he possessed regarding the FDA's anticipated approval of Econazole Cream. Amir and Oren traded on the information in their own accounts and Amir traded on it in the Brown & Co. accounts of Oren and Ayal.

11/26/2002		FDA Approval of Econazole Cream		
Account	Trade Date	Buy/Sale	Qty	Description
Amir (Brown & Co.)				
	11/20/2002	B	50	Dec 37.5 C
	11/20/2002	B	1	Dec 37.5 C
	11/20/2002	B	1	Dec 37.5 C
	11/20/2002	B	2	Dec 37.5 C
	11/20/2002	B	10	Dec 37.5 C
	11/20/2002	B	1	Dec 37.5 C
	11/20/2002	B	2	Dec 37.5 C
	11/20/2002	B	2	Dec 37.5 C
	11/20/2002	B	4	Dec 37.5 C
	11/20/2002	B	16	Dec 37.5 C
	11/20/2002	B	11	Dec 37.5 C
	11/29/2002	S	(25)	Dec 37.5 C

	11/29/2002	S	(25)	Dec 37.5 C
	11/29/2002	S	(25)	Dec 37.5 C
	11/29/2002	S	(25)	Dec 37.5 C
	11/20/2002	B	5	Dec 40 C
	11/20/2002	B	10	Dec 40 C
	11/20/2002	B	10	Dec 40 C
	11/21/2002	B	5	Dec 40 C
	11/22/2002	B	1	Dec 40 C
	11/22/2002	B	2	Dec 40 C
	11/29/2002	S	(33)	Dec 40 C
Ayal (Brown & Co.)				
	11/15/2002	S	(50)	Dec 35 P
	12/20/2002	Expired	50	Dec 35 P
Oren (Brown & Co.)				
	11/14/2002	S	(20)	Dec 35 P
	11/14/2002	S	(30)	Dec 35 P
	12/20/2002	Expired	50	Dec 35 P
	11/21/2002	S	(20)	Dec 37.5 P
	12/20/2002	Expired	(20)	Dec 37.5 P
Oren (Ameritrade)				
	11/21/2002	B	15	Dec 37.5 C
	11/26/2002	B	5	Dec 37.5 C
	11/29/2002	S	(20)	Dec 37.5 C

52. The following profits resulted from trading by Amir and Oren while in possession of material nonpublic information surrounding the announcement of FDA approval of Taro's application to distribute Econazole Cream:

Account	Profit
Amir	\$ 15,484
Oren (Brown & Co.)	\$ 9,125
Oren (Ameritrade)	\$ 1,706
Ayal (Brown & Co.)	\$ 5,914
Total Profit	\$ 32,229

February 20, 2003 Earnings Announcement

53. On February 20, 2003, Taro announced record results for both the fourth quarter of 2002, and for the year ending December 31, 2002. Fourth quarter sales and

year-long sales each increased 43%, with annual net income increasing approximately 71% to \$44,500,000, or approximately \$1.52 per share. This information was material.

54. By virtue of his position at Taro and his constant access to the daily Sales Reports, among other sources of information, Zvi knew about the increased sales levels at Taro, and knew that the company's income was dramatically increasing.

55. In early 2003, Zvi communicated regularly, directly or indirectly, with Amir, Ayal and Oren, and provided them with the material, nonpublic information he possessed about the company's earnings. Zvi, Amir, Ayal and Oren each traded on the information Zvi stole from Taro. Amir traded on the information in his own account and in the Brown & Co. accounts of Efrat, Oren and Ayal and in Noga's account.

2/20/2003	Earnings Announcement			
Account	Trade Date	Buy/Sale	Qty	Description
Ayal (Brown & Co.)				
	1/7/2003	S	(10)	Feb 32.5 P
	1/7/2003	S	(20)	Feb 32.5 P
	1/7/2003	S	(20)	Feb 32.5 P
	1/22/2003	S	(50)	Feb 32.5 P
	1/27/2003	S	(50)	Feb 32.5 P
	2/21/2003	Expired	150	Feb 32.5 P
Ayal (Ameritrade)				
	2/14/2003	B	7	Mar 32.5 C
	2/14/2003	B	9	Mar 32.5 C
	2/21/2003	S	(16)	Mar 32.5 C
Amir (Brown & Co.)				
	2/7/2003	B	30	Feb 32.5 C
	2/7/2003	B	20	Feb 32.5 C
	2/20/2003	S	(30)	Feb 32.5 C
	2/20/2003	S	(20)	Feb 32.5 C
	2/19/2003	S	(10)	Feb 32.5 P
	2/21/2003	Expired	10	Feb 32.5 P
Efrat (Brown & Co.)				
	2/7/2003	S	(50)	Feb 32.50 P
	2/21/2003	Expired	50	Feb 32.50 P
Noga				
	2/18/2003	B	100	TARO Common Stock
	2/20/2003	S	(1)	Mar 35 C
	3/24/2003	S	(100)	TARO Common Stock

Oren (Brown & Co.)				
	2/7/2003	S	(50)	Feb 32.5 P
	2/20/2003	S	(10)	Feb 32.5 P
	2/21/2003	Expired	60	Feb 32.5 P
Oren (Ameritrade)				
	2/6/2003	B	100	TARO Common Stock
	4/23/2003	S	(100)	TARO Common Stock
Zvi (Ameritrade)				
	1/17/2003	B	1,400	TARO Common Stock
	1/17/2003	B	400	TARO Common Stock
	1/17/2003	B	400	TARO Common Stock
	1/22/2003	S	(22)	Feb 35 C
	2/21/2003	S	(2,200)	TARO Common Stock

56. The following profits resulted from trading by Zvi, Amir, Oren and Ayal while in possession of material nonpublic information surrounding the February 20, 2003 earnings announcement:

Account	Profit
Zvi (Ameritrade)	\$ 3,322
Amir	\$ 4,409
Efrat (Brown & Co.)	\$ 4,414
Noga	\$ 525
Oren (Brown & Co.)	\$ 4,939
Oren (Ameritrade)	\$ 1,278
Ayal (Ameritrade)	\$17,604
Total Profits	\$36,491

April 16, 2003 Earnings Announcement

57. On April 16, 2003, Taro announced record earnings for the first quarter of 2003. Sales had increased 55% and net income increased 42% to \$0.47 per share. This information was material.

58. By virtue of his position at Taro and his constant access to the daily Sales Reports, among other sources of information, Zvi knew that earnings would again be positive for Taro.

59. Leading up to the earnings announcement on April 16, 2003, Zvi communicated regularly, directly or indirectly, with Amir, providing him with the material, nonpublic information he possessed concerning the impending earnings announcement. Amir then traded Taro securities in Oren's Brown & Co. account.

4/16/2003	Earnings Announcement			
Account	Trade Date	Buy/Sale	Qty	Description
Oren (Brown & Co.)				
	3/18/2003	S	(50)	Apr 35 P
	3/18/2003	S	(50)	Apr 35 P
	3/24/2003	S	(50)	Apr 35 P
	3/24/2003	S	(50)	Apr 35 P
	3/25/2003	S	(50)	Apr 35 P
	3/25/2003	S	(50)	Apr 35 P
	3/25/2003	S	(50)	Apr 35 P
	3/25/2003	S	(50)	Apr 35 P
	4/21/2003	Expired	400	Apr 35 P

60. The following profits resulted from trading by Amir while in possession of material nonpublic information surrounding the April 16, 2003 earnings announcement:

Account	Profit
Oren (Brown & Co.)	\$20,869

April 29, 2004 Earnings Announcement

61. On April 29, 2004, Taro announced its earnings for the first quarter of 2004. Taro reported that earnings fell 21% in the first quarter compared with the first quarter of 2003, with earnings of \$11.1 million, or \$0.37 per share. The earnings failed to meet analysts' expectations of \$0.53 per share. This information was material.

62. By virtue of his position at Taro, and his constant access to the daily Sales Reports, among other sources of information, Zvi knew that sales during the first quarter of 2004 were disappointing. By the middle of the first quarter, Zvi knew that

Taro's executive committee was discussing the fact that gross sales were not meeting expectations.

63. In the time leading up to the April 29, 2004 announcement, Zvi communicated regularly, directly or indirectly, with Amir, providing him with the material, nonpublic information he possessed concerning the impending earnings announcement. Amir then traded on the information. After receiving the information from Zvi, Amir tipped Heyman, who traded on the information. Zvi also traded on the information.

4/29/2004	Earnings Announcement			
Account	Trade Date	Buy/Sale	Qty	Description
Aragon				
	4/19/2004	S	(20)	May 65 C
	5/21/2004	Expired	20	May 65 C
Zvi (Ameritrade)				
	4/20/2004	S	(30)	May 65 C
	5/21/2004	Expired	30	May 65 C
David Heyman				
	4/22/2004	S	(1)	May 65 C
	5/21/2004	Expired	1	May 65 C

64. The following profits resulted from trading by Zvi, Amir and Heyman while in possession of material nonpublic information surrounding the April 29, 2004 earnings announcement:

Account	Profit
Zvi	\$ 3,243
Aragon Partners	\$ 2,060
Heyman	\$ 107
Total Profit:	\$ 5,410

August 20, 2004 Announcement of FDA Approval of Loratadine Syrup

65. On August 20, 2004, Taro announced that the FDA approved its application to distribute Loratadine Syrup. This information was material.

66. By virtue of his position, which included coordinating production schedules for newly-FDA-approved products at Taro, and his participation in PLC meetings, in or about April 2004, Zvi knew that FDA approval of Loratadine Syrup was expected by August 2004. On July 15, Zvi attended a PLC meeting at which the anticipation of final FDA approval for Loratadine Syrup in September 2004 was discussed. On August 12, the estimate for FDA approval was moved back to November or December 2004. Between August 12 and August 19, 2004, Zvi learned that FDA approval had been moved up to August and was imminent.

67. Throughout the time leading up to the announcement of the FDA approval of Loratadine Syrup, Zvi communicated regularly, directly or indirectly, with Amir and Oren, and provided them with the material, nonpublic information he possessed regarding Taro's application for FDA approval of Loratadine Syrup. Amir tipped Heyman with the material, nonpublic information that Zvi supplied. Amir (through the Aragon Partners and Noga accounts), Oren, and Heyman each traded with the information Zvi supplied. In addition to tipping others, Zvi traded in Taro securities in his own account at Israel Discount Bank while in possession of the material, non-public information.

8/20/2004	FDA Approval of Loratadine Syrup			
Account	Trade Date	Buy/Sale	Qty	Description
Noga				
	8/2/2004	B	1,900	TARO Common Stock
	8/2/2004	S	(19)	Sep 20 C
	9/20/2004	S	(1,900)	TARO Common Stock
	8/17/2004	S	(30)	Sep 17.5 P
	8/20/2004	S	(100)	Sep 17.5 P
	9/17/2004	Expired	130	Sep 17.5 P
Aragon				
	8/2/2004	S	(100)	Sep 20 P
	8/2/2004	S	(100)	Sep 20 P
	9/17/2004	Expired	200	Sep 20 P

	8/4/2004	S	(100)	Aug 20 P
	8/4/2004	S	(50)	Aug 20 P
	8/20/2004	Expired	150	Aug 20 P
Oren (Ameritrade)				
	8/4/2004	S	(5)	Aug 22.5 C
	8/4/2004	B	500	TARO Common Stock
	8/20/2004	Expired	5	Aug 22.5 C
David Heyman				
	8/20/2004	S	(50)	Sep 17.5 P
	9/17/2004	Expired	50	Sep 17.5 P
Zvi (Israel Discount Bank)				
	8/3/2004	S	(39)	Sep 20 P
	8/3/2004	S	(39)	Sep 20 P
	8/3/2004	S	(39)	Sep 20 P
	8/3/2004	S	(39)	Sep 20 P
	8/3/2004	S	(39)	Sep 20 P
	8/3/2004	S	(39)	Sep 20 P
	8/3/2004	S	(38)	Sep 20 P
	8/3/2004	S	(14)	Sep 20 P
	8/3/2004	S	(14)	Sep 20 P
	9/26/2004	Expired	300	Sep 20 P

68. The following profits resulted from trading by Zvi, Amir, Oren and Heyman while in possession of material nonpublic information surrounding the announcement of FDA approval of Taro's distribution of Loratadine Syrup:

Account	Profit
Zvi (Israel Discount Bank)	\$ 37,800
Aragon Partners	\$ 46,184
Noga	\$ 8,151
Oren (Ameritrade)	\$ 231
Heyman	\$ 1,663
Total Profit:	\$ 94,029

**March 2, 2005 Announcement of FDA Approval
Of Miconazole Nitrate Vaginal Cream, 4%**

69. On March 2, 2005, Taro announced FDA approval for its product Miconazole Nitrate Vaginal Cream, 4% ("Miconazole Cream"). This information was material.

70. By virtue of his position, which included coordinating production schedules for newly-FDA-approved products at Taro, and his participation in PLC meetings, Zvi knew Taro's estimates of when the FDA would approve the product. At a meeting on January 13, 2005, Zvi was told that the FDA approval was anticipated shortly. At the January 27 and February 3 meetings, Zvi was told that FDA approval was expected in February. At the February 10 meeting, Zvi was told that the FDA's review was complete, and that the application was circulating for the FDA officials' signatures. Approximately one week later, at another PLC meeting, Zvi was told that approval by the end of February remained the best estimate.

71. Throughout the time leading up to the FDA approval of Miconazole Cream, Zvi communicated regularly, directly or indirectly, with Amir, Oren, and Ayal, providing them with the material, nonpublic information he possessed concerning Taro's application for FDA approval of Miconazole Cream. Each of them traded on the information, with Oren and Ayal trading in their respective Ameritrade accounts, and Amir trading in the Aragon Partners account and Noga's account. Amir then tipped Heyman with the material, nonpublic information Zvi had supplied and Heyman traded on the information.

3/2/2005	FDA Approval of Miconazole Cream			
Account	Trade Date	Buy/Sale	Qty	Description
Noga				
	2/15/2005	S	(17)	Mar 35 P
	2/15/2005	S	(30)	Mar 35 P
	2/15/2005	S	(30)	Mar 35 P
	2/17/2005	S	(148)	Mar 35 P
	2/22/2005	B	40	Mar 35 P
	3/18/2005	B	75	Mar 35 P
	3/1/2005	B	16	Mar 30 C
	3/1/2005	B	100	Mar 30 C
	3/1/2005	B	84	Mar 30 C
	3/4/2005	S	(50)	Mar 30 C

	3/4/2005	S	(50)	Mar 30 C
	3/4/2005	S	(100)	Mar 30 C
Aragon				
	2/14/2005	S	(200)	Mar 35 P
	2/14/2005	S	(100)	Mar 35 P
	2/15/2005	S	(50)	Mar 35 P
	2/15/2005	S	(50)	Mar 35 P
	2/15/2005	S	(25)	Mar 35 P
	2/15/2005	S	(25)	Mar 35 P
	2/15/2005	S	(25)	Mar 35 P
	2/15/2005	S	(25)	Mar 35 P
	2/15/2005	S	(100)	Mar 35 P
	2/15/2005	S	(100)	Mar 35 P
	2/15/2005	S	(50)	Mar 35 P
	2/16/2005	S	(58)	Mar 35 P
	2/16/2005	S	(10)	Mar 35 P
	2/16/2005	S	(32)	Mar 35 P
	2/16/2005	S	(46)	Mar 35 P
	2/16/2005	S	(104)	Mar 35 P
	2/22/2005	B	100	Mar 35 P
	2/22/2005	B	100	Mar 35 P
	3/8/2005	B	5,000	TARO Common Stock
	3/9/2005	B	9	Mar 35 P
	3/9/2005	B	91	Mar 35 P
	3/14/2005	B	100	Mar 35 P
	3/14/2005	B	82	Mar 35 P
	3/14/2005	B	18	Mar 35 P
	3/15/2005	B	10	Mar 35 P
	3/15/2005	B	190	Mar 35 P
	3/15/2005	B	100	Mar 35 P
	3/17/2005	B	10	Mar 35 P
	3/17/2006	B	36	Mar 35 P
	3/17/2005	B	78	Mar 35 P
	3/17/2005	B	26	Mar 35 P
	2/22/2005	S	(200)	Mar 30 C
	2/22/2005	S	(200)	Mar 30 C
	2/22/2005	S	(50)	Mar 30 C
	2/22/2005	S	(250)	Mar 30 C
	2/22/2005	S	(18)	Mar 30 C
	2/22/2005	S	(65)	Mar 30 C
	2/22/2005	S	(40)	Mar 30 C
	2/22/2005	S	(36)	Mar 30 C
	2/22/2005	S	(41)	Mar 30 C
	2/22/2005	S	(100)	Mar 30 C
	3/17/2005	B	69	Mar 30 C
	3/17/2005	B	100	Mar 30 C
	3/17/2005	B	100	Mar 30 C

	3/17/2005	B	56	Mar 30 C
	3/17/2005	B	31	Mar 30 C
	3/17/2005	B	75	Mar 30 C
	3/17/2005	B	62	Mar 30 C
	3/17/2005	B	45	Mar 30 C
	3/17/2005	B	38	Mar 30 C
	3/17/2005	B	100	Mar 30 C
	3/17/2005	B	9	Mar 30 C
	3/18/2005	B	100	Mar 30 C
	3/18/2005	B	115	Mar 30 C
	3/18/2005	B	100	Mar 30 C
Ayal (Ameritrade)				
	2/16/2005	S	(10)	Mar 35 P
	3/18/2005	B	10	Mar 35 P
Oren (Ameritrade)				
	2/18/2005	S	(10)	Mar 35 P
	3/18/2005	B	10	Mar 35 P
	2/18/2005	S	(20)	Mar 30 P
	3/18/2005	Expired	20	Mar 30 P
	2/23/2005	S	(10)	Apr 35 C
	4/15/2005	Expired	10	Apr 35 C
David Heyman				
	2/16/2005	S	(40)	Mar 30 P
	3/18/2005	Expired	40	Mar 30 P
	2/16/2005	S	(40)	Mar 35 P
	3/11/2005	B	40	Mar 35 P
	3/1/2005	B	50	Mar 30 C
	3/4/2005	S	(50)	Mar 30 C

72. The following profits resulted from trading by Amir, Oren, Ayal and Heyman while in possession of material nonpublic information surrounding the announcement of FDA approval of Taro's application to distribute Miconazole Cream:

Account	Profit
Aragon Partners	\$ 276,275
Noga	\$ 25,794
Oren (Ameritrade)	\$ 11,637
Ayal (Ameritrade)	\$ 2,655
Heyman	\$ 24,213
Total Profit	\$ 340,574

**April 14, 2005 Announcement of FDA
Approval of Ciclopirox Olamine Cream**

73. On April 14, 2005, Taro announced that the FDA had approved its application to distribute Ciclopirox Olamine Cream (“Ciclopirox Cream”). This information was material.

74. By virtue of his position at Taro as the person responsible for coordinating production in anticipation of the launch of new products, his participation in PLC meetings, and his participation in at least four additional meetings at which the progress of the FDA review of Ciclopirox Cream was discussed, Zvi tracked the FDA approval process for Ciclopirox Cream, and organized its production in anticipation of FDA approval. On March 31, at a PLC meeting, Zvi learned that FDA approval was expected during the week of April 15.

75. Throughout the time preceding Taro’s April 14, 2005 announcement, Zvi communicated regularly, directly or indirectly, with Amir and Oren, and provided them with material, nonpublic information concerning Taro’s application for FDA approval of Ciclopirox Cream. Amir traded on the information through the Aragon Partners and Noga’s accounts and Oren traded on the information in his Ameritrade account. Amir also tipped Heyman, who traded on the information.

4/14/2005		FDA Approval of Ciclopirox Cream		
Account	Trade Date	Buy/Sale	Qty	Description
Noga				
	3/18/2005	S	(75)	Jul 35 P
	5/18/2005	B	75	Jul 35 P
	3/14/2005	B	100	TARO Common Stock
	3/21/2005	B	10,900	TARO Common Stock
	5/19/2005	S	(110)	Jun 30 C
	6/20/2005	S	(11,000)	TARO Common Stock
Aragon				
	3/17/2005	S	(100)	Apr 30 C
	3/17/2005	S	(100)	Apr 30 C

	3/17/2005	S	(9)	Apr 30 C
	3/17/2005	S	(100)	Apr 30 C
	3/17/2005	S	(100)	Apr 30 C
	3/17/2005	S	(38)	Apr 30 C
	3/17/2005	S	(63)	Apr 30 C
	3/17/2005	S	(33)	Apr 30 C
	3/17/2005	S	(67)	Apr 30 C
	3/17/2005	S	(75)	Apr 30 C
	3/18/2005	S	(100)	Apr 30 C
	3/18/2005	S	(100)	Apr 30 C
	3/18/2005	S	(87)	Apr 30 C
	3/18/2005	S	(28)	Apr 30 C
	4/15/2005	Expired	1,000	Apr 30 C
	3/21/2005	S	(10)	May 30 P
	3/22/2005	S	(61)	May 30 P
	3/22/2005	S	(39)	May 30 P
	3/23/2005	S	(100)	May 30 P
	3/29/2005	S	(100)	May 30 P
	3/29/2005	S	(100)	May 30 P
	3/30/2005	S	(100)	May 30 P
	5/20/2005	Expired	510	May 30 P
Oren (Ameritrade)				
	3/21/2005	S	(8)	Jul 30 P
	3/29/2005	S	(22)	Jul 30 P
	7/8/2005	B	10	Jul 30 P
Heyman & Son				
	3/10/2005	S	(20)	Apr 30 P
	4/14/2005	B	20	Apr 30 P
	3/28/2005	S	(20)	May 35 P
	5/9/2005	B	14	May 35 P
	5/9/2005	B	600	TARO Common Stock
	5/9/2005	S	(600)	TARO Common Stock

76. The following profits resulted from trading by Amir, Oren and Heyman while in possession of material nonpublic information surrounding the announcement of FDA approval of Taro's application to distribute Ciclopirox Cream:

Account	Profit
Aragon Partners	\$ 190,224
Noga	\$ 99,718
Oren (Ameritrade)	\$ 371
Heyman & Son	\$ 2,667
Total Profit	\$ 292,980

April 26, 2005 Earnings Announcement

77. On April 26, 2005, Taro announced its first quarter earnings for 2005. Taro's earnings were down compared with the first quarter of 2004. Taro reported that profits declined 55%, compared to the first quarter of 2004, to \$5 million, or \$0.17 per share. Sales for the first quarter fell 6.6% to \$78.5 million compared with \$84.1 million for the first quarter 2004. Analysts had expected earnings per share to be \$0.21. This information was material.

78. By virtue of his position at Taro and because of his constant access to the daily Sales Reports, among other sources of information, Zvi knew material, nonpublic information concerning Taro's quarterly earnings prior to its announcement.

79. During the time prior to the April 26, 2005 announcement, Zvi communicated regularly, directly or indirectly, with Amir and Oren, and provided them with material, nonpublic information concerning Taro's upcoming earnings release. Both of them traded on the information. Amir tipped Heyman with the material, nonpublic information that Zvi had supplied, and he traded on the information.

4/26/05	Earnings Announcement			
Account	Trade Date	Buy/Sale	Qty	Description
Aragon				
	4/14/2005	S	(100)	Jul 35 P
	4/14/2005	S	(100)	Jul 35 P
	4/15/2005	S	(100)	Jul 35 P
	4/15/2005	S	(90)	Jul 35 P
	5/17/2005	B	100	Jul 35 P
	5/18/2005	B	100	Jul 35 P
	5/18/2005	B	100	Jul 35 P
	5/19/2005	B	90	Jul 35 P
Oren (Ameritrade)				
	4/20/2005	S	(10)	Jun 25 P
	6/17/2005	Expired	10	Jun 25 P
Heyman & Son				
	4/14/2005	S	(20)	May 30 P
	5/20/2005	Expired	20	May 30 P

80. The following profits resulted from the trading by Amir, Oren and Heyman while in possession of material nonpublic information surrounding the April 26, 2005 earnings announcement:

Account	Profit
Aragon Partners	\$ 128,580
Oren (Ameritrade)	\$ 431
Heyman & Son	\$ 3,473
Total Profit	\$ 132,484

November 17, 2005 Earnings Announcement

81. At 7:00 a.m. on November 17, 2005, Taro announced its earnings for the third quarter of 2005. They fell short of market analyst expectations, with Taro reporting third quarter sales of \$72.5 million and net income of \$2.1 million, or \$0.07 per share, 47% lower than the \$4.0 million Taro reported during the third quarter of 2004. This information was material.

82. A month earlier, on October 10, 2005, Taro responded to inquiries from investors, analysts and reporting agencies by publicly announcing that it would release its quarterly earnings results in early November 2005. On October 17, Taro's finance department generated the first draft of consolidated third quarter financial results. On November 8, Taro issued a press release announcing that it would not release third quarter earnings until November 17, 2005. By virtue of his access to daily Sales Reports, and other sources of information, Zvi knew that the company's sales levels were low compared with previous quarters, and understood the impact that would have on Taro's earnings.

83. During the time preceding Taro's earnings announcement for the third quarter of 2005, Zvi communicated regularly, directly or indirectly, with Amir, Oren, and Ayal, and provided them with the material, nonpublic information he possessed concerning Taro's quarterly results. Amir passed the tip to Heyman and Kim, and they each traded Taro securities. As a result of the information Zvi supplied, Amir (trading in both the Aragon Partners account and Noga's account), Oren, Ayal, and Heyman liquidated bullish positions they had previously established in Taro stock or options, and established a bearish strategy, using the knowledge that the price of Taro stock or options would decline after release of Taro's weak 2005 third quarter earnings. Amir, Oren, Ayal, Heyman and Kim made trades in the following brokerage accounts surrounding the November 17, 2005 earnings announcement:

11/17/2005	Earnings Announcement			
Account	Trade Date	Buy/Sale	Qty	Description
Aragon				
	10/7/2005	S	(50)	Nov 30 P
	10/18/2005	B	50	Nov 30 P
	10/7/2005	S	(100)	Nov 25 P
	10/18/2005	B	4	Nov 25 P
	10/18/2005	B	46	Nov 25 P
	10/18/2005	B	36	Nov 25 P
	10/18/2005	B	14	Nov 25 P
	10/24/2005	B	100	Nov 20 P
	10/24/2005	B	100	Nov 20 P
	10/24/2005	B	200	Nov 20 P
	10/31/2005	B	100	Nov 20 P
	11/9/2005	S	(100)	Nov 20 P
	11/17/2005	S	(100)	Nov 20 P
	11/17/2005	S	(100)	Nov 20 P
	11/17/2005	S	(100)	Nov 20 P
	11/17/2005	S	(100)	Nov 20 P
	10/24/2005	S	(80)	Nov 20 C
	10/24/2005	S	(200)	Nov 20 C
	10/24/2005	S	(32)	Nov 20 C
	11/18/2005	Expired	312	Nov 20 C
	10/24/2005	S	(15)	Nov 22.5 C
	10/24/2005	S	(200)	Nov 22.5 C
	10/26/2005	S	(200)	Nov 22.5 C

	10/27/2005	S	(200)	Nov 22.5 C
	11/18/2005	Expired	615	Nov 22.5 C
	10/24/2005	S	(60)	Dec 20 C
	10/24/2005	S	(200)	Dec 20 C
	10/24/2005	S	(76)	Dec 20 C
	10/24/2005	S	(64)	Dec 20 C
	12/16/2005	Expired	400	Dec 20 C
	10/26/2005	S	(159)	Jan 22.5 C
	1/20/2006	Expired	159	Jan 22.5 C
	10/26/2005	S	(46)	Jan 25 C
	1/20/2006	Expired	46	Jan 25 C
Noga				
	10/7/2005	S	(50)	Nov 25 P
	10/18/2005	B	42	Nov 25 P
	10/18/2005	B	8	Nov 25 P
	10/24/2005	B	100	Nov 20 P
	10/24/2005	B	44	Nov 20 P
	10/24/2005	B	56	Nov 20 P
	11/17/2005	S	(100)	Nov 20 P
	11/17/2005	S	(100)	Nov 20 P
Oren (Ameritrade)				
	9/19/2005	S	(30)	Jan 22.5 P
	10/21/2005	B	5	Jan 22.5 P
	10/21/2005	B	25	Jan 22.5 P
	10/25/2005	S	(3,200)	TARO Common Stock
	10/31/2005	S	(20)	Nov 25 C
	11/18/2005	Expired	20	Nov 25 C
	11/2/2005	S	(15)	Dec 25 C
	12/16/2005	Expired	15	Dec 25 C
	11/7/2005	B	15	Nov 22.5 P
	11/9/2005	S	(15)	Nov 22.5 P
Ayal (Ameritrade)				
	10/10/2005	S	(15)	Nov 25 P
	10/20/2005	B	15	Nov 25 P
	11/7/2005	B	100	Nov 20 P
	11/11/2005	S	(100)	Nov 20 P
David Heyman				
	10/19/2005	S	(5,600)	TARO Common Stock
	10/24/2005	B	66	Nov 20 P
	10/24/2005	B	15	Nov 20 P
	10/24/2005	B	19	Nov 20 P
	10/24/2005	B	50	Nov 20 P
	11/7/2005	B	100	Nov 20 P
	11/17/2005	S	(100)	Nov 20 P
	11/17/2005	S	(150)	Nov 20 P
Heyman & Son				
	10/19/2005	S	(2,000)	TARO Common

				Stock
	10/24/2005	B	50	Nov 20 P
	11/17/2005	S	(50)	Nov 20 P
Young Kim				
	11/3/2005	B	10	Nov 20 P
	11/3/2005	B	5	Nov 20 P
	11/17/2005	S	(15)	Nov 20 P

84. The following profits resulted from the trading by Amir, Oren, Ayal, Heyman and Kim while in possession of material nonpublic information surrounding the April 26, 2005 earnings announcement:

Account	Profit
Aragon	\$439,420
Noga	\$ 90,572
Oren (Ameritrade)	\$ 43,465
Ayal (Ameritrade)	\$ 16,430
Heyman	\$128,275
Heyman & Son	\$ 28,749
Kim	\$ 3,980
Total Profit	\$750,891

E. Amir's Transfers of Aragon Partners' Funds

85. In late January 2006, Heyman, Noga and Rivka were each interviewed by the FBI, and the Defendants became aware that a criminal investigation into the Insider Trading Defendants' trading in Taro had been initiated.

86. Beginning in late January 2006, following the FBI interviews, Amir began to distribute trading proceeds from the Aragon Partners account to the Limited Partners, and himself, to third parties on behalf of the Limited Partners and himself, and to Noga and Zvi. By December 2006, Amir had distributed all of the money out of Aragon Partners account to or on behalf of the Limited Partners, himself, Noga and Zvi. The distributions, the dates on which they were effected, and the Defendants and Relief Defendants on whose behalf they were made are:

Date	Amount	Payee	Beneficiary
1/27/2006	\$25,000.00	Oren Rosenthal	Oren
2/5/2006	\$20,000.00	Stillman & Friedman	Amir
3/20/2006	\$226,227.00	IRS	Zvi and Rivka
3/22/2006	\$133,879.00	IRS	Amir and Noga
3/22/2006	\$38,726.00	NYS Income Tax	Amir and Noga
3/22/2006	\$11,827.00	State of NJ	Amir
3/22/2006	\$93,550.00	Law Offices of Alice R. Newman	Amir and Noga
4/5/2006	\$62,796.00	United States Treasury	Ayal
4/5/2006	\$971.00	NYS Income Tax	Ayal
4/5/2006	\$12,357.00	State of NJ TGI	Ayal
4/14/2006	\$62,592.00	IRS	Oren
4/14/2006	\$10,000.00	Franchise Tax Board	Amir
4/14/2006	\$12,799.00	State of NJ TGI	Oren
4/14/2006	\$10,000.00	NYS Income Tax	Amir and Noga
4/14/2006	\$58,353.00	IRS	Efrat
4/14/2006	\$12,131.00	State of NJ TGI	Efrat
4/14/2006	\$17,871.00	United States Treasury	Oren
4/14/2006	\$16,047.00	IRS	Efrat
4/14/2006	\$17,513.00	United States Treasury	Ayal
5/3/2006	\$20,000.00	Brune & Richard	Ayal
5/3/2006	\$500,000.00	E Trade Bank	Rivka
5/3/2006	\$500,000.00	E Trade Bank	Efrat
5/15/2006	\$500,000.00	Ayal Rosenthal	Ayal
5/17/2006	\$500,000.00	Oren Rosenthal	Oren
5/18/2006	\$67.36	New Jersey Gross Income Tax	Ayal
5/19/2006	\$500,000.00	Amir Rosenthal	Amir and Noga
5/30/2006	\$17,513.00	IRS	Ayal
5/10/2006	\$16,047.00	United States Treasury	Efrat
5/30/2006	\$37,694.00	United States Treasury	Amir and Noga
5/30/2006	\$17,871.00	IRS	Oren
5/30/2006	\$3,000.00	NJ Div of Taxation	Amir
6/16/2006	\$17,513.00	United States Treasury	Ayal
6/16/2006	\$16,047.00	United States Treasury	Efrat
6/16/2006	\$37,694.00	IRS	Amir and Noga
6/16/2006	\$17,871.00	United States Treasury	Oren
6/6/2006	\$10,000	Dechert LLP	Noga
7/25/2006	\$16,047.00	IRS	Efrat

Date	Amount	Payee	Beneficiary
7/25/2006	\$17,513.00	IRS	Ayal
7/25/2006	\$17,871.00	IRS	Oren
7/29/2006	\$10,000.00	Oren Rosenthal	Oren
7/31/2006	\$37,694.00	United States Treasury	Amir and Noga
8/11/2006	\$316.69	IRS	Efrat
8/20/2006	\$7,500.00	Sackler School Of Medicine	Efrat
8/31/2006	\$120,000	Hdox Bioinformatix, Inc.	Zvi
9/15/2006	\$16,000.00	Brune & Richard LLP	Ayal
10/17/2006	\$1,966.00	IRS	Efrat
10/19/2006	\$10,000.00	Stillman Friedman & Schechtman	Amir
12/15/2006	\$8,902.48	Dechert LLP	Noga

CLAIMS FOR RELIEF

87. By virtue of the foregoing, and as set forth below, Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal, in connection with the purchase or sale of securities, have: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts and omitted 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) engaged in acts, practices and courses of business which would operate as a fraud or deceit upon purchasers, prospective purchasers, and other persons.

88. Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal engaged in the conduct described above knowingly or with recklessness.

89. By reason of the foregoing, Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and, unless enjoined, Defendants Aragon Partners, Aragon Capital, Oren and Ayal will continue to violate

Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

90. By virtue of the foregoing, and as set forth below, Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal, in connection with the offer or sale of securities, have: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions 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) engaged in transactions, practices and courses of business which would operate as a fraud or deceit upon the purchaser.

91. Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal engaged in the conduct described above knowingly or with recklessness.

92. By reason of the foregoing, Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and, unless enjoined, Defendants Aragon Partners, Aragon Capital, Oren and Ayal will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT I

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder as to Defendants Zvi, Amir and Ayal with Respect to Trades Prior to the May 29, 2001 Taro Announcement)

93. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

94. Prior to the public announcements of FDA approval of Taro's application to distribute CB Cream, information relating to the FDA approval and Taro's estimates of when it would occur (the "FDA CB Cream Approval Information") was

material, nonpublic information. In addition, the FDA CB Cream Approval Information was considered confidential by Taro, and was intended solely for internal corporate use.

95. Zvi learned of the FDA CB Cream Approval Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

96. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic FDA CB Cream Approval Information by communicating this information, directly or indirectly, to Amir and Ayal, while expecting to benefit from his disclosure. Each of Amir and Ayal knew, or was reckless in not knowing, that the FDA CB Cream Approval Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

97. Notwithstanding their respective obligations, Zvi, Amir and Ayal agreed that Amir and Ayal would trade in Taro securities on the basis of the FDA CB Cream Information that Zvi had supplied. As described above and in connection with this agreement, Amir and Ayal traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

98. Each of the trades executed prior to the announcement of FDA approval of CB Cream by Amir and Ayal constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

COUNT II

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Zvi and Amir with Respect to Trades Prior to the July 19, 2001 Taro Announcement)

99. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

100. Prior to the public announcement of Taro's quarterly earnings on July 19, 2001, information relating to Taro's quarterly performance, including information relating to sales, inventory, and production during the quarter (the "July 19 Earnings Announcement Information") was material, nonpublic information. The July 19 Earnings Announcement Information also was considered confidential by Taro, and was intended solely for internal corporate use.

101. Zvi learned of the July 19 Earnings Announcement Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, the fact that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

102. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic July 19 Earnings Announcement Information by communicating this information, directly or indirectly, to Amir, while expecting to benefit from his disclosure. Amir knew, or was reckless in not knowing, that the July 19 Earnings Announcement Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

103. Notwithstanding their respective obligations, Zvi and Amir agreed that Amir would trade in Taro securities. As described above and in connection with this agreement, Amir traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

104. Each of the trades executed by Amir prior to the July 19, 2001 announcement described above constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of the trades Amir executed prior to the announcement on July 18, 2001 involving an offer or sale of Taro securities constituted a separate direct or indirect violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT III

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Zvi and Amir with Respect to Trades Prior to the October 18, 2001 Taro Announcement)

105. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

106. Prior to the public announcement of Taro's quarterly earnings on October 18, 2001, information relating to Taro's quarterly performance, including information relating to sales, inventory, and production during the quarter (the "October 18 Earnings Announcement Information"), was material, nonpublic information. The October 18 Earnings Announcement Information also was considered confidential by Taro, and was intended solely for internal corporate use.

107. Zvi learned of the October 18 Earnings Announcement Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, the fact

that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

108. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic October 18 Earnings Announcement Information by communicating this information, directly or indirectly, to Amir, while expecting to benefit from his disclosure, and by trading on the information himself. Amir knew, or was reckless in not knowing, that the October 18 Earnings Announcement Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

109. Notwithstanding their respective obligations, Zvi and Amir agreed that each of them would trade in Taro securities. As described above and in connection with this agreement, Zvi and Amir traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

110. Each of the trades executed by Zvi and Amir prior to the October 18, 2001 announcement described above constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of the trades executed by Amir and Zvi prior to the October 18, 2001 earnings announcement involving an offer or sale of Taro securities constituted a separate direct or indirect violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT IV

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder as to Defendants Zvi, Amir and Oren and Section 17(a) of the Securities Act as to Defendants Zvi and Amir with Respect to Trades Prior to the November 26, 2002 Taro Announcement)

111. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

112. Prior to the public announcements of FDA approval of Taro's application to distribute Econazole Cream, information relating to the FDA approval and Taro's estimates of when it would occur (the "FDA Econazole Approval Information") was material, nonpublic information. In addition, the FDA Econazole Approval Information was considered confidential by Taro, and was intended solely for internal corporate use.

113. Zvi learned of the FDA Econazole Approval Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

114. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic FDA Econazole Approval Information by communicating this information, directly or indirectly, to Amir and Oren, while expecting to benefit from his disclosure. Each of Amir and Oren knew, or was reckless in not knowing, that the FDA Econazole Approval Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that

he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

115. Notwithstanding their respective obligations, Zvi, Amir and Oren agreed that Amir and Oren would trade in Taro securities on the basis of the FDA Econazole Approval Information that Zvi had supplied. As described above and in connection with this agreement, Amir and Oren traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

116. Each of the trades executed by Amir and Oren prior to the announcement of FDA approval of Econazole Cream constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of the trades executed by Amir prior to the announcement of FDA approval of Econazole Cream involving an offer or sale of Taro securities constituted a separate direct or indirect violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT V

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder as to Defendants Zvi, Amir, Oren and Ayal and Section 17(a) of the Securities Act as to Defendants Zvi and Amir with Respect to Trades Prior to the February 20, 2003 Taro Announcement)

117. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

118. Prior to the public announcement of Taro's quarterly earnings on February 20, 2003, information relating to Taro's quarterly performance, including information relating to sales, inventory, and production during the quarter (the "February 20 Earnings Announcement Information"), was material, nonpublic information. The

February 20 Earnings Announcement Information also was considered confidential by Taro, and was intended solely for internal corporate use.

119. Zvi learned of the February 20 Earnings Announcement Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, the fact that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

120. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic February 20 Earnings Announcement Information by communicating this information, directly or indirectly, to Amir, Oren and Ayal, while expecting to benefit from his disclosure, and by trading on the information himself. Each of Amir, Oren and Ayal knew, or was reckless in not knowing, that the February 20 Earnings Announcement Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

121. Notwithstanding their respective obligations, Zvi, Amir, Oren and Ayal agreed that each would trade in Taro securities. As described above and in connection with this agreement, Zvi, Amir, Oren and Ayal traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

122. Each of the trades executed by Zvi, Amir, Oren and Ayal prior to the February 20, 2003 announcement described above constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of the trades executed by Zvi and Amir prior

to the February 20, 2003 announcement involving an offer or sale of Taro securities constituted separate direct or indirect violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT VI

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Zvi and Amir with Respect to Trades Prior to the April 16, 2003 Taro Announcement)

123. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

124. Prior to the public announcement of Taro's quarterly earnings on April 16, 2003, information relating to Taro's quarterly performance, including information relating to sales, inventory, and production during the quarter (the "April 16 Earnings Announcement Information"), was material, nonpublic information. The April 16 Earnings Announcement Information also was considered confidential by Taro, and was intended solely for internal corporate use.

125. Zvi learned of the April 16 Earnings Announcement Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, the fact that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

126. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic April 16 Earnings Announcement Information by communicating this information, directly or indirectly, to Amir, while expecting to benefit from his disclosure. Amir knew, or was reckless in not knowing, that the April 16 Earnings Announcement Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in

violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

127. Notwithstanding their respective obligations, Zvi and Amir agreed that Amir would trade in Taro securities. As described above and in connection with this agreement, Amir traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

128. Each of the trades executed by Amir prior to the April 16, 2003 announcement described above constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT VII

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Aragon Partners, Aragon Capital, Zvi and Amir with Respect to Trades Prior to the April 29, 2004 Taro Announcement)

129. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

130. Prior to the public announcement of Taro's quarterly earnings on April 29, 2004, information relating to Taro's quarterly performance, including information relating to sales, inventory, and production during the quarter (the "April 29 Earnings Announcement Information"), was material, nonpublic information. The April 29 Earnings Announcement Information also was considered confidential by Taro, and was intended solely for internal corporate use.

131. Zvi learned of the April 29 Earnings Announcement Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, the fact

that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

132. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic April 29 Earnings Announcement Information by communicating this information, directly or indirectly, to Amir, while expecting to benefit from his disclosure, and by trading on the information himself. Amir knew, or was reckless in not knowing, that the April 29 Earnings Announcement Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

133. Notwithstanding their respective obligations, Zvi and Amir agreed that each would trade in Taro securities. As described above and in connection with this agreement, Zvi and Amir traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

134. Each of the trades executed by Zvi and Amir prior to the April 29, 2004 announcement described above constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

135. Also in violation of his obligations, and in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Amir tipped Heyman with

the material, nonpublic April 29 Earnings Announcement Information he learned from Zvi while expecting to benefit from the disclosure. Heyman traded on Amir's tip.

COUNT VIII

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Aragon Partners, Aragon Capital, Zvi, Amir and Oren with Respect to Trades Prior to the August 20, 2004 Taro Announcement)

136. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

137. Prior to the public announcement of FDA approval of Taro's application to distribute Loratadine Syrup, information relating to the FDA approval and Taro's estimates of when it would occur (the "FDA Loratadine Syrup Approval Information") was material, nonpublic information. In addition, the FDA Loratadine Syrup Approval Information was considered confidential by Taro, and was intended solely for internal corporate use.

138. Zvi learned of the FDA Loratadine Syrup Approval Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

139. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic FDA Loratadine Syrup Approval Information by communicating this information, directly or indirectly, to Amir and Oren, while expecting to benefit from his disclosure, and by trading on the information himself. Each of Amir and Oren knew, or was reckless in not knowing, that the FDA Loratadine Syrup Approval Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a

fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

140. Notwithstanding their respective obligations, Zvi, Amir and Oren agreed that Zvi, Amir and Oren would trade in Taro securities on the basis of the FDA Loratadine Syrup Information that Zvi had supplied. As described above and in connection with this agreement, Zvi, Amir and Oren traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

141. Each of the trades executed by Zvi, Amir and Oren prior to the announcement of FDA approval of Loratadine Syrup constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of trades executed by Zvi, Amir and Oren prior to the announcement of FDA approval of Loratadine Syrup involving an offer or sale of Taro securities constituted a separate direct or indirect violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

142. Also in violation of his obligations, and in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Amir tipped Heyman with the material, nonpublic FDA Loratadine Syrup Approval Information he learned from Zvi while expecting to benefit from the disclosure. Heyman traded on Amir's tip.

COUNT IX

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal with Respect to Trades Prior to the March 2, 2005 Taro Announcement)

143. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

144. Prior to the public announcements of FDA approval of Taro's application to distribute Miconazole Cream, information relating to the FDA approval and Taro's estimates of when it would occur (the "FDA Miconazole Approval Information") was material, nonpublic information. In addition, the FDA Miconazole Approval Information was considered confidential by Taro, and was intended solely for internal corporate use.

145. Zvi learned of the FDA Miconazole Approval Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

146. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic FDA Miconazole Approval Information by communicating this information, directly or indirectly, to Amir, Oren and Ayal, while expecting to benefit from his disclosure. Each of Amir, Oren and Ayal knew, or was reckless in not knowing, that the FDA Miconazole Approval Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro

securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

147. Notwithstanding their respective obligations, Zvi, Amir, Oren and Ayal agreed that Amir, Oren and Ayal would trade in Taro securities on the basis of the FDA Miconazole Approval Information that Zvi had supplied. As described above and in connection with this agreement, Amir, Oren and Ayal traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

148. Each of the trades executed by Amir, Oren and Ayal prior to the announcement of FDA approval of Miconazole Cream constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of the trades executed by Amir, Oren and Ayal prior to the announcement of FDA approval of Miconazole Cream involving an offer or sale of Taro securities constituted a separate direct or indirect violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

149. Also in violation of his obligations, and in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Amir tipped Heyman with the material, nonpublic FDA Miconazole Approval Information he learned from Zvi while expecting to benefit from the disclosure. Heyman traded on Amir's tip.

COUNT X

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Aragon Partners, Aragon Capital, Zvi, Amir and Oren with Respect to Trades Prior to the April 14, 2005 Taro Announcement)

150. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

151. Prior to the public announcements of FDA approval of Taro's application to distribute Ciclopirox Cream, information relating to the FDA approval and Taro's estimates of when it would occur (the "FDA Ciclopirox Approval Information") was material, nonpublic information. In addition, the FDA Ciclopirox Approval Information was considered confidential by Taro, and was intended solely for internal corporate use.

152. Zvi learned of the FDA Ciclopirox Approval Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

153. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic FDA Ciclopirox Approval Information by communicating this information, directly or indirectly, to Amir and Oren, while expecting to benefit from his disclosure. Each of Amir and Oren knew, or was reckless in not knowing, that the FDA Ciclopirox Approval Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

154. Notwithstanding their respective obligations, Zvi, Amir and Oren agreed that Amir and Oren would trade in Taro securities on the basis of the FDA Ciclopirox Approval Information that Zvi had supplied. As described above and in connection with this agreement, Amir and Oren traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

155. Each of the trades executed by Amir and Oren prior to the announcement of FDA approval of Ciclopirox Cream constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of the trades executed by Amir and Oren prior to the announcement of FDA approval of Ciclopirox Cream involving an offer or sale of Taro securities constituted a separate direct or indirect violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

156. Also in violation of his obligations, and in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Amir tipped Heyman with the material, nonpublic FDA Ciclopirox Approval Information he learned from Zvi while expecting to benefit from the disclosure. Heyman traded on Amir's tip.

COUNT XI

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Aragon Partners, Aragon Capital, Zvi, Amir and Oren with Respect to Trades Prior to the April 26, 2005 Taro Announcement)

157. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

158. Prior to the public announcement of Taro's quarterly earnings on April 26, 2005, information relating to Taro's quarterly performance, including information

relating to sales, inventory, and production during the quarter (the “April 26 Earnings Announcement Information”), was material, nonpublic information. The April 26 Earnings Announcement Information also was considered confidential by Taro, and was intended solely for internal corporate use.

159. Zvi learned of the April 26 Earnings Announcement Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, the fact that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

160. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic April 26 Earnings Announcement Information by communicating this information, directly or indirectly, to Amir and Oren, while expecting to benefit from his disclosure. Each of Amir and Oren knew, or was reckless in not knowing, that the April 26 Earnings Announcement Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

161. Notwithstanding their respective obligations, Zvi, Amir and Oren agreed that Amir and Oren would trade in Taro securities. As described above and in connection with this agreement, Amir and Oren traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

162. Each of the trades executed by Amir and Oren prior to the April 26, 2005 announcement described above constituted a separate direct or indirect violation of

Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

163. Also in violation of his obligations, and in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Amir tipped Heyman with the material, nonpublic April 26 Earnings Announcement Information he learned from Zvi while expecting to benefit from the disclosure. Heyman traded on Amir's tip.

COUNT XII

(Trading in Taro Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act as to Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal with Respect to Trades Prior to the November 17, 2005 Taro Announcement)

164. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

165. Prior to the public announcement of Taro's quarterly earnings on November 17, 2005, information relating to Taro's quarterly performance, including information relating to sales, inventory, and production during the quarter (the "November 17 Earnings Announcement Information"), was material, nonpublic information. The November 17 Earnings Announcement Information also was considered confidential by Taro, and was intended solely for internal corporate use.

166. Zvi learned of the November 17 Earnings Announcement Information in the course of his employment at Taro. Zvi knew, or was reckless in not knowing, the fact that he owed Taro a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

167. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Taro, Zvi misappropriated the material, nonpublic November 17

Earnings Announcement Information by communicating this information, directly or indirectly, to Amir, Oren and Ayal, while expecting to benefit from his disclosure. Each of Amir, Oren and Ayal knew, or was reckless in not knowing, that the November 17 Earnings Announcement Information he learned from Zvi was material and nonpublic, and had been misappropriated and/or disclosed to him in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Taro securities or tip others so that they could purchase or sell any Taro securities while possessing such information.

168. Notwithstanding their respective obligations, Zvi, Amir, Oren and Ayal agreed that Amir, Oren and Ayal would trade in Taro securities. As described above and in connection with this agreement, Amir, Oren and Ayal traded in Taro securities as described above while in possession of this misappropriated, material, nonpublic information.

169. Each of the trades executed by Amir, Oren and Ayal prior to the November 17, 2005 announcement described above constituted a separate direct or indirect violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Each of trades executed by Amir, Oren and Ayal prior to the November 17, 2005 announcement involving an offer or sale of Taro securities constituted a separate direct or indirect violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

170. Also in violation of his obligations, and in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Amir tipped Heyman and Kim with the material, nonpublic November 17 Earnings Announcement Information he

learned from Zvi while expecting to benefit from the disclosure. Both Heyman and Kim traded on Amir's tip.

COUNT XIII

(Violations of Section 20(e) of the Exchange Act as to Defendant Oren with respect to the trading by Amir in his Brown & Co. Account)

171. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

172. Prior to each of the public announcements of Taro's earnings on July 19, 2001, October 18, 2001, February 20, 2003 and April 16, 2003, and prior to the public announcement of FDA approval of Taro's application to distribute Econazole Nitrate Cream on November 26, 2002, Amir traded in Oren's Brown & Co. account after learning material, nonpublic information about those impending announcements from Zvi that he knew, or was reckless in not knowing, was material and nonpublic and had been misappropriated and/or disclosed to him in violation of Zvi's fiduciary duty or similar relationship of trust or confidence to Taro. As described above, by engaging in this conduct, Amir directly or indirectly violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

173. Amir opened the Brown & Co. account for the benefit of Oren. Oren, who knew that (a) Amir was trading in his account on the basis of material, nonpublic information he obtained from Zvi; and (b) he would benefit from such trades, did nothing to stop it. Therefore, Oren knowingly and substantially assisted Amir's violations.

174. By reason of the foregoing, Oren aided and abetted each of Amir's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] in connection with Amir's trading ahead of the July 19, 2001, October 18, 2001, November 26, 2002, February 20, 2003, and April 16, 2003

announcements, and, as a consequence, Oren has violated Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

COUNT XIV

(Violations of Section 20(e) of the Exchange Act as to Defendant Ayal with respect to the trading by Amir in his Brown & Co. Account)

175. Paragraphs 1 through 92 are realleged and incorporated herein by reference.

176. Prior to each of the public announcements of FDA approval of Taro's application to distribute Econazole Nitrate Cream on November 26, 2002, and Taro's earnings on February 20, 2003, Amir traded in Ayal's Brown & Co. account after learning material, nonpublic information about those impending announcements from Zvi that he knew, or was reckless in not knowing, was material and nonpublic and had been misappropriated and/or disclosed to him in violation of Zvi's fiduciary duty or similar relationship of trust or confidence to Taro. As described above, by engaging in this conduct, Amir directly or indirectly violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

177. Amir opened the Brown & Co. account for the benefit of Ayal. Ayal, who knew that (a) Amir was trading in his account on the basis of material, nonpublic information he obtained from Zvi; and (b) he would benefit from such trades, did nothing to stop it. Therefore, Ayal knowingly and substantially assisted Amir's violations.

178. By reason of the foregoing, Ayal aided and abetted each of Amir's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] in connection with Amir's trading ahead of the November 26, 2002 and February 20, 2003 and announcements, and, as a consequence, Ayal has violated Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

RELIEF SOUGHT

WHEREFORE, the Commission respectfully requests that this Court enter a judgment:

I.

Permanently restraining and enjoining each of Defendants Aragon Partners, Aragon Capital, Oren and Ayal, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder;

II.

Permanently restraining and enjoining Defendants Aragon Partners, Aragon Capital, Oren and Ayal, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 17(a) of the Securities Act;

III.

Ordering the Defendants and Relief Defendants to disgorge all profits and ill-gotten gains realized from all the unlawful trading set forth herein retained by or distributed to each of them, plus prejudgment interest;

IV.

Ordering Defendants Zvi, Amir, Oren and Ayal to disgorge all profits and ill-gotten gains realized from their respective violations, or their aiding and abetting the violations, of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 17(a) of the Securities Act as alleged herein, plus prejudgment interest thereon;

V.

Ordering that Defendants Zvi and Amir be held jointly and severally liable with Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren, Ayal, and Relief Defendants Noga, Efrat and Rivka for their respective disgorgement plus prejudgment interest, and with Heyman, Heyman & Son and Kim for the profits and ill-gotten gains realized from the unlawful trading executed by Heyman, Heyman & Son and Kim, and any prejudgment interest thereon.

VI.

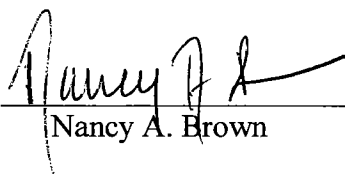
Ordering Defendants Aragon Partners, Aragon Capital, Zvi, Amir, Oren and Ayal to pay civil monetary penalties pursuant to Section 21A and/or Section 21(d)(3) of the Exchange Act; and

IX.

Granting such other relief as this Court may deem just and appropriate.

Dated: New York, New York
November 10, 2010

SECURITIES AND EXCHANGE
COMMISSION

By: 
Nancy A. Brown

Attorney for Plaintiff
New York Regional Office
3 World Financial Center, Room 4300
New York, New York 10281
(212) 336-1023(Brown)

Of Counsel:
Simona Suh
Bohdan Ozaruk

**SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
3 World Financial Center, Room 400
New York, New York 10281
(212) 336-1020**

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
-against-	:
	:
ARAGON CAPITAL MANAGEMENT, LLC, et al.	:
	:
Defendants.	:
-----X	

07 Civ. 919 (FM)

DECLARATION OF SERVICE OF NANCY A. BROWN

I, Nancy A. Brown, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am employed as Senior Trial Counsel in the Enforcement Division in the New York Regional Office of the Securities and Exchange Commission (the "Commission"). I am fully familiar with the facts and circumstances had herein.

2. On November 10, 2010, I served the following Defendants and Relief Defendants with the Second Amended Complaint in this action by first class mail on each Defendant at the following addresses:

Robert Knuts, Esq.
Park & Jensen LLP
630 Third Avenue
New York, NY 10020
Counsel for Defendant Oren Rosenthal, and Relief Defendants
Noga Delshad Rosenthal, Efrat Rosenthal and Rivka Rosenthal

Mr. Amir Rosenthal
201 E. 17th Street
Apt. 12C
New York, NY 10003
Pro Se Defendant

Mr. Ayal Rosenthal
P.O. Box 14275
Tel Aviv-Yafo, 61162
Israel
Pro Se Defendant

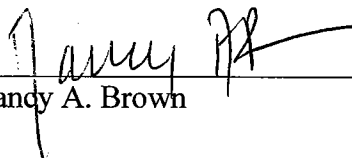
Mr. Zvi Rosenthal
Reg. No. 54076-053
FCI Otisville
P.O. Box 1000
Otisville, NY 10963
Pro Se Defendant

Aragon Capital Advisors LLC
c/o Mr. Amir Rosenthal
201 E. 17th Street
Apt. 12C
New York, NY 10003

Aragon Capital Management LP
c/o Mr. Amir Rosenthal
201 E. 17th Street
Apt. 12C
New York, NY 10003

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true
and correct.

Executed on November 10, 2010
New York, New York



Nancy A. Brown