

UNITED STATES DISTRICT COURT  
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

HOWARD B. WILDSTEIN,

Defendant.

CIVIL ACTION NO.

COMPLAINT

Plaintiff Securities and Exchange Commission (“SEC” or “Commission”) alleges:

SUMMARY

1. Defendant Howard B. Wildstein (“Wildstein”) committed insider trading by purchasing the common stock of MapInfo Corporation (“MapInfo”) between March 1, 2007 and March 2, 2007, while in possession of highly confidential information concerning a potential acquisition of MapInfo by his then-employer, Pitney Bowes, Inc. (“PBI”). Wildstein profited by over \$51,000 from his unlawful trading.

2. Wildstein learned the highly confidential information that PBI was considering acquiring MapInfo through his employment at PBI. Wildstein misappropriated this material nonpublic information in breach of a duty of trust and confidence that he owed to PBI and then bought MapInfo stock. At the time that he bought MapInfo stock, Wildstein was aware that he possessed material nonpublic information concerning the potential acquisition and that, as a result, he was prohibited

both under the federal securities laws and under PBI's insider trading policy from purchasing MapInfo stock.

3. By engaging in insider trading as described herein, Wildstein violated the general and tender offer antifraud provisions of the federal securities laws, Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5 and 240.14e-3]. Accordingly, the Commission seeks: (a) a permanent injunction prohibiting Wildstein from further violating Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder; (b) disgorgement of Wildstein's unlawful profits with prejudgment interest; and (c) a civil monetary penalty.

#### **JURISDICTION AND VENUE**

4. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and (e), 78u-1, and 78aa].

5. Venue is proper under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain acts or transactions constituting the violations occurred in this district.

6. Defendant, directly or indirectly, made use of the means or instruments 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.

7. Unless restrained and enjoined by this Court, Defendant will continue to engage in acts, practices, and transactions similar to those described in this Complaint.

#### **DEFENDANT**

8. Defendant Howard B. Wildstein, age 71, resides in Westport, Connecticut. During the relevant period, Wildstein was a Vice President in PBI's Global Retention

Group, which focused on retaining customers in PBI's core hardcopy mailing business. Wildstein was employed by PBI from 1968 until his retirement on December 31, 2007.

### **RELEVANT ENTITIES**

9. MapInfo Corporation ("MapInfo"), prior to being acquired by PBI, was a Delaware corporation with its headquarters in Troy, New York. MapInfo was a leading international geocoding company, providing location intelligence solutions to its customers. At all relevant times, MapInfo's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was traded on the NASDAQ National Market. On April 19, 2007, PBI announced that it had successfully completed its acquisition of MapInfo and MapInfo ceased to be a public company.

10. Pitney Bowes, Inc. ("PBI") is a Delaware corporation with its headquarters in Stamford, Connecticut. PBI specializes in developing, marketing, and providing professional support services for hardcopy and electronic mail processing products. PBI's common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act and is traded on the New York Stock Exchange ("NYSE").

### **FACTS**

#### **I. PBI's Acquisition of MapInfo**

11. In September 2006, PBI's board of directors adopted a business plan to acquire MapInfo. Subsequently, in early November 2006, PBI's investment banking advisers contacted MapInfo's senior management to convey PBI's interest in acquiring MapInfo. On November 14, 2006, in response to expressions of interest from several potential acquirers, including PBI, MapInfo's board of directors approved the retention of an investment bank to act as MapInfo's financial adviser for the potential transaction.

12. Between December 2006 and January 2007, MapInfo entered into confidentiality agreements with sixteen potential acquirers, including PBI. During the same period of time, twelve of the potential acquirers, including PBI, attended separate full-day meetings with MapInfo senior management, were provided with nonpublic financial information regarding MapInfo, and began conducting due diligence on MapInfo.

13. On February 5, 2007, MapInfo received initial bids from eight potential acquirers, including a bid from PBI of \$16.50 to \$18.00 per share of MapInfo stock. Throughout February 2007 and March 2007, PBI conducted extensive due diligence on MapInfo, that included meetings and merger discussions between senior executives of both companies. On March 5, 2007, MapInfo received final bids from five potential acquirers, including a bid from PBI of \$19.12 per share.

14. The merger negotiations entered their final phase on March 9, 2007, when PBI agreed to make an all-cash offer of \$20.25 per share. In response, MapInfo granted exclusive negotiating rights to PBI.

15. Between March 9 and March 13, 2007, counsel for MapInfo and PBI finalized the details of the merger agreement, and on March 14, 2007, the MapInfo board approved the final merger agreement with PBI. The final merger agreement provided that PBI would acquire all outstanding shares of MapInfo common stock through a tender offer at a cash price of \$20.25 per share.

16. On March 15, 2007, prior to the opening of the market, MapInfo and PBI publicly announced the planned acquisition. The price of MapInfo common stock closed

that day at \$20.00 per share, an increase of \$6.79 or approximately fifty-one percent from the previous day's closing price of \$13.21.

**II. PBI's Employee Code of Conduct and Insider Trading Policy**

17. As an employee of PBI, Wildstein was subject to PBI's Code of Conduct and insider trading policy, which prohibited PBI employees from trading on the basis of material nonpublic information in the securities of a company that PBI was considering acquiring. PBI's Code of Conduct specifically stated that information regarding a potential or planned acquisition of another company by PBI constituted material nonpublic information and that it would be illegal to tip or trade in the target company's stock while in possession of such information. At the time that he obtained material nonpublic information regarding PBI's impending acquisition of MapInfo and traded in MapInfo stock, Wildstein understood that PBI's Code of Conduct applied to him and that he was prohibited from trading in MapInfo securities based on material nonpublic information.

**III. Wildstein's Insider Trading**

18. On or about February 23, 2007, through his employment at PBI, Wildstein learned that MapInfo was a potential target of PBI and that PBI executives who dealt with mergers and acquisitions had visited MapInfo. Wildstein understood that this was material nonpublic information and that he was prohibited from trading on the basis of the information.

19. Prior to the time that Wildstein learned the highly confidential information concerning PBI's potential acquisition of MapInfo, substantial steps had been taken toward the commencement of a tender offer for MapInfo, including the retention of

investment bankers, the execution of confidentiality agreements, due diligence, meetings between senior executives of both companies, and the tender of initial bids to buy the company.

20. On March 1 and 2, 2007, while in possession of the material nonpublic information, Wildstein purchased 8,000 shares of MapInfo common stock for a total cost of over \$108,000. Wildstein bought the MapInfo stock both in his personal brokerage account, as well as in two brokerage accounts that he held jointly with his wife. Wildstein had never previously purchased any MapInfo securities.

21. At the time of his trading in MapInfo common stock, Wildstein knew, or was reckless in not knowing, that he owed a duty of trust and confidence to PBI to refrain from misappropriating and using for his personal benefit confidential corporate information, including highly confidential information concerning the potential acquisition of another company by PBI.

22. On March 16, 2007, the day after PBI's acquisition of MapInfo was publicly announced, Wildstein sold all 8,000 shares of MapInfo common stock that he had purchased earlier in the month. As a result of his illegal insider trading, Wildstein realized a profit of \$51,177.

**FIRST CLAIM FOR RELIEF**

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

23. Paragraphs 1 through 22 are hereby re-alleged and incorporated by reference, as though fully set forth herein.

24. As described above, Defendant Wildstein engaged in illegal insider trading when, in breach of a duty of trust or confidence that he owed to PBI, he traded in MapInfo common stock on the basis of confidential information that he had misappropriated from his employer and which he knew, or was reckless in not knowing, was material nonpublic information.

25. By engaging in the conduct described above, Defendant Wildstein, knowingly or recklessly, directly or indirectly: (a) employed a device, scheme, or artifice to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, or course of business which operated or would operate as a fraud or deceit upon any persons, including purchasers or sellers of securities, in connection with the purchase or sale of securities, by the use of any means or instruments of interstate commerce or of the mails, or of any facility of any national securities exchange.

26. By engaging in the conduct described above, Defendant Wildstein violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

**SECOND CLAIM FOR RELIEF**

**Violations of Exchange Act Section 14(e) [15 U.S.C. § 78n(e)]  
and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3]**

27. Paragraphs 1 through 26 are hereby re-alleged and incorporated by reference, as though fully set forth herein.

28. Prior to the public announcement of the tender offer for MapInfo, and after a substantial step or steps to commence the tender offer had been taken, Wildstein, while in possession of material information relating to the tender offer, which information he knew or had reason to know was nonpublic and had been acquired directly or indirectly from the offering company, the issuer, or any officer, director, partner, or employee, or other person acting on behalf of the offering company or issuer, purchased MapInfo securities.

29. By reason of the conduct described above, Defendant Wildstein violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder.

**PRAYER FOR RELIEF**

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

A. Permanently enjoining Defendant Wildstein from violating, directly or indirectly, Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5 and 240.14e-3];

B. Ordering Defendant Wildstein to disgorge, with prejudgment interest, all illicit trading profits or other ill-gotten gains received as a result of the conduct alleged in this Complaint;

C. Ordering Defendant Wildstein to pay a civil monetary penalty pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

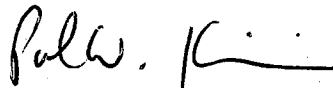


E. Granting such other and further relief as the Court deems just and appropriate.

Dated: July 18, 2011

Of Counsel:  
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Respectfully submitted,



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