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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

SONJA ANTICEVIC, DAVID PAJGIN, EUGENE
PLOTKIN, STANISLAV SHPIGELMAN,
NICKOLAUS SHUSTER, JUAN C. RENTERIA, JR.,
HENRY SIEGEL, ELVIS SANTANA, MONIKA
VUJOVIC, PERICA LOPANDIC, MIKHAIL
PLOTKIN, ZORAN SORMAZ, ILIJA BORAC
and CERTAIN UNKNOWN PERSONS TRADING
IN REEBOK INTERNATIONAL LTD. SECURITIES
IN ACCOUNT 34401046 AT
DIREKTANLAGE.AT AG,

Defendants.

05 Civ. 6991 (KMW)

[PROPOSED]
SECOND AMENDED
COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission”) alleges the following against defendants Sonja Anticevic (“Anticevic”), David Pajcin (“Pajcin”), Eugene Plotkin (“Plotkin”), Stanislav (aka “Stan”) Shpigelman (“Shpigelman”), Nickolaus Shuster (“Shuster”), Juan C. Renteria, Jr. (“Renteria”), Henry Siegel (“Siegel”), Elvis Santana (“Santana”), Monika Vujovic (“Vujovic”), Perica Lopandic (“Lopandic”), Mikhail Plotkin, Zoran Sormaz (“Sormaz”),

Ilija Borac (“Borac”) and certain unknown persons trading in Reebok International Ltd. (“Reebok”) securities in account 34401046 at Direktanlage.at AG (the “Direktanlage Traders”), collectively (“Defendants”):

SUMMARY

1. This case involves a widespread and brazen international scheme of serial insider trading orchestrated by Plotkin, an Associate in the Fixed Income Research division at Goldman Sachs Group (“Goldman Sachs”), and Pajcin, a former analyst at Goldman Sachs, resulting in at least \$6.7 million of illicit gains. Beginning in late 2004, Pajcin and Plotkin engaged in a conspiracy with several individuals to surreptitiously obtain confidential non-public information from a variety of sources, including investment banks and financial publications. Pursuant to this conspiracy, Pajcin and Plotkin developed, organized, and participated in, at least two separate insider-trading schemes. Pajcin and Plotkin agreed to share all proceeds from their fraudulent enterprises.

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

Labs, Inc. (“Eon Labs”), Cinergy Corp. (“Cinergy”), Celgene Corp. (“Celgene”), The Gillette Company (“Gillette”), and LabOne, Inc. (“LabOne”).

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

4. After obtaining the material non-public information stemming from both the Merrill Lynch and Business Week Schemes, Pajcin first executed trades based on such information through an account in his own name, and later through accounts in the name of Pajcin’s aunt, Anticevic, and Vujovic, an exotic dancer whom Pajcin and Plotkin met at a gentleman’s club. Pajcin and Plotkin also tipped several individuals in Europe, including Lopandic, a German national residing in Reinbek, Germany, and several individuals in the United States, including Plotkin’s father, Mikhail Plotkin, about the Merrill Lynch deals and the companies mentioned in Business Week. Lopandic, in turn, tipped various other individuals residing in Europe about the non-public information. Pajcin and Plotkin had arrangements with the individuals in the United States and with Lopandic in Europe to be paid a percentage of all

profits made on the basis of the information provided pursuant to the Merrill Lynch and Business Week Schemes. Lopandic, in turn, had an arrangement with other Europeans to share in the profits made on the basis of this confidential information. As a result of the inside-information gleaned from these various sources, the Defendants collectively garnered at least \$6.4 million in illicit gains through the Merrill Lynch Scheme, and at least \$345,000 in illicit gains through the Business Week Scheme.

5. By this action, the Commission seeks, among other things, an order providing for: permanent injunctive relief against all of the Defendants, the repatriation of all profits realized from the unlawful insider trading activity set forth herein currently held abroad, and disgorgement of all profits realized from the unlawful insider trading activity set forth herein, along with civil monetary penalties.

JURISDICTION AND VENUE

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

7. 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

8. **Anticevic**, age 63, is a Croatian national residing in OMIS, Croatia. Anticevic, a retired seamstress, is Defendant Pajcin's aunt. During the Relevant Period, certain of the securities referred to herein were traded through the following accounts held in Anticevic's name: an account at CyberTrader, Inc. ("CyberTrader"), account number 19660984 (the "Anticevic CyberTrader Account"), and an account at Saxo Bank A/S ("Saxo Bank"), a bank located in Copenhagen, Denmark, account number 66855INET (the "Anticevic Saxo Bank Account"). In addition, during the Relevant Period, Anticevic held an account in her name at Direktanlage.at AG ("Direktanlage"), a bank located in Salzburg, Austria, account number 658-73351-0007 (the "Anticevic Direktanlage Account"). Anticevic gave Pajcin permission to execute trades through the various accounts in her name, and Pajcin executed trades through the various Anticevic accounts discussed herein.

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

10. **Plotkin**, age 26, is a resident of New York, New York. Plotkin has been employed at Goldman Sachs since July 2000, where he is currently an Associate in the Fixed Income Research division. Plotkin holds Series 7 and Series 63 securities licenses. Plotkin obtained a Bachelor of Arts degree in Economics from Harvard University in 2000.

11. **Shpigelman**, age 23, is a resident of Brooklyn, New York. Shpigelman has been employed as a Mergers and Acquisitions Analyst at Merrill Lynch since July 2004. Shpigelman holds Series 7 and Series 63 securities licenses. Shpigelman obtained a Bachelor of Science degree in Business Management from the School of Management at Binghamton University in 2004. Shpigelman was the source of the confidential non-public information, and a tipper, in connection with the Merrill Lynch Scheme.

12. **Shuster**, age 24, was, during the Relevant Period, a resident of Newark, New Jersey, Hartford, Wisconsin, and, most recently, Lexington, Tennessee. Shuster was employed at Quad from approximately October 11, 2004, to approximately January 6, 2005, when he was terminated. Shuster was, along with Renteria, a source of the confidential non-public information, and a tipper, in the Business Week Scheme.

13. **Renteria**, age 20, is a resident of Milwaukee, Wisconsin. Renteria began working at Quad on or about May 15, 2005, where he is currently employed. Renteria was, along with Shuster, a source of the confidential non-public information, and a tipper, in the Business Week Scheme.

14. **Siegel**, age 55, is a resident of Pomona, New York. During the Relevant Period, Siegel traded certain of the securities referred to herein through an account held in his name at Charles Schwab & Co., Inc. (“Charles Schwab”), account number 71780879 (the “Siegel

Account”). Siegel was a tippee of Pajcin and Plotkin in the Merrill Lynch and Business Week Schemes.

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

16. **Vujovic**, age 23, is a resident of New York, New York. During the Relevant Period, certain of the securities referred to herein were traded through an account held in Vujovic’s name at Ameritrade, Inc. (“Ameritrade”), account number 782-827190 (the “Vujovic Account”). Vujovic gave Pajcin permission to execute trades through the Vujovic Account, and Pajcin executed trades through the Vujovic Account discussed herein.

17. **Lopandic**, age 39, is a German national residing in Reinbek, Germany. During the Relevant Period, Lopandic traded certain of the securities referred to herein through an account held in his name at Saxo Bank, account number 67316INET, and/or in account number 056-01490 at Lehman Brothers International Europe (“LBIE”) (the two accounts collectively, the “Lopandic Account”), which was the executing broker for the Lopandic Account. Lopandic was both a tipper and a tippee in the Merrill Lynch and Business Week Schemes.

18. **Mikhail Plotkin**, age 49, is a resident of Palo Alto, California and the father of Plotkin. During the Relevant Period, Mikhail Plotkin traded certain of the securities referred to herein through an account jointly held in his name and in the name of his wife, Marina Plotkin, at OptionsXpress, account number 5AT5-X01 (the “Mikhail Plotkin Account”). Mikhail Plotkin was a tippee in the Merrill Lynch and Business Week Schemes.

19. **Sormaz**, age 40, is a Croatian national residing in Zagreb, Croatia. During the Relevant Period, Sormaz traded certain of the securities referred to herein through an account held in his name at Saxo Bank, account number 67247INET, and/or in account number 056-01490 at LBIE (the two accounts collectively, the “Sormaz Account”), which was the executing broker for Sormaz’ Saxo Bank account. Sormaz was a tippee in the Merrill Lynch and Business Week Schemes.

20. **Borac**, age 50, is a Croatian national residing in Zagreb, Croatia. During the Relevant Period, Borac traded certain of the securities referred to herein through an account held in his name at Saxo Bank, account number 66374INET, and/or in account 056-01490 at LBIE (the two accounts collectively, the “Borac Account”), which was the executing broker for Borac’s Saxo Bank account. Borac was a tippee in the Merrill Lynch and Business Week Schemes.

21. **The Direktanlage Traders** are certain unidentified individuals who traded certain securities as set forth herein through Direktanlage account number 34401046. The Direktanlage Traders were tippees in the Merrill Lynch and Business Week Schemes.

RELEVANT ENTITIES

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

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

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

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

25. **Direktanlage** is a Salzburg, Austria, based subsidiary of Direkt Anlage Bank AG (“DAB”), which is headquartered in Munich, Germany. Direktanlage operates as a discount broker. Direktanlage’s trades are cleared by Merrill Lynch, which otherwise acts as an agent for Direktanlage.

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

27. **LBIE** is a London-based affiliate of Lehman Brothers Inc., a subsidiary of Lehman Brothers Holdings Inc. LBIE is an investment firm and a broker-dealer, and is regulated by the Securities and Futures Authority in the United Kingdom. In addition, LBIE is a member of several European stock exchanges. LBIE acts as an agent for certain trades that Saxo Bank places in the United States securities markets.

FACTS

28. Pajcin and Plotkin met and became friends in 2000 when they were both working at Goldman Sachs. Beginning in or about mid-2004, they began to devise a series of schemes whereby they could obtain confidential non-public information from a variety of sources in order

to enable them to profit from trades made on the basis of such information. Among the schemes undertaken by Pajcin and Plotkin were: (i) a scheme to obtain confidential non-public information from a variety of investment banks about pending mergers and acquisitions transactions; and (ii) a scheme to obtain confidential non-public information from business periodicals before publication. As part of their effort to obtain confidential non-public information, Pajcin and Plotkin placed a series of online job advertisements and met with a number of individuals, including individuals employed at various investment banks who, Pajcin and Plotkin believed, might provide them with confidential non-public information concerning pending mergers and acquisitions; a number of exotic dancers who, Pajcin and Plotkin believed, might garner information from individuals employed on Wall Street; and a number of individuals who, Pajcin and Plotkin believed, would be able to steal copies of a periodical before it was distributed to the public.

29. Ultimately, Pajcin and Plotkin consummated at least two of the schemes: (i) the Merrill Lynch Scheme, whereby Pajcin and Plotkin obtained from Shpigelman confidential non-public information about pending mergers and acquisitions originating from Merrill Lynch; and (ii) the Business Week Scheme, whereby Pajcin and Plotkin obtained from Shuster and Renteria confidential non-public information about the contents of the “Inside Wall Street” column in upcoming editions of Business Week. Plotkin booked travel for Pajcin and Pajcin traveled to Europe to meet with tippees, and to Milwaukee to investigate the feasibility of the Business Week Scheme.

The Merrill Lynch Scheme

30. Plotkin initially met Shpigelman when Shpigelman was in college, and assisted Shpigelman in preparing for interviews at Wall Street firms. Shpigelman ultimately obtained

summer internships at Merrill Lynch during the summers 2000 through 2002. Shpigelman eventually joined Merrill Lynch as a Mergers and Acquisitions Analyst in July 2004.

31. Shpigelman and Plotkin re-established contact towards the end of 2004. Shortly thereafter, Pajcin and Plotkin met with Shpigelman at Spa 88, a “day spa and Russian Sauna” located in downtown Manhattan. Pajcin and Plotkin recruited Shpigelman to participate in a scheme whereby Shpigelman would provide Pajcin and Plotkin with confidential non-public information concerning pending mergers and acquisition transactions being handled by Merrill Lynch.

32. Pajcin and Plotkin told Shpigelman that they would pay him a percentage of all profits they made as a result of the non-public information Shpigelman provided them.

33. Shpigelman agreed to provide Pajcin and Plotkin with non-public information about the Merrill Lynch deals. In doing so, he knowingly violated confidentiality agreements he had with Merrill Lynch to maintain the confidentiality of information he obtained in the course of his employment, and knowingly violated the federal securities laws prohibiting insider trading. Shpigelman’s knowledge of the pertinent laws prohibiting insider trading is reflected in an e-mail he sent from his Merrill Lynch e-mail account, dated October 20, 2004, in which he responded to a question whether information he was discussing in connection with a deal he worked on was public by stating: “Yes, the offer is public. I would not be telling you, especially via email, unless I wanted to chill with Martha in Connecticut for a little while.” In a separate e-mail, Shpigelman discussed a criminal insider trading case brought by federal prosecutors against a desktop publishing contractor for Merrill Lynch who profited from confidential merger information he learned while preparing documents for Merrill Lynch.

34. In addition to the compensation agreement Pajcin and Plotkin made with Shpigelman, Pajcin and Plotkin also made agreements with several of the other defendants, whereby the other defendants would pay Pajcin and Plotkin for providing them with information Pajcin and Plotkin obtained from Shpigelman. Thus, Siegel and Santana each agreed to pay Pajcin and Plotkin a percentage of all profits they made from trades based on such information; Vujovic agreed to pay Pajcin and Plotkin a percentage of the profits Pajcin made by trading through the Vujovic Account; and Lopandic and the Direktanlage Traders agreed to pay Pajcin and Plotkin a percentage of the profits they made from trades based on the information Pajcin and Plotkin provided them. Lopandic, in turn, had agreements with Borac, Sormaz and the Direktanlage Traders to share in the profits they made from trades based on the information Lopandic provided them. Pajcin and Plotkin agreed to split the profits from Pajcin's trading, along with all proceeds they collected from the other defendants, evenly between themselves.

35. At their initial meeting at Spa 88, Shpigelman began providing Plotkin and Pajcin with information about deals that Merrill Lynch was working on as a financial advisor. Over the course of the next several months, Shpigelman provided Pajcin and Plotkin with information about the following transactions before their public announcement:

- (a) On January 27, 2005, P&G announced that it was acquiring Gillette (the "Gillette Transaction"). Merrill Lynch served as P&G's financial advisor during the negotiations leading up to the transaction;
- (b) On February 21, 2005, Novartis announced that it would commence a cash tender offer to purchase the outstanding public shares of Eon Labs (the "Eon Labs Transaction"). By the time the tender offer period expired on July 20, 2005, Novartis had acquired approximately 97% of the total outstanding shares of Eon Labs. Merrill Lynch served as Eon Labs' financial advisor during the negotiations leading up to the transaction;

- (c) On May 9, 2005, Duke announced that it was acquiring Cinergy (the “Cinergy Transaction”). Merrill Lynch served as Cinergy’s financial advisor during the negotiations leading up to the transaction;
- (d) On August 8, 2005, Quest announced that it was acquiring LabOne (the “LabOne Transaction”). Merrill Lynch served as Quest’s financial advisor during the negotiations leading up to the transaction; and
- (e) On August 3, 2005, Reebok announced that it had agreed to be acquired by Adidas (the “Reebok Transaction”). Merrill Lynch served as Adidas’ financial advisor during the negotiations leading up to the transaction.

36. In addition to these deals which were consummated, Shpigelman also informed Pajcin and Plotkin during the summer of 2005 that Celgene was the target of a takeover or merger by another company in another potential transaction (the “Celgene Transaction”). Merrill Lynch served as Celgene’s financial advisor during these negotiations. Information concerning the merger negotiations was not publicly available at the time Shpigelman disclosed it to Pajcin and Plotkin. Although the Celgene Transaction never closed, as discussed below, certain of the Defendants actively traded Celgene securities during July 2005, based on Shpigelman’s disclosure of the merger negotiations. In addition, Shpigelman also provided Pajcin and Plotkin with non-public information concerning MedImmune, Inc., MCI, Inc. and Central Parking Corp., based on information he learned during the course of his employment at Merrill Lynch.

37. Shpigelman obtained this non-public information through his employment at Merrill Lynch. For example, Shpigelman was staffed on the Eon Labs Transaction, and worked on that transaction prior to its public announcement. Shpigelman highlighted his efforts on the Eon Labs Transaction on his resume. Similarly, Shpigelman traveled to Cincinnati to deliver documents related to the Gillette transaction, and lobbied to get a “deal toy” (a token gift

typically distributed to investment bankers and others after the completion of a significant transaction) for his having made the trip. Shpigelman learned about the other transactions through fellow Merrill Lynch employees who were either working on such transactions or were otherwise aware of such transactions. For example, in an e-mail dated July 31, 2005, Shpigelman asked a colleague if he had been at work all night on “Atlantic,” the code name assigned to the Reebok Transaction. As noted above, the transaction was announced on August 3, 2005. Shpigelman also made frequent attempts to learn about pending transactions that other Merrill Lynch employees were working on in order to provide Pajcin and Plotkin with the pertinent information.

38. After receiving the tips from Shpigelman concerning the each of the above-described Merrill Lynch transactions, Pajcin initially traded through the Pajcin Account, which he held in his own name. Plotkin provided Pajcin money to fund the Pajcin Account in order to enable Pajcin to make illicit trades.

39. Subsequently, beginning in approximately June 2005, in order to avoid detection, Pajcin ceased trading in the Pajcin Account, and began trading through the Anticevic CyberTrader Account, the Anticevic Saxo Bank Account and the Vujovic Account. Pajcin assisted Anticevic and Vujovic in opening these accounts, and Anticevic and Vujovic authorized Pajcin to execute trades through their respective accounts. In exchange, Pajcin gave Anticevic at least 30,000 Euros to open the accounts in her name in order to enable him to execute trades through them, and Pajcin promised Anticevic further proceeds from the trading. Pajcin and Plotkin agreed to pay Vujovic a percentage of all profits Pajcin made from trading through her account.

40. In addition to executing trades himself based on the non-public information provided by Shpigelman, Pajcin, along with Plotkin, tipped defendants Lopandic, Siegel, Santana, and Mikhail Plotkin with the information concerning certain of these transactions. Mikhail Plotkin used a phone that was not in his name to receive stock tips from Plotkin and Pajcin. Lopandic, in turn, tipped defendants Sormaz and Borac with the information concerning certain of these transactions. Pajcin, Plotkin, and Lopandic also tipped the Direktanlage Traders with the information concerning certain of these transactions. Specifically:

- Pajcin traded in his own account based on the information provided by Shpigelman relating to the Gillette, Cinergy, and Eon Labs Transactions; traded in the Anticevic CyberTrader Account based on the information provided by Shpigelman relating to the Celgene and Reebok Transactions; traded in the Anticevic Saxo Bank Account based on the information provided by Shpigelman relating to the Celgene, LabOne and Reebok Transactions; and traded in the Vujovic Account based on the information provided by Shpigelman relating to the Reebok Transaction;
- Pajcin and Plotkin tipped Lopandic about certain of the Merrill Lynch transactions, including the information provided by Shpigelman relating to the Cinergy, Reebok, LabOne and Celgene transactions; Lopandic, in turn, tipped Borac about certain of the Merrill Lynch transactions, including the information relating to the Cinergy, LabOne, Reebok and Celgene Transactions, and tipped Sormaz about certain of the Merrill Lynch transactions, including the information relating to the Reebok and Celgene Transactions;
- Pajcin and Plotkin tipped Siegel about certain of the Merrill Lynch transactions, including the information provided by Shpigelman relating to the Reebok, LabOne and Celgene Transactions; tipped Santana about certain of the Merrill Lynch transactions, including the information relating to the Reebok and Celgene Transactions; and tipped Mikhail Plotkin about certain of the Merrill Lynch transactions, including the information relating to the Reebok and LabOne Transactions; and
- Pajcin, Plotkin and Lopandic tipped the Direktanlage Traders about certain of the Merrill Lynch transactions, including the information relating to the Reebok and Celgene Transactions.

41. As a result of the information provided by Shpigelman, the Defendants made at least \$6.46 million in illicit gains from the Merrill Lynch Scheme, based on trading in the securities of the following companies as outlined below:

ISSUER	NAME OF ACCOUNT HOLDER THROUGH WHICH SECURITIES TRADED	APPROXIMATE PROFITS AND NUMBER OF SECURITIES TRADED
Gillette	Pajcin	Approximate profits of \$94,581.42 on the purchase and sale of 346 call options and 3,000 shares
	Approximate Total Profits: Gillette:	\$94,581.42
Eon Labs	Pajcin	Approximate profits of \$29,292.20 on the purchase and sale of 50 call options and 9,000 shares
	Approximate Total Profits: Eon Labs:	\$29,292.20
Cinergy	Pajcin	Approximate profits of \$112,468.94 on the purchase and sale of 645 call options
	Borac	Approximate profits of \$30,260 on the purchase and sale of 15,000 shares
	Approximate Total Profits: Cinergy:	\$142,728.94
Reebok	Anticevic	Approximate profits of \$2,044,160.96 on the purchase and sale of 1,997 call options and 240 shares
	Siegel	Approximate profits of \$1,242,378.34 on the purchase and sale of 1,180 call options and 8,000 shares
	Santana	Approximate profits of \$463,279.58 on the purchase and sale of 465 call options and 520 shares
	Direktanlage Traders	Approximate profits of \$104,275.15 on the purchase and sale of 7,545 shares
	Vujovic	Approximate profits of \$313,402.08 on the purchase and sale of 455 call options
	Mikhail Plotkin	Approximate profits of \$63,064.95 on the purchase and sale of 60 call options and 120 shares
	Borac	Approximate profits of \$693,325.80 based on the purchase and sale of 50,000 shares
	Sormaz	Approximate profits of \$511,052 on the purchase and sale of 40,000 shares
	Lopandic	Approximate profits of \$735,192.00 on the purchase and sale of 55,000 shares
	Approximate Total Profits: Reebok:	\$6,170,130.86
	Approximate Grand Total Profits: Merrill Lynch Deals:	\$6,436,733.42

42. In addition to the trades set forth above, based on the information provided by Shpigelman, Pajcin also traded in the securities of LabOne and Celgene through the Anticevic Saxo Bank Account; Borac, Siegel and Mikhail Plotkin traded in the securities of LabOne; and Siegel, Santana, Sormaz, Borac, Lopandic and the Direktanlage Traders traded in the securities of Celgene.

43. In general, the Defendants purchased securities in the target company in each of these transactions shortly before the public announcement of the transaction, and then liquidated their positions immediately following the public announcement of the transaction, so as to lock in a profit resulting from the rise in the stock price generated by the public announcement. The details, including trade dates and number of securities traded, of the Defendants' trading in the securities relating to the Merrill Lynch Scheme are set forth in the annexed Exhibit A, which is incorporated herein by reference.

44. As discussed above, Shpigelman was promised a percentage of all profits from the Merrill Lynch Scheme and payments from Pajcin and Plotkin for the confidential non-public information he provided them before the Commission brought this action.

45. Pajcin and Plotkin also met with a series of individuals employed at various other investment banks in an attempt to get them to participate in similar illegal trading schemes. Pajcin and Plotkin helped certain individuals obtain jobs at investment banks, hoping that doing so would help recruit them to provide material, non-public information to Pajcin and Plotkin. Pajcin and Plotkin also contemplated various schemes involving exotic dancers, including having them garner information from bankers while dancing, and using them to induce investment bankers to provide Pajcin and Plotkin with information.

The Business Week Scheme

Business Week's "Inside Wall Street Column" and Related Policies of Confidentiality

46. Business Week is printed on Wednesday evenings and is distributed to the public only after the close of the major stock exchanges on Thursdays (after 5:00 p.m. Eastern Standard Time), at which time it becomes available via the Internet, and then becomes available in hard copy at newsstands on Friday mornings before the stock exchanges open. The hard copy of Business Week is dated two Mondays, or 11 days, after its contents first become publicly available via the Internet. Accordingly, for purposes of this Second Amended Complaint, references to a particular publication date refer to the issue of Business Week that is dated 11 days later.

47. Each issue of Business Week contains a column titled "Inside Wall Street," often written by Gene Marcial, which provides commentary on publicly-traded companies. The favorable mention of a company in the column generally has a positive effect on the market price of that company's securities. Accordingly, the contents of the "Inside Wall Street" column constitute material information.

48. Since at least the early 1980's, Business Week's owner and publisher, McGraw-Hill, has taken extensive measures to secure the confidentiality of the contents of Business Week, and the "Inside Wall Street" column in particular. Thus, for example, there is limited computer access to "Inside Wall Street" at Business Week's offices as the column is written and edited each week. The column can only be read by a few select editors at Business Week, and its contents cannot be altered without the use of a computer password known only to the column's author and his immediate editor. The names of the companies discussed in the column are not inserted into the stock charts used in the column until 5:00 p.m. East Coast time on Wednesday,

the day of printing. Business Week staff have been notified in writing that Business Week's contents are off-limits to anyone outside Business Week staff until after 5:00 p.m. Eastern Standard Time on Thursdays with no exceptions because the magazine's contents could affect stock prices. Business Week staff are required annually to sign an affirmation to this effect.

49. McGraw-Hill has instructed Quad, as well as Business Week's other printers, that Business Week is not to be made available to the public until after 5:00 p.m. Eastern Standard Time on Thursdays, after the stock market has closed, unless specifically authorized by McGraw-Hill. Quad and the other printers have been instructed both in writing and verbally by McGraw-Hill that no one is to be given access to Business Week without the explicit consent of Business Week executives. Quad has, in turn, directed its employees to maintain the confidentiality of information entrusted to its customers, including McGraw-Hill. Pursuant to Quad's written policies contained in the handbook distributed to all employees, Quad employees are prohibited from disclosing, removing or disseminating information contained in, or relating to, material submitted by its customers to be printed. Quad has warned its employees that violation of these policies could subject them to discharge and other penalties. Shuster and Renteria were informed of the need to keep confidential any and all information from materials submitted by customers to be printed.

The Scheme to Obtain Advance Copies of the "Inside Wall Street" Column

50. In the summer of 2004, Pajcin and Plotkin placed online job listings seeking employees. In fact, the purpose of these listings was to enable Pajcin and Plotkin to find someone who would be willing to steal a copy of Business Week prior to its public release. Shuster responded to one of the online ads and met with Pajcin and Plotkin several times. Pajcin and Plotkin explained a scheme whereby Shuster would obtain employment at Quad,

Business Week's printing plant in Hartford, Wisconsin, and would inform Plotkin and Pajcin of the contents of the "Inside Wall Street" prior to its publication. Pajcin and Plotkin agreed to pay Shuster a flat fee for each Business Week issue on which he provided information. At the time Pajcin and Plotkin initially met with Shuster, Shuster was living in New Jersey, but he agreed to move to Wisconsin, where he filed an employment application with Staffing Partners, an employment agency sometimes used by Quad to find employees. Both Pajcin and Plotkin served as references on Shuster's employment application (under the pseudonyms "Jeff Dausich" (Pajcin) and "Peter Jones" (Plotkin)).

51. Shuster began working at Quad on or about October 11, 2004, as a forklift operator. Within two weeks of beginning work at Quad, Shuster began carrying out the scheme. On Thursday morning of each week he would steal a copy of the upcoming issue of Business Week, and would call Plotkin and Pajcin and inform them of the contents of the "Inside Wall Street" column. Shuster provided Pajcin and Plotkin with information concerning the contents of the "Inside Wall Street" column with respect to the following companies on the following weeks: The Street.com and Biolase Technology, Inc. ("Biolase") (in the November 18, 2004 Business Week publication), Curis Inc. ("Curis") (in the December 2, 2004 publication), SIPEX Corp. ("SIPEX") (in the December 9, 2004 publication), Alltel Corp., Inc. ("Alltel") (in the December 16, 2004 publication), Cornell Companies, Inc. ("Cornell") (in the January 6, 2005 publication), Spectrum Pharmaceuticals, Inc. ("Spectrum") (in the January 13, 2005 publication), Arbitron Inc. ("Arbitron") (in the January 20, 2005 publication), IMAX Corp. ("IMAX") (in the February 3, 2005 publication) and Impax Laboratories, Inc. ("Impax") (in the March 3, 2005 publication).

52. Shuster was officially terminated from Quad on or about January 6, 2005. However, he continued to gain access to the Quad facilities by sneaking in undetected wearing

his old uniform, and provided Pajcin and Plotkin with information concerning the non-public contents of the “Inside Wall Street” column until approximately March 31, 2005, at which time he was arrested on unrelated state charges of identity theft. Pursuant to Pajcin and Plotkin’s instructions, Shuster also placed job listing ads in the Milwaukee Sentinel and other local papers in order to find a replacement for himself. The advertisement listed a number to contact, which was Pajcin’s. Pajcin then screened the applicants, and instructed Shuster to interview some of them in person.

53. Renteria ultimately replaced Shuster and entered into a similar agreement with Pajcin and Plotkin, whereby he would provide them with information concerning the pre-release contents of Business Week in exchange for payments on a per issue basis. Renteria began employment with Quad in or about May 2005. Pajcin served as a reference on Renteria’s job application under the name “Jeff Densorth.” Before long, Renteria had picked up where Shuster left off, and from June 2005 onward provided Pajcin and Plotkin with non-public information concerning the contents of the “Inside Wall Street” column with respect to Perficient, Inc. (“Perficient”) and PriceSmart, Inc. (“PriceSmart”) (in the June 9, 2005 publication), Alaska Communications Systems (“Alaska Communications”), Casual Male Retail Group, Inc. (“Casual Male”) and FedEx Corporation (“FedEx”) (in the June 16, 2005 publication), Energy Conversion Devices, Inc. (“Energy Conversion”) (in the June 23, 2005 publication), Progressive Gaming International Corp. (formerly known as Mikohn Gaming Corp.) (“Mikohn Gaming”) (in the June 30, 2005 publication), Polycom, Inc. (“Polycom”) (in the July 7, 2005 publication), Spectrum (in the July 14, 2005 publication) and Symbol Technologies, Inc. (“Symbol”) (in the July 28, 2005 publication).

54. With respect to the Business Week Scheme, Pajcin and Plotkin had the same arrangements with defendants Siegel, Santana, Anticevic, Vujovic and Lopandic and the Direktanlage Traders that they had in connection with the Merrill Lynch Scheme, whereby these defendants were to pay Pajcin and Plotkin a portion of their profits generated by trades they made based on the information provided by Pajcin and Plotkin. Similarly, Pajcin and Plotkin had the same agreement between themselves, whereby they were to split evenly all profits Pajcin made through his trades, as well as all proceeds collected from the other Defendants.

55. After receiving the tips from Shuster concerning the contents of the “Inside Wall Street” column, Pajcin traded in his own account, and, along with Plotkin, also tipped Lopandic with the information Shuster had provided Pajcin and Plotkin. Pajcin, Plotkin, and/or Lopandic then tipped the Direktanlage Traders with the information Shuster had provided Pajcin and Plotkin. After receiving the tips from Renteria concerning the companies mentioned in the “Inside Wall Street” column, Pajcin traded through the Vujovic and Anticevic Accounts, and, along with Plotkin, also tipped defendants Lopandic, Siegel, Santana and Mikhail Plotkin with the information concerning certain of these contents. Lopandic, in turn, tipped defendant Borac with the information concerning certain of these companies. Specifically:

- Pajcin traded in his own account based on the information provided by Shuster relating to the contents of the “Inside Wall Street” column in the securities of The Street.com, Biolase, Curis, SIPEX, Alltell, Cornell, Spectrum, Arbitron, IMAX and IMPAX; traded through the Anticevic Saxo Bank Account based on the information provided by Renteria relating to the contents of the “Inside Wall Street” column in the securities of FedEx; traded through the Anticevic CyberTrader Account based on the information provided by Renteria relating to the contents of the “Inside Wall Street” column in the securities of Mikohn Gaming, Polycom, Spectrum and Symbol; and traded through the Vujovic Account based on the information provided by Renteria relating to the contents of the “Inside Wall Street” column in the securities of Symbol;
- Pajcin, Plotkin, and/or Lopandic tipped the Direktanlage Traders with the information provided by Shuster relating to the contents of the “Inside Wall

Street” column concerning the securities of at least TheStreet.com, Biolase, Curis, SIPEX, Arbitron and IMPAX; and tipped the Direktanlage Traders with the information provided by Renteria relating to the contents of the “Inside Wall Street” column concerning the securities of at least Casual Male, Energy Conversion, Mikohn Gaming and Spectrum;

- Pajcin and Plotkin tipped Lopandic with the information provided by Renteria relating to the contents of the “Inside Wall Street” column concerning the securities of at least Perficient, PriceSmart, FedEx and Mikohn Gaming; Lopandic, in turn, tipped Borac on at least each of these pieces of information;
- Pajcin and Plotkin tipped Siegel with the information provided by Renteria relating to the contents of the “Inside Wall Street” column concerning the securities of at least Perficient, Alaska Communications, Casual Male, FedEx, Energy Conversion, Mikohn Gaming, Polycom, and Spectrum; tipped Santana with the information provided by Renteria relating to the contents of the “Inside Wall Street” column concerning the securities of at least Casual Male, FedEx, Energy Conversion, Mikohn Gaming, Polycom, Spectrum and Symbol; and tipped Mikhail Plotkin with the information provided by Renteria relating to the contents of the “Inside Wall Street” column concerning the securities of at least Perficient and Alaska Communications.

56. As a result of the information provided by Shuster and Renteria, the Defendants made at least \$345,000 in illicit gains from the Business Week Scheme based on trading in the securities of the following companies as outlined below:

ISSUER	NAME OF ACCOUNT HOLDER THROUGH WHICH SECURITIES TRADED	APPROXIMATE PROFITS AND NUMBER OF SECURITIES TRADED
TheStreet.com	Pajcin	Approximate profits of \$2,586.47 on the purchase and sale of 6,000 shares
	Direktanlage Traders	Approximate profits of \$279.44 on the purchase and sale of 500 shares
	Approximate Total Profits: TheStreet.com:	\$2,865.91
Biolase	Pajcin	Approximate profits of \$898.13 on the purchase and sale of 6,000 shares
	Approximate Total Profits: Biolase:	\$898.13
Curis	Pajcin	Approximate profits of \$4,325.86 on the purchase and sale of 10,000 shares
	Direktanlage Traders	Approximate profits of \$137,436.92 on the purchase and sale of 310,130 shares
	Approximate Total Profits: Curis:	\$141,762.78
SIPEX	Pajcin	Approximate profits of \$2,551.32 on the purchase and sale of 8,500 shares

	Direktanlage Traders	Approximate profits of \$10,132.10 on the purchase and sale of 80,000 shares
	Approximate Total Profits: SIPEX:	\$12,683.42
Alltell	Pajcin	Approximate profits of \$3,148.04 on the purchase and sale of 370 call option contracts
	Approximate Total Profits: Alltell:	\$3,148.04
Spectrum (Jan. 13, 2005 issue)	Pajcin	Approximate profits of \$2,653.95 on the purchase and sale of 17,000 shares
	Approximate Total Profits: Spectrum:	\$2,653.95
Arbitron	Pajcin	Approximate profits of \$802.76 on the purchase and sale of 3,500 shares
	Direktanlage Traders	Approximate profits of \$4,622.34 on the purchase and sale of 18,400 shares
	Approximate Total Profits: Arbitron:	\$5,425.10
IMAX	Pajcin	Approximate profits of \$5,712.90 on the purchase and sale of 21,000 shares
	Approximate Total Profits: IMAX:	\$5,712.90
IMPAX	Pajcin	Approximate profits of \$10,203.69 on the purchase and sale of 11,500 shares
	Direktanlage Traders	Approximate profits of \$31,273.43 on the purchase and sale of 24,000 shares
	Approximate Total Profits: IMPAX:	\$41,477.12
Perficient	Siegel	Approximate profits of \$3,910.25 on the purchase and sale of 10,000 shares
	Mikhail Plotkin	Approximate profits of \$1,544.83 on the purchase and sale of 4,500 shares
	Borac	Approximate profits of \$559.10 on the purchase and sale of 2,345 shares
	Approximate Total Profits: Perficient:	\$6,014.18
PriceSmart	Borac	Approximate profits of \$2,930 on the purchase and sale of 5,000 shares
	Approximate Total Profits: PriceSmart:	\$2,930
Alaska Communications	Siegel	Approximate profits of \$1,589 on the purchase and sale of 10,000 shares
	Mikhail Plotkin	Approximate profits of \$608.43 on the purchase and sale of 4,000 shares
	Approximate Total Profits: Alaska Communications:	\$2,197.43
Casual Male	Siegel	Approximate profits of \$4,284.30 on the purchase and sale of 21,000 shares
	Santana	Approximate profits of \$243.56 on the purchase and sale of 2,035 shares
	Direktanlage Traders	Approximate profits of \$10,873.58 on the purchase and sale of 40,200 shares
	Approximate Total Profits: Casual Male:	\$15,401.44

FedEx	Siegel	Approximate profits of \$7,900 on the purchase and sale of 130 call options
	Santana	Approximate profits of \$4,418.23 on the purchase and sale of 50 call options
	Borac	Approximate profits of \$1,818.98 on the purchase and sale of 2,200 shares
	Anticevic	Approximate profits of \$3,530 on the purchase and sale of 8,000 shares
	Approximate Total Profits: FedEx:	\$14,137.21
Energy Conversion	Siegel	Approximate profits of \$18,169.80 on the purchase and sale of 9,000 shares
	Santana	Approximate profits of \$6,103.66 on the purchase and sale of 3,235 shares
	Direktanlage Traders	Approximate profits of \$40,025.35 on the purchase and sale of 22,053 shares
	Approximate Total Profits: Energy Conversion:	\$64,298.81
Mikohn Gaming	Anticevic	Approximate profits of \$1,997.38 on the purchase and sale of 5,336 shares
	Direktanlage Traders	Approximate profits of \$8.51 on the purchase and sale of 7,000 shares
	Approximate Total Profits: Mikohn Gaming:	\$2,005.89
Polycom	Anticevic	Approximate profits of \$2,996.31 on the purchase and sale of 16,091 shares
	Siegel	Approximate profits of \$638 on the purchase and sale of 10,000 shares
	Santana	Approximate profits of \$983.83 on the purchase and sale of 5,500 shares
	Approximate Total Profits: Polycom:	\$4,618.14
Spectrum (July 14, 2005 issue)	Anticevic	Approximate profits of \$1,639.50 on the purchase and sale of 16,400 shares
	Siegel	Approximate profits of \$7,214.69 on the purchase and sale of 67,500 shares
	Direktanlage Traders	Approximate profits of \$567.01 on the purchase and sale of 13,700 shares
	Approximate Total Profits: Spectrum:	\$9,421.20
Symbol	Anticevic	Approximate profits of \$8,724 on the purchase and sale of 36,500 shares
	Santana	Approximate profits of \$122.93 on the purchase and sale of 7,450 shares
	Vujovic	Approximate profits of \$1,057.11 on the purchase and sale of 45 call options
	Approximate Total Profits: Symbol:	\$9,904.04
	Approximate Total Profits Business Week Stocks:	\$347,555.69

57. In addition to the trades set forth above, based on the information that was provided by Shuster and Renteria, Pajcin also traded in the securities of Cornell; the Direktanlage Traders traded in the securities of Biolase; Siegel, Santana, and Borac traded in the securities of Mikohn Gaming; and Santana traded in the securities of Spectrum.

58. Following the filing of the complaint in this action in August 2005, Pajcin fled the United States for the Dominican Republic. Nevertheless, Plotkin continued to participate in the Business Week Scheme. Pursuant to the ongoing scheme, Renteria provided Plotkin with non-public information concerning the contents of the “Inside Wall Street” column with respect to Check Point Software Technology (“Check Point”), in the September 29, 2005 Business Week publication. Plotkin then tipped his father, Mikhail Plotkin, with this information, and, on the basis of this information, Mikhail Plotkin bought and sold 215 shares, garnering a profit of approximately \$48.69.

59. In general, the Defendants purchased securities in the companies mentioned in the “Inside Wall Street” column before the close of the market on the Thursday on which the column became available after the market close, and then sold the securities the following day, so as to lock in a profit resulting from the change in the stock price generated by the mention of the company in the “Inside Wall Street” column. The details, including trade dates and number of securities traded, of the Defendants’ trading in the securities relating to the Business Week Scheme is set forth in the annexed Exhibit B, which is incorporated herein by reference.

60. Pajcin and Plotkin paid Shuster and Renteria on a “per issue” basis for the confidential non-public information Shuster and Renteria provided Pajcin and Plotkin through the Business Week Scheme.

Defendants' Payments to Pajcin and Plotkin

61. As a result of the non-public information provided through the Merrill Lynch and Business Week Schemes, Siegel paid Pajcin and Plotkin at least \$16,000 and Lopandic paid Pajcin and Plotkin more than \$100,000.

Defendants' Attempts To Conceal The Frauds or Otherwise Evade Justice

62. After the filing of the initial complaint in this action and after learning that the Federal Bureau of Investigation ("FBI") was investigating suspicious trading in Reebok, Plotkin and Pajcin destroyed laptop computers on which they had stored information relating to the Merrill Lynch and Business Week Schemes. Plotkin and Pajcin also destroyed certain cellular phones they had used during the course of their insider trading. Shortly thereafter, Pajcin traveled to the Dominican Republic in order to evade law enforcement. While abroad, Pajcin communicated with Plotkin by phone and e-mail, and discussed, among other things, how to evade law enforcement. Plotkin sent money to Pajcin so that Pajcin could remain abroad. Mikhail Plotkin knew that Plotkin and Pajcin were attempting to evade law enforcement. As indicated above, Mikhail Plotkin continued to trade on at least one of Plotkin's tips after he was told of the involvement of law enforcement authorities. While Pajcin was still abroad, Plotkin retained an attorney to represent Pajcin in this action, in order to try to get some of the assets that were subject to the asset freezes ordered by the Court unfrozen. Pajcin – who had been in default in this action for months – then returned to the United States to, among other things, appear for a deposition in this action. Prior to his deposition, Plotkin and Pajcin met and conjured up false explanations for the purchases of Reebok securities at issue in this case for Pajcin to use during his deposition. Pajcin testified as to these false explanations at his

deposition, and throughout the course of the deposition, repeatedly lied, and denied any involvement with insider-trading.

63. After Pajcin's deposition, he was arrested for his role in the Business Week Scheme. U.S. v. David Pajcin, 05 Mag. 1953.

Location of the Foreign Defendants' Trading Proceeds

64. Upon information and belief, trades through the Anticevic Saxo Bank Account and the Sormaz, Lopandic and Borac Accounts are executed and cleared through account number 056-01490 at LBIE. Accordingly, the proceeds from these foreign accounts' trades in the securities discussed herein currently physically reside either in each of the respective accounts at Saxo Bank, located in Denmark, or in the LBIE executing and clearing account number 056-01490, located in the United Kingdom.

65. The Direktanlage Traders traded through account 34401046 at Direktanlage. Account 3441046 appears to be an omnibus trading account at Direktanlage, meaning that it encompasses trades in several individual accounts held at Direktanlage. Upon information and belief, the proceeds from the trading in certain of the securities referred to herein through account number 34401046 at Direktanlage are currently held at Merrill Lynch in an account referenced as Direktanlage Account number 34401046 (the "Merrill Lynch Direktanlage Account").

66. At least some of the trades in securities in the Anticevic Saxo Bank, account number 34401046 at Direktanlage, and the Sormaz, Lopandic and Borac Accounts referenced herein were executed through contracts for difference ("CFD Contract"), which are contracts designed to make a profit or avoid a loss by reference to movements in the price of an underlying item. With respect to these trades, the customer purchased a CFD Contract and Saxo Bank

hedged the trades by buying the underlying security on the New York Stock Exchange. As the customers appeared to purchase the CFD Contracts at the price at which the underlying security was then trading, for purposes of this Second Amended Complaint, purchases of CFD Contracts are referred to as purchases of common stock (“shares”).

CLAIMS FOR RELIEF

67. By virtue of the foregoing, and as set forth below, Defendants Anticevic, Plotkin, Pajcin, Shpigelman, Shuster, Renteria, Siegel, Santana, Vujovic, Lopandic, Mikhail Plotkin, Sormaz, Borac and the Direktanlage Traders, 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 operate as a fraud or deceit upon purchasers, prospective purchasers, and other persons.

68. Defendants Anticevic, Plotkin, Pajcin, Shpigelman, Shuster, Renteria, Siegel, Santana, Vujovic, Lopandic, Mikhail Plotkin, Sormaz, Borac and the Direktanlage Traders engaged in the conduct described above knowingly or with severe recklessness.

69. By reason of the foregoing, Defendants Anticevic, Plotkin, Pajcin, Shpigelman, Shuster, Renteria, Siegel, Santana, Vujovic, Lopandic, Mikhail Plotkin, Sormaz, Borac and the Direktanlage Traders violated, and unless enjoined, will continue to violate Section 10(b) of the Exchange Act. [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

COUNT I **(Trading in Gillette Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder as to Defendants Shpigelman, Pajcin and Plotkin)**

70. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

71. Prior to the public announcement of the acquisition of Gillette by P&G on January 27, 2005, information relating to the offer to acquire Gillette was material, non-public information. This information also was considered confidential by Merrill Lynch, and was intended solely for internal corporate use on behalf of its client, P&G.

72. Shpigelman learned of the material, non-public information concerning P&G's offer to acquire Gillette in the course of his employment at Merrill Lynch. Shpigelman further knew or recklessly disregarded the fact that he owed Merrill Lynch a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

73. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Merrill Lynch, Shpigelman misappropriated material, non-public information about P&G's offer to acquire Gillette, and, while in possession of this information, communicated this information, directly or indirectly, to Plotkin and Pajcin, while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Gillette.

74. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about Gillette from Shpigelman was material and non-public, and had been misappropriated and/or disclosed to them in violation of a fiduciary duty or similar relationship of trust or confidence, and that they could not purchase or sell any Gillette securities or tip others so that they could purchase or sell any Gillette securities while possessing such information.

75. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would purchase Gillette securities and the profits from those purchases would be shared between them. As described above and in connection with this agreement, Pajcin purchased Gillette

securities while in possession of this misappropriated, material, non-public information, as set forth on the annexed Exhibit A, which is incorporated herein by reference.

76. By the conduct described above, defendants Shpigelman, Plotkin, and Pajcin, 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].

77. Shpigelman, Pajcin and Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin's trading in Gillette securities.

COUNT II

(Trading in Eon Labs Securities in Violation of Section 10(b) the Exchange Act and Rule 10b-5 Thereunder as to Defendants Shpigelman, Pajcin and Plotkin)

78. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

79. Prior to the public announcement that Novartis would commence a cash tender offer to purchase the outstanding public shares of Eon Labs on February 21, 2005, information relating to this transaction was material, non-public information. This information was also considered confidential by Merrill Lynch, and was intended solely for internal corporate use on behalf of its client, Eon Labs.

80. Shpigelman learned of the material, non-public information concerning the tender offer for Eon Labs in the course of his employment at Merrill Lynch. Shpigelman further knew or recklessly disregarded the fact that he owed Merrill Lynch a fiduciary duty to maintain such information in confidence until it was publicly disseminated, and that he owed Eon Labs shareholders a duty to abstain from disclosing this information for the purpose of obtaining personal gain.

81. In breach of these fiduciary duties or similar relationships of trust or confidence owed to Merrill Lynch and Eon Labs shareholders, Shpigelman misappropriated material, non-

public information about the tender offer for Eon Labs, and, while in possession of this information, communicated this information, directly or indirectly, to Plotkin and Pajcin, while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Eon Labs.

82. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about the tender offer for Eon Labs from Shpigelman was material and non-public, and had been misappropriated and/or disclosed to them in violation of a fiduciary duty or similar relationship of trust or confidence, and that they could not purchase or sell any Eon Labs securities or tip others so that they could purchase or sell any Eon Labs securities while possessing such information.

83. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would purchase Eon Labs securities and the profits from those purchases would be shared between them. As described above and in connection with this agreement, Pajcin purchased Eon Labs securities while in possession of this misappropriated, material, non-public information, as set forth on the annexed Exhibit A, which is incorporated herein by reference.

84. By the conduct described above, defendants Shpigelman, Plotkin, and Pajcin, directly or indirectly, violated Section 10(b) [15 U.S.C. § 78j(b)] of the Exchange Act and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

85. Shpigelman, Pajcin and Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin's trading in Eon Labs securities.

COUNT III

(Trading in Eon Labs Securities in Violation of Section 14(e) of the Exchange Act and Rule 14e-3 thereunder as to Defendants Shpigelman, Pajcin and Plotkin)

86. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

87. By February 17, 2005, Novartis had taken a substantial step or steps to commence a cash tender offer to purchase the outstanding public shares of Eon Labs.

88. Beginning on or about February 17, 2005, Shpigelman, Pajcin, and Plotkin had engaged directly or indirectly in fraudulent, deceptive or manipulative acts or practices in connection with the tender offer for Eon Labs' stock by (i) purchasing or causing to be purchased the securities of Eon Labs while in possession of material, non-public information related to the tender offer, which information they knew or had reason to know was obtained directly or indirectly from the companies involved in the transactions or a person acting on behalf of one or more of the companies; or (ii) communicating to others material non-public information relating to the tender offer for Eon Labs' stock, under circumstances in which it was reasonably foreseeable that such communications were likely to result in the purchase or sale of the securities of Eon Labs.

89. By reason of the foregoing, Shpigelman, Pajcin, and Plotkin, directly and indirectly, violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

COUNT IV

(Trading in Cinergy Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder as to Defendants Shpigelman, Pajcin, Plotkin, Lopandic and Borac)

90. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

91. Prior to the public announcement of the acquisition of Cinergy by Duke on May 9, 2005, information relating to the offer to acquire Cinergy was material, non-public

information. This information also was considered confidential by Merrill Lynch, and was intended solely for internal corporate use on behalf of its client, Cinergy.

92. Shpigelman learned of the material, non-public information concerning Duke's offer to acquire Cinergy in the course of his employment at Merrill Lynch. Shpigelman further knew or recklessly disregarded the fact that he owed Merrill Lynch a fiduciary duty to maintain such information in confidence until it was publicly disseminated, and that he owed Cinergy shareholders a duty to abstain from disclosing this information for the purpose of obtaining personal gain.

93. In breach of these fiduciary duties or similar relationships of trust or confidence owed to Merrill Lynch and Cinergy shareholders, Shpigelman misappropriated material, non-public information about Duke's offer to acquire Cinergy, and, while in possession of this information, communicated this information, directly or indirectly, to Plotkin and Pajcin while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Cinergy.

94. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about Duke's offer to acquire Cinergy from Shpigelman was material and non-public, and had been misappropriated and/or disclosed to them in violation of a fiduciary duty or similar relationship of trust or confidence, and that they could not purchase or sell any Cinergy securities or tip others so that they could purchase or sell any Cinergy securities while possessing such information.

95. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would purchase Cinergy securities and the profits from those purchases would be shared between

them. As described above and in connection with this agreement, Pajcin purchased Cinergy securities while in possession of this misappropriated, material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

96. Also in violation of their respective obligations, Plotkin and/or Pajcin tipped Lopandic to trade in Cinergy securities while expecting to benefit from the disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that Lopandic would use such information to trade and/or tip others to trade in the securities of Cinergy. Plotkin and Pajcin also agreed to share kickbacks received from Lopandic for providing this information.

97. Lopandic knew, had reason to know, or recklessly disregarded that the information he learned about Duke's offer to acquire Cinergy from Plotkin and/or Pajcin was material and non-public, and had been misappropriated and/or disclosed in violation of a fiduciary duty or similar relationship of trust or confidence, and that he could not purchase or sell any Cinergy securities or tip others so that they could purchase or sell any Cinergy securities while possessing such information.

98. Notwithstanding his obligation, Lopandic tipped Borac to trade in Cinergy securities while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that Borac would use such information to trade and/or tip others to trade in the securities of Cinergy.

99. Borac knew, had reason to know, or recklessly disregarded that the information he learned about Duke's offer to acquire Cinergy from Lopandic was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence, and that he could not purchase or sell any Cinergy securities while possessing such information.

100. Notwithstanding his obligation, as described above, Borac purchased Cinergy securities while in possession of this misappropriated, material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

101. By the conduct described above, defendants Shpigelman, Plotkin, Pajcin, Lopandic, and Borac, 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].

102. Shpigelman, Pajcin and Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin's trading in Cinergy securities. Shpigelman, Pajcin, Plotkin, Lopandic and Borac are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Borac's trading in Cinergy securities.

COUNT V

(Trading in LabOne Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder as to Defendants Shpigelman, Plotkin, Pajcin, Siegel, Mikhail Plotkin, Lopandic, Borac, and Anticevic)

103. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

104. Prior to the public announcement of the acquisition of LabOne by Quest on August 8, 2005, information relating to the offer to acquire LabOne was material, non-public information. This information also was considered confidential by Merrill Lynch, and was intended solely for internal corporate use on behalf of its client, Quest.

105. Shpigelman learned of the material, non-public information concerning Quest's offer to acquire LabOne in the course of his employment at Merrill Lynch. Shpigelman further knew or recklessly disregarded the fact that he owed Merrill Lynch a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

106. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Merrill Lynch, Shpigelman misappropriated material, non-public information about Quest's offer

to acquire LabOne, and, while in possession of this information, communicated this information, directly or indirectly, to Plotkin and Pajcin, while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of LabOne.

107. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about Quest's offer to acquire LabOne from Shpigelman was material and non-public, and had been misappropriated and/or disclosed to them in violation of a fiduciary duty or similar relationship of trust or confidence, and that they could not purchase or sell any LabOne securities or tip others so that they could purchase or sell any LabOne securities while possessing such information.

108. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would purchase LabOne securities and the profits from those trades would be shared between them. As described above and in connection with this agreement, Pajcin purchased LabOne securities through the Anticevic Saxo Bank Account while in possession of this misappropriated, material, non-public information, as set forth on the annexed Exhibit A, which is incorporated herein by reference.

109. Also in violation of their respective obligations, Plotkin and/or Pajcin tipped Siegel, Mikhail Plotkin, and Lopandic to trade in LabOne securities while expecting to benefit from the disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of LabOne. Plotkin and Pajcin also agreed to share kickbacks received from Lopandic, Siegel, and Mikhail Plotkin for providing this information.

110. Siegel, Mikhail Plotkin, and Lopandic each knew, had reason to know, or recklessly disregarded that the information they learned about Quest's offer to acquire LabOne from Plotkin and/or Pajcin was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence, and that they could not purchase or sell any LabOne securities or tip others so that they could purchase or sell any LabOne securities while possessing such information.

111. Notwithstanding their respective obligations, as described above, Siegel and Mikhail Plotkin purchased LabOne securities while in possession of this misappropriated material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

112. Notwithstanding his obligation, Lopandic tipped Borac to trade in LabOne securities while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that Borac would use such information to trade and/or tip others to trade in the securities of LabOne.

113. Borac knew, had reason to know, or recklessly disregarded that the information he learned about Quest's offer to acquire LabOne from Lopandic was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence, and that he could not purchase or sell any LabOne securities while possessing such information.

114. Notwithstanding his obligation, as described above, Borac purchased LabOne securities while in possession of this misappropriated material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

115. Anticevic knew, had reason to know, or recklessly disregarded that the trading performed by Pajcin in her accounts with her express permission was based upon material, non-

public information that had been misappropriated and/or disclosed in violation of a duty of trust or confidence.

116. By the conduct described above, defendants Shpigelman, Plotkin, Pajcin, Siegel, Mikhail Plotkin, Lopandic, Borac, and Anticevic, 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].

117. Shpigelman, Pajcin, Plotkin and Anticevic are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin's trading in LabOne securities through the Anticevic Saxo Bank Account. Shpigelman, Pajcin, Plotkin and Siegel are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Siegel's trading in LabOne securities. Shpigelman, Pajcin, Plotkin and Mikhail Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Mikhail Plotkin's trading in LabOne securities. Shpigelman, Pajcin, Plotkin, Lopandic and Borac are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Borac's trading in LabOne securities.

COUNT VI

(Trading in Reebok Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder as to Defendants Shpigelman, Plotkin, Pajcin, Santana, Siegel, Mikhail Plotkin, Lopandic, Borac, Sormaz, the Direktanlage Traders, Anticevic, and Vujovic)

118. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

119. Prior to the public announcement of the acquisition of Reebok by Adidas on August 3, 2005, information relating to Adidas' offer to acquire Reebok was material, non-public information. This information also was considered confidential by Merrill Lynch, and was intended solely for internal corporate use on behalf of its client, Adidas.

120. Shpigelman learned of the material, non-public information concerning Adidas' offer to acquire Reebok in the course of his employment at Merrill Lynch. Shpigelman further knew or recklessly disregarded the fact that he owed Merrill Lynch a fiduciary duty to maintain such information in confidence until it was publicly disseminated.

121. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Merrill Lynch, Shpigelman misappropriated material, non-public information about Adidas' offer to acquire Reebok, and, while in possession of this information, communicated this information, directly or indirectly, to Plotkin and Pajcin, while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Reebok.

122. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about Adidas' offer to acquire Reebok from Shpigelman was material and non-public, and had been misappropriated and/or disclosed to them in violation of a fiduciary duty or similar relationship of trust or confidence, and that they could not purchase or sell any Reebok securities or tip others so that they could purchase or sell any Reebok securities while possessing such information.

123. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would purchase Reebok securities and the profits from those trades would be shared between them. As described above and in connection with this agreement, Pajcin purchased Reebok securities through accounts held in the names of Anticevic and Vujovic while in possession of this misappropriated material, non-public information, as set forth on the annexed Exhibit A, which is incorporated herein by reference.

124. Also in violation of their respective obligations, Plotkin and/or Pajcin tipped Siegel, Santana, Mikhail Plotkin, Lopandic and/or the Direktanlage Traders to trade in Reebok securities while expecting to benefit from the disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Reebok. Plotkin and Pajcin also agreed to share kickbacks received from Siegel, Santana, Mikhail Plotkin, Lopandic and/or the Direktanlage Traders for providing this information.

125. Siegel, Santana, Mikhail Plotkin, and Lopandic each knew, had reason to know, or recklessly disregarded that the information they learned about Adidas' offer to acquire Reebok from Plotkin and/or Pajcin was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence, and that they could not purchase or sell any Reebok securities or tip others so that they could purchase or sell any Reebok securities while possessing such information.

126. Notwithstanding their respective obligations, as described above, Siegel, Santana, Mikhail Plotkin, and Lopandic each purchased Reebok securities in their respective accounts while in possession of this misappropriated, material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

127. Also in violation of his obligation, Lopandic tipped Borac, Sormaz, and/or the Direktanlage Traders to trade in Reebok while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Reebok.

128. Borac, Sormaz, and the Direktanlage Traders each knew, had reason to know, or recklessly disregarded that the information they learned about Adidas' offer to acquire Reebok

from Lopandic and/or Pajcin and Plotkin was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence, and that they could not purchase or sell any Reebok securities while possessing such information.

129. Notwithstanding their respective obligations, as described above, Borac, Sormaz, and the Direktanlage Traders each purchased Reebok securities while in possession of this misappropriated, material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

130. Anticevic and Vujovic each knew, had reason to know, or recklessly disregarded that the trading performed by Pajcin in their respective accounts with their express permission was based upon material, non-public information that had been misappropriated and/or disclosed in violation of a duty of trust or confidence.

131. By the conduct described above, defendants Shpigelman, Plotkin, Pajcin, Santana, Siegel, Mikhail Plotkin, Lopandic, Borac, Sormaz, the Direktanlage Traders, Anticevic, and Vujovic 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].

132. Shpigelman, Pajcin, Plotkin, Anticevic and Vujovic are jointly and severally liable for the disgorgement of all profits realized through Pajcin's trading in Reebok securities through the Anticevic CyberTrader Account, the Anticevic Saxo Bank Account and the Vujovic Account. Shpigelman, Pajcin, Plotkin, Lopandic and/or the Direktanlage Traders are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Lopandic's and/or the Direktanlage Traders' trading in Reebok securities. Shpigelman, Pajcin, Plotkin, Lopandic and Sormaz are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Sormaz' trading in Reebok securities. Shpigelman, Pajcin, Plotkin, Lopandic and Borac

are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Borac's trading in Reebok securities. Shpigelman, Pajcin, Plotkin and Siegel are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Siegel's trading in Reebok securities. Shpigelman, Pajcin, Plotkin and Santana are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Santana's trading in Reebok securities. Shpigelman, Pajcin, Plotkin and Mikhail Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Mikhail Plotkin's trading in Reebok securities.

COUNT VII

(Trading in Celgene Securities in Violation of Section 10(b) of the Exchange Act And Rule 10b-5 Thereunder as to Defendants Shpigelman, Plotkin, Pajcin, Santana, Siegel, Lopandic, Borac, Sormaz, the Direktanlage Traders, and Anticevic)

133. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

134. The existence of negotiations concerning a potential transaction involving Celgene during the summer of 2005 was material, non-public information. This information was also considered confidential by Merrill Lynch, and was intended solely for internal corporate use on behalf of its client, Celgene.

135. Shpigelman learned of the material, non-public information concerning a potential transaction involving Celgene in the course of his employment at Merrill Lynch. Shpigelman further knew or recklessly disregarded the fact that he owed Merrill Lynch a fiduciary duty to maintain such information in confidence until it was publicly disseminated, and that he owed Celgene shareholders a duty to abstain from disclosing this information for the purpose of obtaining personal gain.

136. In breach of these fiduciary duties or similar relationships of trust or confidence owed to Merrill Lynch, and Celgene shareholders, Shpigelman misappropriated material, non-

public information about the potential transaction involving Celgene, and, while in possession of this information, communicated this information, directly or indirectly, to Plotkin and Pajcin while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Celgene.

137. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about Celgene from Shpigelman was material and non-public, and had been misappropriated by Shpigelman and/or disclosed to them in violation of a duty of trust or confidence, and that they could not purchase or sell any Celgene securities or tip others so that they could purchase or sell any Celgene securities while possessing such information.

138. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would purchase Celgene securities and the profits from those purchases would be shared between them. As described above and in connection with this agreement Pajcin purchased Celgene securities through an account held in the name of Anticevic while in possession of this misappropriated, material, non-public information, as set forth on the annexed Exhibit A, which is incorporated herein by reference.

139. Also in violation of their respective obligations, Plotkin and/or Pajcin tipped Siegel, Santana, Lopandic and/or the Direktanlage Traders to trade in Celgene securities while expecting to benefit from the disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Celgene. Plotkin and Pajcin also agreed to share kickbacks received from Siegel, Santana, Lopandic and/or the Direktanlage Traders for providing this information.

140. Siegel, Santana, Lopandic and/or the Direktanlage Traders each knew, had reason to know, or recklessly disregarded that the information they learned about Celgene from Plotkin and/or Pajcin was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence, and that they could not purchase or sell any Celgene securities or tip others so that they could purchase or sell any Celgene securities while possessing such information.

141. Notwithstanding their respective obligations, Siegel, Santana, Lopandic and the Direktanlage Traders each purchased Celgene securities in their respective accounts while in possession of this misappropriated, material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

142. Also in violation of his obligation, Lopandic tipped Borac, Sormaz, and/or the Direktanlage Traders to trade in Celgene while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of Celgene.

143. Borac, Sormaz, and/or the Direktanlage Traders each knew, had reason to know, or recklessly disregarded that the information they learned about Celgene from Lopandic was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence, and that they could not purchase or sell any Celgene securities while possessing such information.

144. Notwithstanding their respective obligations, Borac, Sormaz, and the Direktanlage Traders each purchased Celgene securities in their respective accounts while in possession of this misappropriated, material, non-public information as set forth on the annexed Exhibit A, which is incorporated herein by reference.

145. Anticevic knew, had reason to know, or recklessly disregarded that the trading performed by Pajcin in her accounts with her express permission was based upon material, non-public information that had been misappropriated and/or disclosed in violation of a duty of trust or confidence.

146. By the conduct described above, defendants Shpigelman, Plotkin, Pajcin, Santana, Siegel, Lopandic, Borac, Sormaz, the Direktanlage Traders, and Anticevic, 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].

147. Shpigelman, Pajcin, Plotkin and Anticevic are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin's trading in Celgene securities through the Anticevic Saxo Bank Account. Shpigelman, Pajcin, Plotkin, Lopandic and/or the Direktanlage Traders are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Lopandic's and/or the Direktanlage Traders' trading in Celgene securities. Shpigelman, Pajcin, Plotkin, Lopandic and Sormaz are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Sormaz' trading in Celgene securities. Shpigelman, Pajcin, Plotkin, Lopandic and Borac are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Borac's trading in Celgene securities. Shpigelman, Pajcin, Plotkin and Siegel are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Siegel's trading in Celgene securities. Shpigelman, Pajcin, Plotkin and Santana are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Santana's trading in Celgene securities.

COUNT VIII

(Business Week Related Trading from November 2004 through March 2005 in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder as to Defendants Shuster, Plotkin, Pajcin, the Direktanlage Traders and/or Lopandic)

148. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

149. Prior to the public release of Business Week's "Inside Wall Street" column, the contents of the "Inside Wall Street" column are material, non-public information and are the property of Business Week. This information is also considered confidential by Quad and by Business Week's owner and publisher, McGraw-Hill.

150. Shuster learned of the contents of the upcoming "Inside Wall Street" column in the course of his employment at Quad and through misappropriation of confidential property and information from Quad after the termination of his employment. Shuster further knew or recklessly disregarded the fact that he owed Quad, and through Quad, McGraw-Hill, a fiduciary duty to maintain such information in confidence until it became publicly available.

151. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Quad, and through Quad to Business Week's owner and publisher, McGraw-Hill, Shuster misappropriated material, non-public information concerning the contents of the "Inside Wall Street" column with respect to the following companies: TheStreet.Com, Biolase, Curis, SIPEX, Alltel, Cornell, Spectrum, Arbitron, IMAX, and Impax. Shuster communicated this information, directly or indirectly, to Plotkin and Pajcin, while expecting to benefit from his disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of these companies.

152. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about the contents of the "Inside Wall Street" column with respect to

TheStreet.Com, Biolase, Curis, SIPEX, Alltel, Cornell, Spectrum, Arbitron, IMAX and Impax from Shuster was material and non-public, and had been misappropriated by Shuster, and that they could not purchase or sell any of the securities in these companies or tip others so that they could purchase or sell any of these securities while possessing such information.

153. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would trade in the securities of TheStreet.Com, Biolase, Curis, SIPEX, Alltel, Cornell, Spectrum, Arbitron, IMAX, and Impax based on the information provided by Shuster relating to the contents of the “Inside Wall Street” column, and that the profits from those purchases would be shared between them. As described above and in connection with this agreement Pajcin purchased these securities while in possession of misappropriated, material, non-public information, as set forth on the annexed Exhibit B, which is incorporated herein by reference.

154. Also in violation their respective obligations, Plotkin and Pajcin agreed to and did tip Lopandic and/or the Direktanlage Traders to trade in the securities of TheStreet.com, Biolase, Curis, SIPEX, Arbitron, and Impax while expecting to benefit from their disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that Lopandic and/or the Direktanlage Traders would use such information to trade and/or tip others to trade in these securities. Plotkin and Pajcin also agreed to share kickbacks received from Lopandic for providing this information.

155. Lopandic and/or the Direktanlage Traders knew, had reason to know, or recklessly disregarded that the information they learned about the contents of the “Inside Wall Street” column with respect to TheStreet.com, Biolase, Curis, SIPEX, Arbitron and Impax from Plotkin and/or Pajcin on the occasions described above was material and non-public, and had

been misappropriated, and that they could not purchase or sell any of these securities while possessing such information

156. Notwithstanding his obligation, Lopandic tipped the Direktanlage Traders to trade in the securities of TheStreet.com, Biolase, Curis, SIPEX, Arbitron, and Impax on the occasions described above while expecting to benefit from his disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that the Direktanlage Traders would use such information to trade and/or tip others to trade in these securities.

157. The Direktanlage Traders knew, had reason to know, or recklessly disregarded that the information they learned about the contents of the “Inside Wall Street” column with respect to TheStreet.com, Biolase, Curis, SIPEX, Arbitron and Impax from Lopandic and/or Pajcin and Plotkin was material and non-public, and had been misappropriated and/or disclosed in violation of a duty of trust or confidence and that they could not purchase or sell any of these securities while possessing such information.

158. Notwithstanding their obligation, the Direktanlage Traders purchased the securities of TheStreet.com, Biolase, Curis, SIPEX, Arbitron, and Impax while in possession of the misappropriated, material, non-public information as set forth on the annexed Exhibit B, which is incorporated herein by reference.

159. By the conduct described above, Defendants Shuster, Plotkin, Pajcin, the Direktanlage Traders and/or Lopandic, 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].

160. Shpigelman, Pajcin and Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin’s trading in the securities of TheStreet.Com, Biolase, Curis, SIPEX, Alltel, Cornell, Spectrum, Arbitron, IMAX, and Impax.

Shpigelman, Pajcin, the Direktanlage Traders and/or Lopandic are jointly and severally liable for the disgorgement of all ill-gotten profits realized through the Direktanlage Traders' trading in the securities of TheStreet.com, Biolase, Curis, SIPEX, Arbitron, and Impax.

COUNT IX

(Business Week Related Trading from June 2005 through September 2005 in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder as to Defendants Renteria, Plotkin, Pajcin, Siegel, Santana, Mikhail Plotkin, Lopandic, Borac, the Direktanlage Traders, Anticevic and Vujovic)

161. Paragraphs 1 through 69 are realleged and incorporated herein by reference.

162. Prior to the public release of Business Week's "Inside Wall Street" column, the contents of the "Inside Wall Street" column are material, non-public information and are the property of Business Week. This information is also considered confidential by Quad and by Business Week's owner and publisher, McGraw-Hill.

163. Renteria learned of the contents of the upcoming "Inside Wall Street" column in the course of his employment at Quad. Renteria further knew or recklessly disregarded the fact that he owed Quad, and through Quad, McGraw-Hill, a fiduciary duty to maintain such information in confidence until it became publicly available.

164. In breach of a fiduciary duty or similar relationship of trust or confidence owed to Quad, and through Quad to Business Week's owner and publisher, McGraw-Hill, Renteria misappropriated material, non-public information concerning the contents of the "Inside Wall Street" column with respect to the following companies: Perficient, PriceSmart, Alaska Communications, Casual Male, FedEx, Energy Conversion, Mikhon Gaming, Polycom, Spectrum, Symbol, and Check Point. Renteria communicated this information, except for the information relating to Check Point, directly or indirectly, to Plotkin and Pajcin, while expecting to benefit from his disclosures and knowing, reasonably suspecting, or recklessly disregarding

the likelihood that these defendants would use such information to trade and/or tip others to trade in the securities of these companies, and communicated the information relating to Check Point directly or indirectly to Plotkin while expecting to benefit from his disclosure and knowing, reasonably suspecting, or recklessly disregarding the likelihood that Plotkin would use such information to trade and/or tip others to trade in the securities of these Check Point.

165. Plotkin and Pajcin knew, had reason to know, or recklessly disregarded that the information they learned about the contents of the “Inside Wall Street” column with respect to Perficient, PriceSmart, Alaska Communications, Casual Male, FedEx, Energy Conversion, Mikhon Gaming, Polycom, Spectrum, and Symbol from Renteria was material and non-public, and had been misappropriated by Renteria in breach of a duty of trust or confidence, and that they could not purchase or sell any of the securities in these companies or tip others so that they could purchase or sell any of these securities while possessing such information. Plotkin, in turn, knew, had reason to know, or recklessly disregarded that the information he learned about the contents of the “Inside Wall Street” column with respect to Check Point from Renteria was material and non-public, and had been misappropriated by Renteria in breach of a duty of trust or confidence, and that he could not purchase or sell any of the securities in these companies or tip others so that they could purchase or sell any of these securities while possessing such information.

166. Notwithstanding their respective obligations, Plotkin and Pajcin agreed that Pajcin would purchase the securities of Fedex, Mikohn Gaming, Polycom, Spectrum, and Symbol, and that the profits from those purchases would be shared between them. As described above and in connection with this agreement, Pajcin purchased the securities of Fedex, Mikohn Gaming, Polycom and Spectrum through accounts held in Anticevic’s name, and purchased the securities

of Symbol through accounts held in the name of Anticevic and Vujovic while in possession of this misappropriated, material, non-public information as set forth on the annexed Exhibit B, which is incorporated herein by reference.

167. Also in violation of their respective obligations, Pajcin and/or Plotkin tipped: (1) Siegel to trade in the securities of Perficient, Alaska Communications, Casual Male, FedEx, Energy Conservation, Mikohn Gaming, Polycom, and Spectrum; (2) Santana to trade in the securities of Casual Male, FedEx, Energy Conversion, Mikohn Gaming, Polycom, Spectrum, and Symbol; (3) Mikhail Plotkin to trade in the securities of Perficient and Alaska Communications; (4) Lopandic to trade in the securities of Perficient, PriceSmart, FedEx and Mikohn Gaming; and (5) Lopandic and/or the Direktanlage Traders to trade in the securities of Casual Male, Energy Conversion, Mikohn Gaming and Spectrum while expecting to benefit from their disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that these defendants would use such information to trade and/or tip others to trade in these securities. In violation of his respective obligation, Plotkin tipped Mikhail Plotkin to trade in the securities of Check Point. Plotkin and Pajcin agreed to share kickbacks arranged with Siegel, Santana, Mikhail Plotkin, Lopandic and/or the Direktanlage Traders to be received in exchange for providing this information.

168. Siegel knew, had reason to know, or recklessly disregarded that the information he learned about the contents of the “Inside Wall Street” column with respect to Perficient, Alaska Communications, Casual Male, FedEx, Energy Conservation, Mikohn Gaming, Polycom, and Spectrum from Plotkin and/or Pajcin was material and non-public, and had been misappropriated in breach of a fiduciary duty or similar duty of trust or confidence, and that he could not purchase or sell any of these securities while possessing such information.

169. Notwithstanding his obligation, as described above, Siegel purchased the securities of Perficient, Alaska Communications, Casual Male, FedEx, Energy Conservation, Mikohn Gaming, Polycom, and Spectrum securities while in possession of this misappropriated, material, non-public information as set forth on Exhibit B, which is incorporated herein by reference.

170. Santana knew, had reason to know, or recklessly disregarded that the information he learned about the contents of the “Inside Wall Street” column with respect to Casual Male, FedEx, Energy Conversion, Mikohn Gaming, Polycom, Spectrum, and Symbol from Plotkin and/or Pajcin was material and non-public, and had been misappropriated in breach of a fiduciary duty or similar duty of trust or confidence, and that he could not purchase or sell any of these securities while possessing such information.

171. Notwithstanding his obligation, as described above, Santana purchased the securities of Casual Male, FedEx, Energy Conversion, Mikohn Gaming, Polycom, Spectrum, and Symbol securities while in possession of this misappropriated, material, non-public information as set forth on Exhibit B, which is incorporated herein by reference.

172. Mikhail Plotkin knew, had reason to know, or recklessly disregarded that the information he learned about the contents of the “Inside Wall Street” column with respect to Perficient and Alaska Communications from Plotkin and/or Pajcin and with respect to Check Point from Plotkin was material and non-public, and had been misappropriated in breach of a fiduciary duty or similar duty of trust or confidence, and that he could not purchase or sell any of these securities while possessing such information.

173. Notwithstanding his obligation, as described above, Mikhail Plotkin purchased the securities of Perficient, Alaska Communications, and Check Point while in possession of the

misappropriated, material, non-public information as set forth on Exhibit B, which is incorporated herein by reference.

174. Lopandic knew, had reason to know, or recklessly disregarded that the information he learned about the contents of the “Inside Wall Street” column with respect to Perficient, PriceSmart, FedEx and Mikohn Gaming from Plotkin and/or Pajcin was material and non-public, and had been misappropriated in breach of a fiduciary duty or similar duty of trust or confidence, and that he could not purchase or sell any of these securities while possessing such information.

175. Notwithstanding his obligation, Lopandic tipped Borac to trade in the securities of Perficient, PriceSmart, FedEx, and Mikohn Gaming, expecting to benefit from his disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that Borac would use such information to trade and/or tip others to trade in these securities.

176. Borac knew, had reason to know, or recklessly disregarded that the information he learned about the contents of the “Inside Wall Street” column with respect to Perficient, PriceSmart, FedEx, and Mikohn Gaming from Lopandic was material and non-public, and had been misappropriated in breach of a fiduciary duty or similar duty of trust or confidence, and that he could not purchase or sell any of these securities while possessing such information.

177. Notwithstanding his obligation, as described above, Borac purchased the securities of Perficient, PriceSmart, FedEx, and Mikohn Gaming while in possession of the misappropriated, material, non-public information as set forth on Exhibit B, which is incorporated herein by reference.

178. In addition, notwithstanding his obligation, Lopandic tipped the Direktanlage Traders to trade in Casual Male, Energy Conversion, Mikohn Gaming, and Spectrum, expecting

to benefit from his disclosures and knowing, reasonably suspecting, or recklessly disregarding the likelihood that the Direktanlage Traders would use such information to trade and/or tip others to trade in these securities.

179. The Direktanlage Traders knew, had reason to know, or recklessly disregarded that the information they learned about the contents of the “Inside Wall Street” column with respect to Casual Male, Energy Conversion, Mikohn Gaming, and Spectrum from Lopandic and/or Pajcin and Lopandic was material and non-public, and had been misappropriated in breach of a fiduciary duty or similar duty of trust or confidence, and that they could not purchase or sell any of these securities while possessing such information.

180. Notwithstanding their obligation, as described above, the Direktanlage Traders purchased the securities of Casual Male, Energy Conversion, Mikohn Gaming, and Spectrum securities while in possession of the misappropriated, material, non-public information as set forth on Exhibit B, which is incorporated herein by reference.

181. Anticevic and Vujovic knew, had reason to know, or recklessly disregarded that the trading performed by Pajcin in their respective accounts with their express permission was based upon material, non-public information that had been misappropriated and/or disclosed in violation of a fiduciary duty or similar duty of trust or confidence.

182. By the conduct described above, defendants Renteria, Plotkin, Pajcin, Siegel, Santana, Mikhail Plotkin, Lopandic, Borac, the Direktanlage Traders, Anticevic and Vujovic, 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].

183. Renteria, Pajcin, Plotkin and Anticevic are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin’s trading in the securities of FedEx,

Mikohn Gaming, Polycom, Spectrum and Symbol through the accounts held in Anticevic's name. Renteria, Pajcin, Plotkin, and Vujovic are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Pajcin's trading in the securities of Symbol through the Vujovic Account. Renteria, Pajcin, Plotkin, and Siegel are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Siegel's trading in the securities of Perficient, Alaska Communications, Casual Male, FedEx, Energy Conservation, Mikohn Gaming, Polycom and Spectrum. Renteria, Pajcin, Plotkin, and Santana are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Santana's trading in the securities of Casual Male, FedEx, Energy Conversion, Mikohn Gaming, Polycom, Spectrum and Symbol. Renteria, Pajcin, Plotkin, and Mikhail Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Mikhail Plotkin's trading in the securities of Perficient and Alaska Communications. Renteria, Pajcin, Plotkin, and Lopandic are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Borac's trading in the securities of Perficient, PriceSmart, FedEx and Mikohn Gaming. Renteria, Pajcin, Plotkin and/or Lopandic are jointly and severally liable for the disgorgement of all ill-gotten profits realized through the Direktanlage Traders' trading in the securities of Casual Male, Energy Conversion, Mikohn Gaming and Spectrum. Renteria, Plotkin, and Mikhail Plotkin are jointly and severally liable for the disgorgement of all ill-gotten profits realized through Mikhail Plotkin's trading in the securities of Check Point.

RELIEF SOUGHT

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

I.

Permanently restraining and enjoining each of the defendants, Anticevic, Pajcin, Plotkin, Shpigelman, Shuster, Renteria, Siegel, Santana, Vujovic, Lopandic, Mikhail Plotkin, Sormaz, Borac, and the Direktanlage Traders, 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 Shpigelman, Pajcin, and Plotkin, 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 14(e) of the Exchange Act, and Rule 14e-3 thereunder;

III.

Directing defendant Anticevic and each of her financial and brokerage institutions, agents, servants, employees, and attorneys, and those persons in active concert or participation with her, to repatriate the proceeds of all the unlawful trading set forth herein, including, but not limited to proceeds residing in the Anticevic Saxo Bank Account, and/or in Account #945302193853 at LBIE;

IV.

Directing defendant Lopandic and each of his financial and brokerage institutions, agents, servants, employees, and attorneys, and those persons in active concert or participation with him,

to repatriate the proceeds of all the unlawful trading set forth herein, including, but not limited to proceeds residing in the Lopandic Account, and/or in Account #945302193853 at LBIE;

V.

Directing defendant Borac and each of his financial and brokerage institutions, agents, servants, employees, and attorneys, and those persons in active concert or participation with him, to repatriate the proceeds of all the unlawful trading set forth herein, including, but not limited to proceeds residing in the Borac Account, and/or in Account #945302193853 at LBIE;

VI.

Directing defendant Sormaz and each of his financial and brokerage institutions, agents, servants, employees, and attorneys, and those persons in active concert or participation with him, to repatriate the proceeds of all the unlawful trading set forth herein, including, but not limited to proceeds residing in the Sormaz Account, and/or in Account #945302193853 at LBIE;

VII.

Directing defendant Direktanlage Traders and each of their financial and brokerage institutions, agents, servants, employees, and attorneys, and those persons in active concert or participation with them, to repatriate the proceeds of all the unlawful trading set forth herein;

VIII.

Ordering defendants Anticevic, Pajcin, Plotkin, Shpigelman, Shuster, Renteria, Siegel, Santana, Vujovic, Lopandic, Mikhail Plotkin, Sormaz, Borac and the Direktanlage Traders to disgorge all profits realized from all the unlawful trading set forth herein, plus prejudgment interest;

IX.

Ordering defendants Anticevic, Pajcin, Plotkin, Shpigelman, Shuster, Renteria, Siegel, Santana, Vujovic, Lopandic, Mikhail Plotkin, Sormaz, Borac, and the Direktanlage Traders to pay civil monetary penalties pursuant to Section 21A and/or Section 21(d)(3) of the Exchange Act; and

X.

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

Dated: New York, New York
April 11, 2006

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