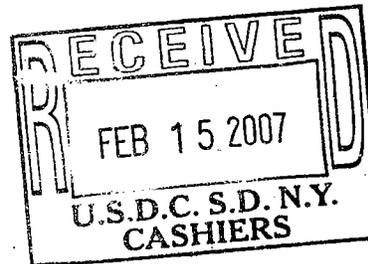


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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

MYRON F. OLESNYCKYJ,

Defendant.

07 Civ. ___ ()

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission") alleges the following against Defendant Myron F. Olesnyckyj ("Olesnyckyj"):

SUMMARY

1. Beginning in 1996, Olesnyckyj, the former senior vice president, general counsel and secretary of Monster Worldwide, Inc. ("Monster" or the "Company") participated in a fraudulent scheme to backdate the grant dates of stock options that Monster routinely granted to employees, officers and directors. Olesnyckyj backdated stock options to coincide with the dates of low closing prices for the Company's common stock, resulting in grants of in-the-money options to numerous individuals. Olesnyckyj's fraudulent conduct caused Monster to make disclosures in its periodic filings and proxy statements that falsely portrayed Monster's options

as having been granted at exercise prices equal to the fair market value of Monster's common stock on the date of the grant, when, in fact, Monster was granting in-the-money options.

2. More specifically, when making "Broad-Based Grants" of options to numerous recipients, certain officers and employees at Monster would select a low closing stock price at which the Company wanted to grant stock options. Various individuals including Olesnyckyj, or others acting at his direction, then prepared backdated documentation for Monster's Compensation Committee containing the grant date that coincided with the low closing price for Monster's common stock. This documentation made it appear that the Compensation Committee had approved and authorized the grant of options on the purported grant date. In fact, the Compensation Committee did not take any such action on the purported grant date. Rather, the Compensation Committee did not approve the grant of options until long after the purported grant date. With respect to "One-Off Grants," option grants to new employees, or to current employees in connection with special achievements, Olesnyckyj and others selected low stock closing prices at which to grant these options. Various individuals including Olesnyckyj, and others acting at his direction, then backdated documentation for Monster's Compensation Committee to make it appear that the Committee had acted on the purported grant date, when, in fact, the Committee had not. Moreover, on other occasions, Olesnyckyj and others directed the issuance of options to employees without ever obtaining approval from Monster's Compensation Committee as required by the terms of the Company's stock option plans.

3. Further, Olesnyckyj took efforts to conceal the fraudulent scheme. For example, Olesnyckyj was responsible for maintaining the documentation that reflected the Compensation Committee approvals of option grants in Monster's minute books. Olesnyckyj sometimes, however, discarded or failed to create the lists of grantees that were purportedly attached to the

Compensation Committee approvals. By failing to maintain or create these lists, it was much more difficult, and in some instances impossible, to determine which grants were approved on which dates, or if a grant was approved at all.

4. Olesnyckyj's fraudulent conduct caused Monster to file materially false and misleading public filings that contained financial statements that materially understated the Company's compensation expenses and materially overstated its quarterly and annual net income. In fact, on December 13, 2006, Monster restated its historical financial results for 1997-2005 in a cumulative pre-tax amount of approximately \$339.5 million to record additional non-cash charges for option related compensation expense.

5. Olesnyckyj personally benefited from the fraudulent scheme by, among other things, receiving and exercising backdated grants of in-the-money options.

JURISDICTION AND VENUE

6. The Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77v(a)] and Sections 21(d), 21(e) and 27 of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

7. Olesnyckyj, directly or indirectly, used the means and instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the acts, transactions, practices and courses of business alleged herein.

8. Venue is proper because Monster maintained an office in New York, New York at all relevant times, and certain of the acts, transactions, practices and courses of business alleged herein took place in the Southern District of New York.

STATUTES AND RULES VIOLATED

9. Olesnyckyj has engaged, and unless enjoined, will continue to engage, directly or indirectly, in transactions, acts, practices, and courses of business that constitute violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Sections 10(b), 13(b)(5) and 14(a) of the Exchange Act [15 U.S.C. §§ 78j(b), 78m(b)(5) and 78n(a)], and Rules 10b-5, 13b2-1, 13b2-2 and 14a-9 [17 C.F.R. §§ 240.10b-5, 240.13b2-1, 240.13b2-2 and 240.14a-9] thereunder.

10. Olesnyckyj has also engaged, and unless enjoined, will continue to engage, directly or indirectly, in transactions, acts, practices, and courses of business that aided and abetted Monster's violations of Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B) and 14(a) of the Exchange Act [15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A), 78m(b)(2)(B) and 78n(a)], and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13 and 14a-9 [17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13a-1, 240.13a-11, 240.13a-13 and 240.14a-9] thereunder.

11. Olesnyckyj should be permanently enjoined from violating the provisions of the securities laws described above. Olesnyckyj should also be ordered to disgorge any ill-gotten gains or benefits derived as a result of his violations (whether realized, unrealized or received) and prejudgment interest thereon, and ordered to pay appropriate civil money penalties. In addition, Olesnyckyj should be prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)]. The Court should also order any other just and appropriate relief.

THE DEFENDANT

12. **Myron F. Olesnyckyj**, 45, a resident of New Providence, New Jersey, joined Monster in 1994. At various times, Olesnyckyj held the positions of senior vice president,

general counsel and secretary of Monster. On September 19, 2006, Monster suspended Olesnyckyj. On November 21, 2006, the Company terminated Olesnyckyj's employment.

THE COMPANY

13. **Monster Worldwide, Inc.**, formerly known as TMP Worldwide Inc., is a Delaware corporation that is the parent company of Monster.com, a leading global online career and recruitment resource. The Company, headquartered in New York, New York, employs approximately 4,600 employees in 35 countries. Monster's common stock is currently registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the NASDAQ National Market System under the symbol "MNST." The Company's initial public offering of shares of its common stock occurred on December 12, 1996.

FACTS

14. Beginning in approximately 1996, Olesnyckyj, among others, backdated the vast majority of stock options that Monster granted. Monster's public filings did not accurately describe the Company's stock option practices. Additionally, most of Monster's option grants in this time period were in-the-money on the day they were granted and therefore had an immediate compensatory component that Monster failed to expense properly and otherwise failed to disclose to shareholders. Monster's backdating scheme continued until approximately April 2003.

15. Throughout the relevant period, Olesnyckyj understood that backdating stock option grants was improper. Olesnyckyj also understood that because Monster was issuing in-the-money options, the Company was required to recognize, but did not in fact recognize, a compensation expense for these options.

The Monster Stock Option Plans

16. From 1996 through 2003, Monster had two relevant stock option plans.
17. Effective as of January 3, 1996, Monster adopted the TMP 1996 Employee Stock Option Plan (the "1996 Plan").
18. The 1996 Plan provided that a Compensation Committee consisting of at least two directors would administer the plan. Subject to the provisions of the plan, the Compensation Committee had absolute discretion to grant options and set and interpret the provisions of option agreements.
19. The 1996 Plan stated that for a non-qualified stock option ("NQSO"), which comprised the vast majority of options awarded at Monster, the exercise price per share could not be less than the par value of a share of common stock on the date the option was granted.
20. The 1996 Plan stated that for an incentive stock option ("ISO"), the exercise price per share could generally not be less than the fair market value of a share of common stock on the date the option was granted. Through a series of amendments, the 1996 Plan authorized the award of 3 million shares. In addition, the 1996 Plan stated that only officers, directors or employees of Monster, or affiliates or consultants, were eligible to receive option awards.
21. Effective as of December 9, 1998, Monster adopted the TMP 1999 Long Term Incentive Plan (the "1999 LTIP"), authorizing the award of up to 15 million shares plus the number of shares remaining available for awards under the 1996 Plan.
22. Similar to the 1996 Plan, a Compensation Committee, comprised of at least two independent directors, which had absolute discretion to make grants, was to administer the 1999 LTIP. Likewise, the 1999 LTIP contained the same parameters for the exercise price of a NQSO

and ISO, and included the same categories of persons eligible to receive option awards, except the 1999 LTIP also included independent contractors who provided services to Monster.

***Accounting For Options Under
Generally Accepted Accounting Principles (“GAAP”)***

23. From 1996 through 2005, Monster accounted for stock options using the intrinsic method described in Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” (“APB 25”). Under APB 25, employers were required to record as an expense on their financial statements the “intrinsic value” of a fixed stock option on its “measurement date.” The measurement date, as defined by APB 25, is the first date on which the following information is known: (i) the number of options that an individual employee is entitled to receive and (ii) the exercise price. An option that is in-the-money on the measurement date has intrinsic value, and the difference between its exercise price and the quoted market price must be recorded as compensation expense to be recognized over the vesting period of the option. Options that are at-the-money or out-of-the-money on the measurement date need not be expensed.

The Option Granting Process At Monster

24. Monster’s option grants fell into two main categories: (i) options granted to a large number of recipients, including rank and file employees (“Broad-Based Grants”); and (ii) options granted to newly-hired employees, new employees from Monster’s acquisition of other companies, or current employees in connection with promotion, retention or meeting productivity goals (“One-Off Grants”).

25. During the relevant period, the Compensation Committee approved the vast majority of stock option grants through the use of a unanimous written consent (“UWC”).

26. The UWCs describe the grants including the exercise price, contain an “as of” date, purportedly indicating the date on which the Compensation Committee approved the stock

option grants, and typically refer to an attached Schedule A. The Schedule A was intended to be a separate document listing the names of the grantees and the number of shares subject to each option.

27. For much of the relevant period, Monster's Human Resources Department ("HR") tracked its option grants through an electronic database known as "Transcentive." To enter a stock option grant into Transcentive, HR was required to input the optionee's name, social security or other identification number, the number of shares, exercise price and vesting schedule of the relevant option. Without all of this information, Transcentive would not accept the entry. Once HR input an option grant entry into Transcentive, key fields such as Grant Date, Option Price and Total Shares per Grant for a particular grant could not be modified without complete deletion of the entry and the inputting of a new entry with the amended data.

28. HR would typically enter information about particular Broad-Based Grants and One-Off Grants into the Transcentive system after it had all of the necessary information for the grants.

29. As will be described below, based on his involvement in the option grant process, Olesnyckyj knew, or was reckless in not knowing, that the UWCs were false because the "as of" dates did not represent the true option grant dates. Olesnyckyj knew, or was reckless in not knowing, that the Compensation Committee had not authorized the option grants on the "as of" dates. In fact, Monster frequently did not even determine who would receive options and what their allocations would be until long after the UWCs' "as of" dates, and accordingly, there is no way the Compensation Committee could have authorized the grants until a much later date.

30. Additionally, Olesnyckyj was among those responsible for maintaining the option grant documentation, including UWCs and Schedule As.

31. To help conceal the backdating scheme, Olesnycky sometimes discarded certain records reflecting the actual option grant process.

32. For example, in the event that the Compensation Committee was provided a UWC with a Schedule A attached, Olesnycky would sometimes not put the Schedule A in the minute book, but rather would destroy the schedule, at least in part to conceal the backdating fraud from Monster's outside auditors.

Monster's Backdated Broad-Based Grants

33. With regard to Broad-Based Grants, before any approval by the Compensation Committee, a senior officer of Monster chose, or directed someone to choose, the grant date and/or exercise price based upon a recent low closing price for Monster's stock.

34. A senior officer then determined the number of options to be granted to senior management and the number of options to be allocated to each division at Monster.

35. For most Broad-Based Grants, HR then circulated memoranda to each of Monster's various divisions that contained the exercise price, and set a deadline for the divisions to allocate the options amongst their employees and provide their options allocations to HR.

36. Once HR received the allocations from the divisions, Olesnycky or HR would complete the documentation for the grants, which often had a purported grant date from months earlier.

37. For example, the Compensation Committee purportedly approved a Broad-Based Grant pursuant to a UWC, with a Schedule A attached, dated "as of" December 9, 1998 at the closing price of \$26.875. This was the lowest closing price for Monster stock from December 1, 1998 through the end of April 1999.

38. A meeting took place on January 15, 1999 during which the CEO stated that he wanted to grant options at an exercise price of \$25. Subsequent to this meeting, a Monster employee chose the December 9 closing price of \$26.875, the closest closing price to \$25 since December 1, as the grant date and exercise price.

39. On February 26, 1999, HR distributed a memorandum throughout Monster announcing the exercise price for the grant and apprising division heads of the method to allocate options amongst employees. The memorandum stated that the allocations of these options were due back to HR by March 12, 1999.

40. Monster did not complete the list of individuals who would receive options, and what their allocations would be until after March 12, 1999. Accordingly, the Compensation Committee could not have approved these option grants until after March 12, 1999.

41. In its public filings, Monster did not disclose that it was granting in-the-money options through the Broad-Based Grant process. Monster also did not generally take a compensation expense for the in-the-money options it was granting through the Broad-Based Grant process.

Monster's Backdated or Unauthorized One-Off Grants

42. The internal process at Monster was different with respect to One-Off Grants. In the late 1990s, a senior officer would notify Olesnyckyj of the terms of One-Off Grants, including the purported grant date and/or exercise price of the grant. Olesnyckyj would then obtain the list of option grantee(s) from either the same senior officer, another senior officer or HR. After that, Olesnyckyj would send the UWCs and (sometimes) Schedule As to the Compensation Committee for signature.

43. In late 1999, primary responsibility for options paperwork was transferred from Olesnyckyj to HR. HR created forms to be used for approval of One-Off Grants. In order to have a One-Off Grant approved, an officer or an employee would fill out an approval form with the name of the proposed grantee(s), the specific number of options proposed for each grantee, and a proposed grant date and exercise price. The relevant division head would then sign the approval form and forward the form to the CEO, or beginning in November 2001, the President/COO (or others), for signature. Once the senior officer signed the form, it was forwarded to HR for processing. Nothing was sent to the Compensation Committee for approval until after the CEO or President/COO signed the form.

44. With respect to the vast majority of One-Off Grants, the purported grant dates precede the date on which the Compensation Committee approved the grants by days, weeks and even months.

45. Monster did not disclose that it was granting in-the-money options through the One-Off Grant process. Monster also generally did not take a compensation expense for the in-the-money options it was granting through the One-Off Grant process.

46. More specifically, Monster's practice with regard to most new hires was to grant options at the lowest price within a certain time period following the employee's start date. Monster would accomplish this by looking back at Monster's stock price during that period and choosing the date with the lowest closing price without obtaining Compensation Committee approval on the purported grant date.

47. Olesnyckyj expressly told at least one attorney in Monster's legal department that his options would be granted at the lowest stock price in the 30 days following his start date.

This attorney, as well as other in-house attorneys at Monster, received low exercise prices for options they received in connection with their hiring.

48. Olesnyckyj understood that backdating options so that the exercise price coincided with a low stock price required the company to recognize a compensation expense. In a September 2, 1999 email, Olesnyckyj instructed HR, in connection with a discussion of option grants in new hire offer letters, that "No written document should ever state lowest price over next 30 days! The auditorw [sic] will view that as backdating options and we'll have a charge to earning in the amount of the difference between price on day 30 and any lower price which is used."

49. There were many One-Off Grants from late 1996 through April 2003. The vast majority of these grants were backdated, and the Compensation Committee did not approve the option grants on the purported grant date.

50. For example, there was a One-Off Grant that the Compensation Committee purportedly approved "as of" October 2, 2001, and had an exercise price of \$27.24, the lowest stock price for the quarter.

51. On October 19, 2001, however, the Executive Search division of Monster proposed that Monster use in-the-money options instead of cash for bonuses due to employees in that division for the fourth quarter of 2001. Senior management, including Olesnyckyj, then discussed this proposal until at least November 2, 2001, and agreed to grant in-the-money options instead of cash bonuses. Monster granted the executive search employees these options as part of the purported October 2, 2001 grant. There could not, however, have been Compensation Committee approval for this grant until after November 2, 2001.

52. In addition, there was a One-Off Grant that the Compensation Committee purportedly approved “as of” November 1, 2001, with an exercise price of \$27.50, the lowest stock price in the last two months of 2001.

53. In late December 2001 or January 2002, however, Monster granted options to an executive search recruiter to whom the company owed money. Monster granted the executive recruiter 82,000 options “as of” November 1, 2001, and the majority of the options vested as of December 1, 2001. Olesnyckyj explained Monster’s plan to grant these backdated options to a member of Monster’s finance department. On December 19, 2001, the finance department employee sent an email to Monster’s controller that stated he could not approve the accounting treatment (no compensation expense) for a grant of a large number of options to an executive search recruiter with a grant date of November 1, 2001 because Monster “would at least be exposed for such a significant grant being backdated with terms which essentially allow the consultant to get money as committed to by the division through the open market without recording correct acctg. on TMP books.” This email was forwarded to Olesnyckyj on January 7, 2002. Despite these concerns, Monster granted the options to the executive recruiter without taking a compensation expense. Further, on approximately January 31, 2002, Olesnyckyj drafted an internal memorandum about the grant to this recruiter which stated that the Compensation Committee granted the options on November 1, 2001 “at fair market value on the grant date (\$27.50),” despite being aware that this grant was backdated.

54. In some instances, HR never sent any approval documentation to the Compensation Committee for option grants. For example, in many instances, if HR received a signed approval form for a One-Off Grant and a grant for that date already existed in the Transcentive database, the new grant would be added into Transcentive but nothing would be

sent to the Compensation Committee to approve the additional grants on that grant date.

Because Olesnycky sometimes discarded Schedule As and was aware of a number of instances in which Schedule As were never created, he knew there was no record of the particular options that had been granted through a UWC on the previous date.

Olesnycky Benefited From the Scheme

55. Olesnycky received backdated option grants on at least six separate occasions, including options granted “as of” January 6, 1997, December 12, 1997, December 9, 1998, December 1, 1999, April 4, 2001 and November 1, 2001.

56. Olesnycky has exercised and sold options from the January 6, 1997, December 12, 1997, December 9, 1998 and April 4, 2001 grants.

57. Additionally, by agreeing to participate in the backdating scheme, despite understanding that the backdating practice was improper, Olesnycky ingratiated himself to others at Monster, thereby securing and improving his position at the Company.

Monster’s Materially False and Misleading Forms 10-K, 10-Q and 8-K

58. Although his role in preparing and reviewing the filings varied, Olesnycky participated in preparing and/or reviewing various current reports on Forms 8-K, quarterly reports on Forms 10-Q, and annual reports on Forms 10-K filed by Monster for the years 1997 through 2005.

59. Each of Monster’s Forms 10-K for fiscal years 1997 through 2005, and each of Monster’s Forms 10-Q during the same period, materially understated Monster’s compensation expenses and materially overstated the Company’s net income because Monster failed to expense the in-the-money portion of its stock option grants during that period as APB 25 requires.

60. From approximately 1997 through 2001, Monster's Forms 10-K falsely stated that it "accounts for its stock option awards under the intrinsic value based method of accounting prescribed by Accounting Principles Board Opinion No. 25, 'Accounting for Stock Issued to Employees.' Under the intrinsic value based method, compensation cost is the excess, if any, of the quoted market price of the stock at grant date or other measurement date over the amount an employee must pay to acquire the stock."

61. In addition, in its Forms 10-K for the years 1997 through 2000, Monster falsely stated that "Under APB 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized."

62. From 2002 through 2005, Monster's Forms 10-K falsely stated that "The Company's financial statements are presented in accordance with the Accounting Principles Board's Opinion No. 25, Accounting for Stock Issued to Employees. Under APB No. 25, generally, no compensation expense is recognized in connection with the awarding of stock option grants to employees provided that, as of the grant date, all terms associated with the award are fixed and the quoted market price of the stock is equal to or less than the amount an employee must pay to acquire the stock as defined. As the Company only issues fixed term stock option grants at or above the quoted market price on the date of the grant, there is no compensation expense recognized in the accompanying combined financial statements."

63. Further, in 1997 and 1998, Monster's Forms 10-K outlined the grant details, including the purported date, for each of the option grants those years. That information was false.

64. Monster did not present its financial statements in accordance with APB 25 because Monster did not take compensation expense for the in-the-money options it granted. In fact, Monster's restatement of its financial statements disclosed that Monster's compensation expense was understated by approximately \$339.5 million pre-tax, \$272 million after tax, during the period 1997 through 2005.

65. The backdated options caused Monster's aggregate net income, as reported in its Forms 10-K, to be overstated. For example, Monster's Form 10-K for 2001 reported that Monster's net income was \$69,020,000. After Monster took the appropriate compensation expense, however, the Company's net income dropped to \$3,439,000, as reported in the restatement. Consequently, Monster's net income for 2001 was overstated by over 1900%.

66. From 1997 through 2005, Monster's Forms 10-Q were also misleading because, among other things, the financial statements do not reflect the correct compensation expense for backdated options.

67. In addition, Monster's Forms 8-K containing financial statements during the relevant period are misleading because the financial statements, among other things, do not reflect the correct compensation expense for backdated options.

68. Olesnyckyj knew, or was reckless in not knowing, that these public filings were materially false and misleading.

Monster's Materially False and Misleading Proxy Statements

69. Monster sent shareholders proxy statements in connection with its annual shareholder meetings during the period 1997 through 2003.

70. Olesnyckyj prepared and/or reviewed portions of the proxy statements for the years 1997 through 2003, and, as Secretary by Order of the Board of Directors, reviewed and signed the proxy statements for years 2001 through 2003.

71. The Monster proxy statements that were sent to shareholders in connection with the annual shareholders' meeting included discussions about: (i) the election of directors, and (ii) the approval and adoption of Monster's stock option plans and amendments thereto.

72. The proxy statements filed from 1997 through 2003 falsely represented in the "Executive Compensation" section that options had been granted to Monster's top executives in previous years on particular dates when those dates were not, in fact, the dates that the Compensation Committee approved the grant. These proxy statements also failed to disclose that the option grants were in-the-money at the time of the grants.

73. In the proxy statements, shareholders were asked to approve amendments to the 1996 Plan and the adoption of the 1999 LTIP, both of which gave the Compensation Committee sole and absolute discretion to determine the identity of option grantees and the size and terms of option grants. In asking shareholders to approve plans with those provisions, the proxy statements failed to inform shareholders that Olesnyckyj and others routinely backdated grants and processed other grants without ever seeking Compensation Committee approval.

74. Further, Monster's proxy statement filed May 14, 1999 stated that the Compensation Committee adopted the 1999 LTIP on December 9, 1998 and that the 1999 LTIP authorized 15 million shares. The Compensation Committee, however, did not take any such action on December 9, 1998.

75. Olesnyckyj knew, or was reckless in not knowing, that there were materially false and misleading statements in these proxy statements.

Monster's Materially False and Misleading Registration Statements

76. Between December 1996 and April 2003, a number of Monster's registration statements became effective including a Form S-1 effective in September 1997, a Form S-4 effective in July 1999, a Form S-3 effective in January 2000 and various Forms S-8.

77. These registration statements incorporated by reference materially false and misleading financial statements, as well as materially false and misleading disclosures, from Monster's Forms 10-K, 10-Q and 8-K, and proxy statements.

78. Olesnyckyj knew, or was reckless in not knowing, that there were materially false and misleading statements in these registration statements.

Olesnyckyj's Materially False and Misleading Statements to Monster's Auditors

79. Olesnyckyj misled Monster's outside auditors in an attempt to hide the backdating scheme by providing documentation to them that misrepresented the grant date of the stock option awards.

80. For example, Olesnyckyj knew that Monster provided UWCs and Schedule As purportedly authorizing the grants of options "as of" a particular date to the auditors as evidence of the actual grant dates. Olesnyckyj knew, however, that the Compensation Committee had not authorized the option grants on those dates.

81. Further, beginning in 2002, Olesnyckyj signed management representation letters in connection with the annual audits of Monster that he knew, or was reckless in not knowing, contained false and misleading statements. Olesnyckyj represented that the financial statements were presented in conformity with GAAP, despite his knowledge that Monster did not take the correct compensation expense for the in-the-money options the Company granted. He also

falsely represented that there had been no fraud involving management or employees who have significant roles in internal controls.

Monster's Books and Records and Accounting Controls

82. By virtue of Olesnyckyj's misconduct, Monster's books and records falsely and inaccurately reflected, among other things, the dates of option grants, the identity of certain persons to whom option grants were being made, the Company's stock-based compensation expenses, and the Company's financial condition.

83. For example, Olesnyckyj prepared UWCs and Schedule As that contained false option grant dates.

84. Additionally, as General Counsel, Olesnyckyj helped devise and/or maintain Monster's system of internal accounting controls for the Company's stock option practices, such as the UWCs.

85. Olesnyckyj failed to maintain this system of controls by, among other things, backdating the UWCs and discarding Schedule As that reflected option grantees.

CLAIMS FOR RELIEF

**COUNT ONE
(Violations of Section 17(a) of the Securities Act)**

86. The Commission realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 85 above.

87. Defendant Olesnyckyj, directly or indirectly, knowingly, recklessly, or negligently, in the offer or sale of Monster securities, by use of the means or instruments of transportation or communication in interstate commerce, or by use of the mails: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or 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; or
(c) engaged in transactions, practices or courses of business which operated or would have
operated as a fraud or deceit upon purchasers of Monster securities.

88. By engaging in the conduct alleged above, defendant Olesnyckyj violated Section
17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT TWO
(Violations of Section 10(b) of the Exchange Act
and Rule 10b-5 Thereunder)

89. The Commission realleges and incorporates by reference each and every
allegation contained in Paragraphs 1 through 88 above.

90. Defendant Olesnyckyj, directly or indirectly, by use of the means or instruments
of interstate commerce, or of the mails, or of a facility of a national securities exchange,
knowingly or recklessly: (a) employed devices, schemes, or artifices to defraud; (b) made untrue
statements of a material fact or omitted to state a material fact, necessary in order to make the
statements made, in light of the circumstances under which they were made, not misleading; or
(c) engaged in acts, transactions, practices, or courses of business which operated or would
operate as a fraud or deceit upon any person, in connection with the purchase or sale of
securities.

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

COUNT THREE
(Violations of Section 14(a) of the Exchange Act and Rule 14a-9 Thereunder)

92. The Commission realleges and incorporates by reference each and every
allegation contained in Paragraphs 1 through 91 above.

93. Defendant Olesnyckyj, by the use of the mails or by any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, knowingly, recklessly or negligently, solicited by means of a proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing statements which, at the time and in light of the circumstances under which they were made, were false and misleading with respect to material facts, or omitted to state material facts necessary in order to make the statements therein not false or misleading or necessary to correct statements in earlier communications with respect to the solicitation of the proxy for the same meeting or subject matter which was false or misleading.

94. By engaging in the conduct alleged above, defendant Olesnyckyj violated Section 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Rule 14a-9 [17 C.F.R. § 240.14a-9] thereunder.

COUNT FOUR

(In the Alternative, Aiding and Abetting Monster's Violations of Sections 10(b) and 14(a) of the Exchange Act and Rules 10b-5 and 14a-9 Thereunder)

95. The Commission realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 94 above.

96. Monster violated Sections 10(b) and 14(a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78n(a)] and Rules 10b-5 and 14a-9 [17 C.F.R. §§ 240.10b-5 and 240.14a-9] thereunder.

97. By engaging in the conduct alleged above, defendant Olesnyckyj knowingly provided substantial assistance to Monster in its violations of Sections 10(b) and 14(a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78n(a)] and Rules 10b-5 and 14a-9 [17 C.F.R. §§ 240.10b-5 and 240.14a-9] thereunder.

98. By engaging in the conduct alleged above, defendant Olesnyckyj aided and abetted Monster's violations of Sections 10(b) and 14(a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78n(a)] and Rules 10b-5 and 14a-9 [17 C.F.R. §§ 240.10b-5 and 240.14a-9] thereunder.

COUNT FIVE
(Violations of Section 13(b)(5) of the Exchange Act and Rule 13b2-1 Thereunder)

99. The Commission realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 98 above.

100. Defendant Olesnyckyj knowingly circumvented a system of internal accounting controls and/or knowingly falsified books, records or accounts.

101. Defendant Olesnyckyj, directly or indirectly, falsified or caused to be falsified books, records or accounts subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

102. By engaging in the conduct alleged above, defendant Olesnyckyj violated Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rule 13b2-1 [17 C.F.R. § 240.13b2-1] thereunder.

COUNT SIX
(Violations of Exchange Act Rule 13b2-2)

103. The Commission realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 102 above.

104. Defendant Olesnyckyj, directly or indirectly, (i) made, or caused to be made, materially false or misleading statements or (ii) omitted to state, or caused others to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, to an accountant in connection with an audit, review or

examination of financial statements or the preparation or filing of a document or report required to be filed with the Commission.

105. By engaging in the conduct alleged above, defendant Olesnyckyj violated Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2].

COUNT SEVEN

(Aiding and Abetting Monster's Violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 Thereunder)

106. The Commission realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 105 above.

107. Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and Rules 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.13a-1, 240.13a-11 and 240.13a-13] thereunder, require issuers of registered securities to file with the Commission factually accurate annual, quarterly and current reports. Rule 12b-20 [17 C.F.R. § 240.12b-12] further provides that, in addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they were made not misleading.

108. Monster violated Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder.

109. By engaging in the conduct alleged above, defendant Olesnyckyj knowingly provided substantial assistance to Monster in its violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder.

110. By engaging in the conduct alleged above, defendant Olesnyckyj aided and abetted Monster's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder.

COUNT EIGHT
(Aiding and Abetting Monster's
Violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act)

111. The Commission realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 110 above.

112. Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] requires issuers to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of its assets. Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] requires issuers to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions were recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain the accountability of assets.

113. Monster violated Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

114. By engaging in the conduct alleged above, defendant Olesnyckyj knowingly provided substantial assistance to Monster in its violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

115. By engaging in the conduct alleged above, defendant Olesnyckyj aided and abetted Monster's violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

RELIEF SOUGHT

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

I.

Permanently restraining and enjoining defendant Olesnyckyj from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Sections 10(b), 13(b)(5) and 14(a) of the Exchange Act [15 U.S.C. §§ 78j(b), 78m(b)(5) and 78n(a)] and Rules 10b-5, 13b2-1, 13b2-2 and 14a-9 [17 C.F.R. §§ 240.10b-5, 240.13b2-1, 240.13b2-2 and 240.14a-9] thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(a), 78m(b)(2)(A), and 78m(b)(2)(B)], and Rules 12b-20, 13a-1, 13a-11, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13] thereunder.

II.

Ordering defendant Olesnyckyj to disgorge, with prejudgment interest, all ill-gotten gains, compensation, and benefits (whether realized, unrealized or received) by virtue of the conduct alleged herein.

III.

Ordering defendant Olesnyckyj to pay civil money penalties pursuant to Section 20(a) of the Securities Act [15 U.S.C. § 77t(a)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

IV.

Prohibiting defendant Olesnyckyj from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. §

