

11. Defendant Pictet is a Swiss financial institution that has an account at Schroder, account number W 39-3001524. The brokerage materials show an address of Case Postale 436, 1211 Geneva 11, Switzerland.

12. Defendant Giovanni Piacitelli, age 42, is an Italian national with residences in Rome, Italy, and Lugano, Switzerland. He is a broker for Schroder in its Geneva and Genolier offices in Switzerland. He traded for himself and is the broker for defendants Euro Security Fund, Coim, and Pictet. Piacitelli participated in the decisions to make the Elsag transactions set forth herein in consultation with, among others, defendants Marelo of Euro Security Fund and Marotta of Coim. However, the order tickets that were prepared by defendant Piacitelli or under his supervision reflect that the trades were unsolicited, *i.e.*, the trades were initiated by Piacitelli's clients, Euro Security Fund, Coim, and Pictet.

13. Defendant Pierre Bottinelli, age 57, is a Swiss-based broker at Schroder and is defendant Piacitelli's supervisor. He has a brokerage account at Banque Cantonale Vaudoise with an address of Place St Francois 14, 1002 Lausanne, Switzerland.

14. Defendant Ron Slegers was a vice president for corporate staff taxes for ABB in Zurich, Switzerland and assisted in the preparation of ABB's tender offer for Elsag. While working on ABB's tender offer for Elsag, and before the October 14, 1998 public announcement, he purchased Elsag securities.

15. Defendant International Structures Consulting is a corporation owned and controlled by Slegers. It is organized and has a mailing address in The Netherlands.

16. Defendant Urs Heller was an employee of ABB in its finance/treasury department in Switzerland.

17. Defendant Mrs. Urs Heller, is married to defendant Urs Heller and bought 20 Elsag call options in late September while Urs Heller worked on ABB's tender offer for Elsag, prior to the public announcement on October 14.

18. Defendant Meindert Panagiotis ("Pan") Hakkert is an account manager at Elsag and resides in The Netherlands.

19. Defendant Franck Hakkert, age 37, resides in Amsterdam, The Netherlands. He is the brother of defendant Pan Hakkert. Franck Hakkert and De Boer, who together bought 110 of the 125 Nov 22.5 calls traded on October 13, are neighbors. Defendant C. J. Broekema is Franck Hakkert's stepfather.

20. Defendant H.J.M. De Boer, age 50, is defendant Franck Hakkert's neighbor in Amsterdam.

21. Defendant C.J. Broekema, age 78, resides in Amsterdam and is defendant Franck Hakkert's stepfather. Broekema bought 2,500 shares of Elsag stock for almost \$50,000 the day before the public announcement.

22. Defendant E.H. van Geenen resides in Amsterdam. He bought 6 Elsag calls the day before the public announcement.

23. Defendant Hendrik Marinus Bouwmeester is a sales engineer for Elsag in The Netherlands.

24. Defendant Hans P. Romanesko is a former Elsag employee who resides in The Netherlands. Defendants Pan Hakkert, Bouwmeester, and Romanesko bought 3 calls each on October 13, 1998, the day before the public announcement, through defendant Van Geenen's account.

agreement with ABB to tender all of its holdings in Elsag to ABB. The duties of trust and confidentiality of Finmeccanica, IRI, and their respective officers, directors, employees, and agents, (including but not limited to Alberto Lina), as to the events leading up to ABB's tender offer for Elsag, are the same as Elsag's, as set forth below.

30. ABB's headquarters are in Zurich, Switzerland. It is reportedly the world's largest electrical-engineering company, providing power generation, transmission, and distribution; automation; oil, gas, and petrochemicals; industrial products and contracting; financial services; and rail transportation worldwide.

31. On May 28, 1998, Elsag publicly announced that its controlling shareholders, including Finmeccanica, had decided to sell their Elsag stock.

32. On June 4, 1998, Elsag announced that it was launching a process to seek offers for the purchase of the entire company, including Finmeccanica's holdings. Merrill Lynch International was appointed as financial advisor to assist Elsag's Supervisory Board in the sale process, which was to begin immediately. In the June 4 announcement, Elsag cautioned that, "[u]ntil a definitive agreement with a potential purchaser, there can be no assurance as to whether a sale will in fact be consummated or as to what form any transaction, if concluded, might take."

33. As part of this process, Elsag's Board appointed a three-member Transaction Advisory Committee to give advice to the Board and keep it informed as to the sale process. Elsag considered information about the sale process to be highly confidential. One of the reasons Elsag's Board appointed this Committee was to limit the number of people to whom confidential information about the sale process was disclosed. In addition, Merrill Lynch International solicited

We have been very pleased with the extent and level of interest shown so far by many parties. These parties span a range of strategic and financial interests and geographic regions. Our Board and a core management team are focused on effectively pursuing the sale process.

39. Elsag required that all initial bids for the purchase of the company be made by August 7, 1998. On August 7, 1998, ABB delivered to Merrill Lynch International an initial bid expressing ABB's interest in acquiring all Elsag shares subject to, among other things, a detailed due diligence review of Elsag. Merrill Lynch International assessed the initial bids and recommended to Elsag's Board that certain of the initial bidders be invited to participate in the second phase of the sale process (the "Remaining Bidders"). On or about August 12, 1998, the Board approved Merrill Lynch International's recommendation.

40. On August 13, 1998, ABB received a letter from Merrill Lynch International inviting ABB to participate in the next phase of the sale process, including management presentations and due diligence. On August 12 or 13, 1998, defendant Slegers was informed about the potential transaction, then called "Project Latino." Around this time, ABB informed the accounting firm Ernst & Young of a possible tender offer for Elsag.

41. On August 17, 1998, defendant Slegers of ABB attended a "kick-off" meeting in Zurich for the anticipated due diligence process.

42. On August 28, 1998, defendant Coim opened an account at Schroder through defendant Piacitelli.

43. Beginning on or about August 31, 1998, Elsag's management made presentations to the Remaining Bidders in London. On September 1, 1998, Elsag's management made a presentation to ABB in London.

Alberto and Serenella Lina through Banca Privata and Euro Security Fund accounted for 29% of the Eltag stock volume on the NYSE on October 12.

74. On October 13, 1998, negotiations between ABB and Eltag continued in London, and a final price was determined on that day.

75. On October 13, 1998, the day before the subject public announcement, defendant Euro Security Fund bought 55,000 Eltag shares through defendant Piacitelli for just over \$1 million; defendant Coim bought 50,000 Eltag shares through defendant Piacitelli for \$996,875; and defendant Pictet bought 5,000 Eltag shares through defendant Piacitelli for its own account for \$99,375.

76. On the same day, Piacitelli also purchased 10,000 shares of Eltag in his personal account at a cost of almost \$200,000. Rather than purchasing these shares in an account at Schroder in Switzerland, defendant Piacitelli secretly effected this purchase for himself in account number W 39-3998281 in the name of Banco Del Gottardo. The brokerage materials show an address for this account of 6 Ave Marie Therese, L-2032 Luxembourg. Piacitelli did not disclose his interest in this account to Schroder despite Schroder's policy requiring him to do so. On October 13, 1998, defendant Piacitelli had a conversation with Schroder's New York floor trader named Mario regarding Eltag stock during which Piacitelli told Mario to "buy some for yourself ... don't do anything for 15 days ... we never talked about it ... or else we won't make it."

77. Also on October 13, 1998, defendant Bottinelli (defendant Piacitelli's supervisor) bought 5,000 shares of Eltag for over \$98,000 for himself.

78. All of the defendants' purchases of Eltag stock on October 13 accounted for 41% of the volume for Eltag stock on the NYSE on that day.

Date	Defendant	Quantity & Security	Gross Cost	Profit
		75 Nov 22.5 calls	\$22,500.00	\$76,875.00
10/8/98	Euro Security Fund	32,300 shares	\$659,100.88	\$503,699.12
	Coim	11,000 shares	\$224,618.50	\$171,381.50
	unknown purchasers through ABN Amro	8,000 shares	\$165,000.00	\$123,000
10/9/98	Euro Security Fund	90,000 shares	\$1,831,590.00	\$1,408,410.00
	Coim	40,000 shares	\$815,908.00	\$624,092.00
	unknown purchasers through ABN Amro	5,000 shares	\$103,000.00	\$77,000.00
10/12/98	Euro Security Fund	75,000 shares	\$1,509,060.00	\$1,190,940.00
	Alberto and Serenella Lina	9,700 shares	\$196,425.00	\$152,775.00
10/13/98	Euro Security Fund	55,000 shares	\$1,083,179.50	\$896,820.50
	Coim	50,000 shares	\$996,875.00	\$803,125.00
	Pictet & Cie	5,000 shares	\$99,375.00	\$80,625.00
	Giovanni Piacitelli	10,000 shares	\$195,625.00	\$164,375.00
	Pierre Botinneli	5,000 shares	\$98,062.50	\$81,937.50
	Pan Hakkert	3 Nov 22.5 calls	\$712.50	\$3,236.00 ³
	F. Hakkert	20 Nov 22.5 calls	\$4,750.00	\$21,572.00
	H.J.M. De Boer	90 Nov 22.5 calls	\$21,375.00	\$97,075.00
	E.H. van Geenen	6 Nov 22.5 calls	\$1,425.00	\$6,472.50
	Bouwmeester	3 Nov 22.5 calls	\$712.50	\$3,236.00
	Romanesko	3 Nov 22.5 calls	\$712.50	\$3,236.00
	C.J. Broekema	2,500 shares	\$49,843.75	\$40,156.25
TOTAL			\$9,325,389.13	\$7,495,455.14

³ The profits for the purchases by defendants Pan Hakkert, Franck Hakkert, De Boer, Van Geenen, Bouwmeester, and Romanesko, were calculated using an average cost per options contract of \$237.50 and an average profit per contract of \$1,078.62.

(v) ordering defendants to pay civil penalties under Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

(vi) granting such other relief as this Court may deem just and appropriate.

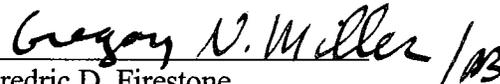
Dated: July 25, 2007.

Respectfully submitted,



Robert B. Blackburn (RB 1545)

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