

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA  
PITTSBURGH DIVISION

SECURITIES AND EXCHANGE	)	
COMMISSION,	)	
	)	
Plaintiff,	)	Electronically Filed
	)	
v.	)	Case No: 2:08-cv-01361-AJS
	)	
JOSEPH J. QUERI JR., JR.,	)	Judge Arthur J. Schwab
GARY M. GOSSON,	)	
GARY L. CAMP,	)	
MICHAEL A. SANTARO,	)	
JOSEPH A. FEDERICO,	)	
PHILIP J. SIMAO,	)	
MARK J. COSTELLO, and	)	
ALAN J. JOHNSTON,	)	
	)	
Defendants.	)	

**COMPLAINT**

Plaintiff, Securities and Exchange Commission (“Commission”), alleges the following:

**SUMMARY**

1. This is an insider trading case. Defendant Joseph J. Queri Jr., the Senior Vice President of Real Estate at Dick’s Sporting Goods, Inc., misappropriated material, nonpublic information from his company about its plans to acquire Galyan’s Trading Company, Inc. On or about June 13, 2004, Queri Jr. tipped his close friend, defendant Gary M. Gosson, about the acquisition. Gosson then tipped his friends, defendants Gary L. Camp, Michael A. Santaro, Joseph A. Federico, Philip J. Simao, Mark J. Costello, and Alan J. Johnston, who all bought shares of Galyan’s stock. Johnston, in turn, tipped family members and friends, who also bought shares. Gosson gave Camp money to buy shares of Galyan’s stock through Camp’s brokerage account.

2. One week later, on June 21, 2004, Dick's publicly announced its intention to acquire Galyan's for \$16.75 per share in cash via a tender offer. The day after the announcement, Galyan's stock closed at \$16.68, a 50% increase from the previous day's closing price of \$11.10. Defendant Gosson and his friends sold their shares of Galyan's stock after the public announcement, collectively profiting \$274,614.76. Defendants Santaro and Federico shared part of their profits with Gosson.

3. Defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston, directly and indirectly, engaged in and, unless enjoined, will continue to engage in transactions, acts, practices, and courses of business which violate Sections 10(b) and 14(e) of the Securities and Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5 and 240.14e-3].

4. The Commission brings this action pursuant to Sections 21(d), 21(e) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78u-1] seeking a permanent injunction, disgorgement of trading profits, plus prejudgment interest, and civil penalties.

### **JURISDICTION AND VENUE**

5. This Court has jurisdiction pursuant to Sections 21 and 27 of the Exchange Act [15 U.S.C. §§ 78u and 78aa].

6. Defendants, directly and indirectly, have made use of the: (1) means and instruments of transportation and communication in interstate commerce; (2) means and instrumentalities of interstate commerce; (3) mails; or (4) the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged herein within the jurisdiction of this Court and elsewhere.

## DEFENDANTS

7. **Joseph J. Queri Jr.**, age 50, is a resident of Pittsburgh, Pennsylvania. From December 1992, through January 2005, he was employed by Dick's. In 2004, he was the company's Senior Vice President of Real Estate. At all relevant times, he and Gosson were close friends.

8. **Gary M. Gosson**, age 51, is a resident of Syracuse, New York. He owns Parish Industrial and Wood Floors, Inc. ("Parish"), a flooring company, and Reinman Properties, LLC and Reinman Realty, LLC ("Reinman Realty"), purported real estate companies. At all relevant times, he was friends with Defendants Camp, Santaro, Federico, Simao, Costello and Johnston.

9. **Gary L. Camp**, age 65, is a resident of Manlius, New York. He is a retired insurance salesman.

10. **Michael A. Santaro**, age 48, is a resident of Syracuse, New York. He is a real estate developer.

11. **Joseph A. Federico**, age 55, is a resident of Syracuse, New York. He owns Federico's Auto Body.

12. **Philip J. Simao**, age 45, is a resident of Alexandria Bay, New York. He is the owner and managing member of several companies, including Toped Development LLC, a real estate development company.

13. **Mark J. Costello**, age 52, is a resident of Cincinnati, Ohio. He is a Business Development Manager at an advertising company.

14. **Alan J. Johnston**, age 46, is a resident of Syracuse, New York. He is an accountant employed by Johnston's Tax Service. Gosson is one of Johnston's clients.

## **RELEVANT ENTITIES**

15. Galyan's Trading Company, Inc., was an Indiana corporation based in Plainfield, Indiana. It was a sporting goods retailer. Its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act [15 U.S.C. §78l(g)] until approximately July 30, 2004, and was traded on the NASDAQ National Market System.

16. Dick's Sporting Goods, Inc., is a Delaware corporation based in Pittsburgh, Pennsylvania. It is a sporting goods retailer. Its common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act [15 U.S.C. §78l(b)] and is traded on the New York Stock Exchange.

## **QUERI JR. KNEW MATERIAL, NONPUBLIC INFORMATION ABOUT HIS COMPANY'S PLANS TO ACQUIRE GALYAN'S**

17. On or about April 1, 2004, representatives from Dick's contacted the majority shareholder of Galyan's about potentially acquiring Galyan's. Defendant Queri Jr. knew that Dick's was seeking to acquire Galyan's. In April of 2004, the CEO of Dick's took Queri Jr. and his staff to an off-site location to discuss the logistics of the potential acquisition. During that meeting, Queri Jr. and his staff were told that information about the proposed acquisition was confidential.

18. By April 26, 2004, Dick's had sent Galyan's drafts of a merger agreement, a shareholder tender agreement, a confidentiality agreement and a written request seeking additional information. At a senior staff meeting in late April or early May, Queri Jr. learned that Dick's had signed a confidentiality agreement with Galyan's.

19. By May 14, 2004, representatives of Dick's and Galyan's had discussed the proposed merger agreement and shareholder tender agreement, and the Galyan's board had

authorized an investment banker to discuss with Dick's, among other things, the price per share Dick's would pay in the proposed acquisition.

20. From May 27 through June 21, 2004, representatives of Dick's and Galyan's negotiated the merger and shareholder tender agreements and a purchase price.

21. Queri Jr. learned about the negotiations by talking almost daily with other senior managers and by attending weekly senior staff meetings. By early June 2004, Queri Jr. concluded that the proposed acquisition was going to occur because the negotiations were proceeding without setbacks.

22. During the period from June 11 through June 15, 2004, Galyan's, Dick's and their respective counsel discussed occupancy costs and restrictions on the use of Galyan's stores. Dick's also formally engaged an investment banker.

23. On June 21, 2004, the Galyan's board agreed to accept the Dick's proposal to purchase Galyan's for \$16.75 per share in cash. That day, after the close of trading, Dick's announced that it had entered into a definitive agreement and plan of merger to acquire all of the issued and outstanding stock of Galyan's for \$16.75 per share in cash. Dick's also announced that the acquisition was structured as a cash tender offer and that it expected to commence the tender offer for Galyan's shares on June 28, 2004.

24. On June 22, 2004, the day after the announcement, Galyan's stock closed at \$16.68, a 50.3% increase from the previous day's closing price of \$11.10. During the three weeks prior to the announcement, Galyan's stock closed at prices ranging from \$10.81 to \$11.16 per share.

25. At all relevant times, defendant Queri Jr. understood that he was subject to the insider trading policy at Dick's, which generally prohibited him from disclosing material,

nonpublic information about potential mergers or acquisitions to outsiders. Senior managers specifically instructed him on at least two occasions that information about the proposed acquisition of Galyan's by Dick's was confidential.

**QUERI JR. DISCLOSED MATERIAL, NONPUBLIC  
INFORMATION ABOUT THE ACQUISITION TO GOSSON**

26. Defendant Queri Jr. has known defendant Gosson for about twenty-five years, having grown up with him in Syracuse, New York. At all relevant times, they were close friends who spoke regularly by telephone and visited one another. At various times, Queri Jr. also gave Gosson business opportunities.

27. During 2004, Queri Jr. and Gosson were engaged in a scheme to secretly obtain a share of commission payments on Dick's' real estate transactions. Queri Jr. periodically retained real estate brokers to help Dick's acquire space for new stores through purchase or lease transactions. Queri Jr. instructed certain brokers to give a portion of the commissions they earned on successful transactions to Gosson's firm, Reinman Realty. Gosson kept a small share of the money and passed along the rest to Queri Jr.. Dick's did not authorize this arrangement and was not aware that Queri Jr. was receiving a share of commission payments on the company's real estate transactions.

28. In May and June 2004, Queri Jr. spoke with Gosson frequently by telephone. On Sunday evening, June 13, Queri Jr. called Gosson and spoke to him for 18 minutes. During that conversation or others, Queri Jr. disclosed to Gosson material, nonpublic information about his company's plans to acquire Galyan's.

29. Queri Jr. breached his duty of trust and confidence to Dick's and its shareholders by disclosing material, nonpublic information to Gosson. As set forth more fully below, Gosson traded on the information and tipped his friends, who traded.

30. During an initial investigation by the Financial Industry Regulatory Authority (“FINRA”), Queri Jr. falsely stated that he did not receive any information about the content or progress of the negotiations until the night before the acquisition was publicly announced and that he did not disclose any information about the acquisition to anyone outside of Dick’s.

**GOSSON AND HIS FRIENDS**  
**IMPROPERLY TRADED SHARES OF GALYAN’S STOCK**

31. Defendant Gosson tipped his friends and traded on the material, nonpublic information about the acquisition that he received from defendant Queri Jr., even though he knew or should have known that Queri Jr. had misappropriated that information in breach of his fiduciary duty to his employer.

32. On Monday, June 14, the day after Gosson’s 18-minute conversation with Queri Jr., Gosson called defendants Camp, Johnston, Costello, Santaro, Federico, and Simao, who immediately began buying shares of Galyan’s stock. Gosson also gave Camp \$53,000 in cash and checks to purchase shares of Galyan’s stock through Camp’s brokerage account. As set forth more fully below, there is a strong connection between the telephone calls and the trading and all of the defendants’ trading was out of the ordinary. None of the defendants had previously owned or traded shares of Galyan’s stock.

33. During the Commission’s investigation, Gosson falsely stated that he did not know anything about the acquisition before it was publicly announced. One of his friends, who did not trade, admitted that Gosson told him that Dick’s was going to buy Galyan’s.

34. Gosson, Camp, Santaro, Federico, Simao and Costello sold their shares of Galyan’s stock the day after Dick’s publicly announced the tender offer. Johnston sold his stock later. They collectively profited \$274,614.76. Federico and Santaro shared their trading profits with Gosson.

35. The following chart summarizes the improper trading:

Tippee	Purchase Date	# of Shares Bought	Purchase Price per share	Total Purchase Price	Sale Date	Sale Price per Share	Profit
Camp	Mon, June 14 Tues, June 15 Mon, June 21	12,500 10,000 5,000	\$10.75 \$11.17 \$10.80	302,889.92	June 22	\$16.71 and \$16.72	\$153,437.21
Santaro	Mon, June 14	7,000	\$11.20	\$78,827.76	June 22	\$16.70	\$37,564.25
Federico	Mon, June 14	4,600	\$10.80	\$49,695.00	June 22	\$16.71	\$27,026.20
Simao (via Toped Development LLC)	Mon, June 14	2,500	\$11.10 and \$11.11	\$28,029.00	June 22	\$16.67	\$13,390.02
Costello	Mon, June 14	1,750	\$11.19	\$19,589.50	June 22	\$16.65	\$9,540.31
Johnston	Mon, June 14	4,749	\$11.01 to \$11.18	\$53,042.27	July 27	\$16.75	\$26,503.48
Johnston family member 1	Mon, June 14	4,438	\$11.19	\$49,985.67	July 27	\$16.75	\$24,350.83
Johnston family member 2	Mon, June 14	405 274	\$10.98 \$10.98	\$4,475.40 \$3,037.02	July 27 July 27	\$16.75 \$16.75	\$2,308.35 \$1,552.48
Johnston family member 3	Thurs, June 17	200	\$10.76	\$2,197.25	June 29	\$16.70	\$1,142.75
Johnston friend 1	Thurs, June 17	2,800	\$10.79	\$30,235.95	June 22	\$16.66	\$16,387.00

**A. Gary Camp**

36. Defendants Camp and Gosson are friends and have known each other for over twenty years. They originally met while playing golf in Syracuse.

37. At all relevant times, Camp knew that Gosson was friends with Queri Jr. and that Queri Jr. had a connection to Dick's.

38. Gosson spoke to Camp on the telephone and in person during the week prior to the June 21, 2004 public announcement of the acquisition. During those conversations, Gosson

disclosed material, nonpublic information about the acquisition to Camp. Camp knew or should have known that this information had been provided in breach of a fiduciary duty to Dick's.

Specifically:

- a. On Monday morning, June 14, Gosson called Camp at 8:19 am. After a series of additional telephone conversations, Camp bought 12,500 shares of Galyan's stock.
  - b. On Tuesday, June 15, Gosson met Camp for lunch. During lunch, Camp called his broker from Gosson's cell phone and bought 10,000 more shares of Galyan's stock.
  - c. On Monday morning, June 21, after another telephone call with Gosson, Camp bought 5,000 more shares of Galyan's stock.
39. Gosson gave Camp a total of \$53,000 in cash and checks to cover Camp's purchase of 5,000 shares of Galyan's stock.
40. In total, Camp bought \$302,889.92 worth of Galyan's stock. Camp bought shares of Galyan's on margin, which means that he borrowed money from his brokerage firm to make the purchases. From January 2002 until his purchases of Galyan's stock in June 2004, Camp had only executed three stock transactions – three sales in June 2002.
41. On Tuesday, June 22, the day after the public announcement, Camp sold his shares of Galyan's stock for a total profit of \$153,437.21. After Camp sold the stock, he gave Gosson \$77,645 in cash and checks, representing Gosson's \$53,000 investment and \$24,645 in trading profits.

**B. Michael Santaro**

42. Defendants Santaro and Gosson are friends. Gosson has done flooring work at Santaro's businesses and at his home, and he has gone to Florida with Santaro to play golf.

43. At all relevant times, Santaro knew Queri Jr. He also knew that Gosson was friends with Queri Jr. and that Queri Jr. had a connection to Dick's.

44. On Monday morning, June 14, 2004, Gosson called Santaro at 9:03 am. Shortly after a series of additional telephone conversations with Gosson, Santaro spent \$78,827.76 to buy shares of Galyan's stock. During the telephone calls, Gosson disclosed material, nonpublic information about the acquisition to Santaro. Santaro knew or should have known that this information had been provided in breach of a fiduciary duty to Dick's.

45. In 2004, prior to his trading in Galyan's stock, Santaro had only executed one stock transaction in his non-managed brokerage accounts.

46. On June 22, Santaro sold his shares and profited \$37,564.25. Santaro wrote a check to Gosson dated June 23 for \$18,782.12, representing half of the trading profits.

**C. Joseph Federico**

47. Defendants Federico and Gosson are friends who play golf together. Gosson also has done some flooring work for Federico.

48. Federico has known Queri Jr. for over twenty years. At all relevant times, he knew that Gosson was friends with Queri Jr. and that Queri Jr. had a connection to Dick's.

49. On Monday, June 14, 2004, Gosson spoke to Federico on the telephone several times. During those conversations or others, Gosson disclosed material, nonpublic information about the acquisition to Federico. Federico knew or should have known that the information had been provided in breach of a fiduciary duty to Dick's.

50. On June 14, after speaking with Gosson, Federico spent \$49,695.00 to buy shares of Galyan's stock.

51. In 2004, prior to his trading in Galyan's stock, Federico did not execute any stock transactions in his brokerage accounts.

52. On June 22, Federico sold his Galyan's stock and profited \$27,026.20. Federico wrote a \$6,300 check to Gosson's company, Parish, dated June 29, and a \$3,700 check to Gosson personally, dated July 23.

**D. Philip Simao**

53. Defendant Simao has known defendant Gosson for many years and considers him an acquaintance. Gosson has performed flooring work for Simao's businesses.

54. At all relevant times, Simao knew Queri Jr. He also knew that Gosson and Queri Jr. were close friends.

55. On Monday, June 14, 2004, Gosson spoke to Simao twice on the telephone. During those conversations, Gosson disclosed material, nonpublic information about the acquisition to Simao. Simao knew or should have known that the information had been provided in breach of a fiduciary duty to Dick's. Immediately after his second conversation with Gosson, Simao, through his company, Toped Development LLC, spent \$28,029.00 to buy shares of Galyan's stock:

June 14, 2004 calls:

2:07 pm (ET): Gosson called Simao and spoke to him for about 2 minutes

2:37 pm: Simao called Gosson back and spoke to him for about 4 minutes

2:41 pm: Simao called his broker and bought Galyan's stock

56. Simao's purchase of Galyan's stock was one of the only approximately ten stock transactions that he has executed in his lifetime.

57. On June 22, Simao sold his Galyan's stock and profited \$13,390.02.

**E. Mark Costello**

58. Defendants Costello and Gosson have been friends since college, and only speak occasionally.

59. On June 14, 2004, Costello opened a brokerage account and spent \$19,589.50 to buy Galyan's stock. Before Costello placed this order, Gosson called him eight times. The first call was at 8:44 am (ET) on June 14, 2004. The last call was at 3:13 pm, less than 20 minutes before Costello placed his order. During those conversations, Gosson disclosed material, nonpublic information about the acquisition to Costello. Costello knew or should have known that the information had been provided in breach of a fiduciary duty to Dick's.

60. On June 22, Costello sold his Galyan's stock and profited \$9,540.31.

**F. Johnston Traded and Tipped His Family and Friends**

61. At all relevant times, defendants Johnston and Gosson were friends. Johnston also has prepared Gosson's taxes for many years.

62. On Sunday evening, June 13, 2004, Gosson called Johnston's home phone twice after speaking with Queri Jr. The following morning, June 14, Gosson and Johnston spoke several more times on the telephone. During those conversations, Gosson disclosed material, nonpublic information about the acquisition to Johnston. Johnston knew or should have known that the information had been provided in breach of a fiduciary duty to Dick's. Johnston then began buying shares of Galyan's stock in his Roth IRA account and in a personal trading account:

Calls between Gosson and Johnston on June 14:

8:29 am (ET): Gosson called Johnston and spoke to him for about 5 minutes  
8:34 am: Johnston called his broker  
8:42-9:53 am: 12 calls among Gosson, Johnston and Johnston's broker  
9:53 am: Johnston began buying Galyan's stock  
10:13 am: Gosson called Johnston and spoke to him for about 2 minutes

10:24 am: Johnston called his broker and spoke to him for about 3 minutes  
10:30 am: Johnston's broker called Johnston and spoke to him for about 2 minutes  
11:01 am: Gosson called Johnston and spoke to him for about 2 minutes  
12:48 pm: Johnston began buying more Galyan's stock

63. Johnston spent a total of \$53,042.27 to buy shares of Galyan's stock. In order to buy the stock, Johnston sold everything in his brokerage accounts and deposited \$10,000 into one of his accounts.

64. Before June 2004, Johnston had "very limited" investment experience, bought stocks infrequently, and only occasionally sold one stock to purchase another.

65. On July 27, Johnston tendered his shares of Galyan's stock and profited \$26,503.48.

66. As set forth more fully below, defendant Johnston also tipped four of his family members and friends - Johnston Family Members 1-3 and Johnston Friend 1, who bought shares of Galyan's stock. Johnston knew or should have known that he was disclosing information that had been obtained in breach of a fiduciary duty.

67. During the Commission's investigation, Johnston falsely stated that he did not really know anyone with Johnston Friend 1's name. There are 30 telephone calls between Johnston and Johnston Friend 1 between June 6, and June 22, 2004. Johnston Friend 1 stated that he knows Johnston well and that they speak frequently on the telephone. Johnston and Johnston Friend 1 spoke on the telephone on the two days before Johnston Friend 1 bought Galyan's stock.

68. Johnston falsely stated that he did not tell anyone about a potential acquisition. Johnston Family Member 2 stated that Johnston told him that he received a reliable tip that Galyan's was potentially going to be bought.

**1. Johnston Family Member 1**

69. On June 14, 2004, Johnston Family Member 1, who works with Johnston, spent \$49,985.67 to buy shares of Galyan's stock. He bought his stock several hours after defendant Johnston's purchases.

70. Prior to this purchase, defendant Johnston disclosed material, nonpublic information about the acquisition to Johnston Family Member 1.

71. On July 27, Johnston Family Member 1 tendered his Galyan's stock and profited \$24,350.83.

## **2. Johnston Family Member 2**

72. On June 14, 2004, after defendant Johnston placed his order to buy Galyan's stock, Johnston Family Member 2 bought 405 shares of Galyan's stock. That day, Johnston Family Member 2's wife also bought 274 shares of Galyan's stock.

73. Prior to these purchases, defendant Johnston disclosed material, nonpublic information about the tender offer to Johnston Family Member 2, including that he had received a reliable stock tip from Gosson that Galyan's was a possible buyout candidate. Johnston Family Member 2 then told his wife that he had received a stock tip, asked her if she wanted to buy any Galyan's shares, and she said yes.

74. On July 27, Johnston Family Member 2 tendered his stock and profited \$2,308.35 and his wife tendered her stock and profited \$1,552.48.

## **3. Johnston Family Member 3**

75. On June 17, 2004, Johnston Family Member 3, bought 200 shares of Galyan's.

76. Prior to this purchase, defendant Johnston disclosed material, nonpublic information about the tender offer to Johnston Family Member 3. Johnston also told Johnston

Family Member 3 that one of his friends told him that Galyan's' stock price was going to increase in the short term.

77. On June 29, Johnston Family Member 3 sold her stock and profited \$1,142.75.

**4. Johnston Friend 1**

78. Johnston Friend 1 knows defendant Johnston very well and they speak frequently on the telephone.

79. On June 17, 2004, Johnston Friend 1 spent \$30,235.95 to buy 2,800 shares of Galyan's. In 2004, prior to his trading in Galyan's, Johnston Friend 1 did not execute any stock transactions.

80. In the two days before his Galyan's purchase, Johnston Friend 1 called defendant Johnston's home five times. During these conversations, Johnston disclosed material, nonpublic information about the tender offer to Johnston Friend 1.

81. On June 22, Johnston Friend 1 sold his stock and profited \$16,387.

**CLAIM ONE**

**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**

82. Paragraphs 1 through 81 are realleged and incorporated by reference as though fully set forth herein.

83. During the relevant time period, defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston, in connection with the purchase and sale of Galyan's

securities, namely common stock, by use of the means and instrumentalities of interstate commerce and of the mails, directly and indirectly: employed devices, schemes and artifices to defraud; made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated as a fraud and deceit upon purchasers and sellers of such securities.

84. The defendants acted with scienter when they engaged in the conduct alleged above.

85. As a result of the activities described above, defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston 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.

## **CLAIM TWO**

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

86. Paragraphs 1 through 81 are realleged and incorporated by reference as though fully set forth herein.

87. After Dick's had taken a substantial step or steps to commence a tender offer for Galyan's stock, defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, and Johnston, purchased or caused to be purchased Galyan's stock, while in possession of material information

relating to such tender offer that they knew or had reason to know was nonpublic and knew or had reason to know had been acquired directly or indirectly from the offering company, Dick's, or an officer, director, partner, employee or other person acting on behalf of Dick's.

88. As a result of the activities described above, defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder.

### **RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that the Court:

(a) find that defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston 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;

(b) find that defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder;

(c) permanently enjoin defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston from violating 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 and Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder;

(d) order defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston to pay to the Commission disgorgement of their ill-gotten gains and their tippees' ill-gotten gains resulting from the illegal trading alleged herein plus prejudgment interest;

(e) order defendants Queri Jr., Gosson, Camp, Santaro, Federico, Simao, Costello, and Johnston to pay civil penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

(f) retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and

decrees that may be entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court; and order such other relief as the Court may deem appropriate.

Respectfully submitted,

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