

Counsel of Record:
Daniel M. Hawke
Elaine C. Greenberg
G. Jeffrey Boujoukos
Mary P. Hansen
Lisa G. Blackburn
Philadelphia Regional Office
701 Market Street, Suite 2000
Philadelphia, PA 19106
Telephone: (215) 597-3100
Facsimile: (215) 597-2740

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	Case No. 11-CV-2958
v.	:	
	:	COMPLAINT FOR
ABRAHAM HAIM,	:	VIOLATIONS OF THE
	:	FEDERAL SECURITIES
Defendant.	:	LAWS
	:	

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission”), 701 Market Street, Suite 2000, Philadelphia, Pennsylvania 19106, alleges as follows against defendant, Abraham Haim (“Haim”), whose last known address is 60 Hedgerow Lane, Manalapan, New Jersey 07726:

SUMMARY

1. This case involves unlawful insider trading by Haim in the securities of five companies from at least April 2006 through March 2007 (the “relevant time period”). Haim surreptitiously acquired material nonpublic information from a family member (“the Relative”) who by virtue of his employment with an investment bank had material nonpublic information regarding the companies’ involvement in merger and acquisition transactions.

2. Haim and the Relative shared a relationship of trust and confidence and Haim knew that the Relative owed a duty of confidentiality to his employer and his employer's clients. Despite knowing that the Relative could not, and did not, share material nonpublic information with Haim, Haim misappropriated such information from the Relative and used it for his own benefit.

3. During the relevant time period, Haim acquired material nonpublic information relating to merger and acquisitions involving Intergraph Corporation ("INGR"), Metasolv Inc. ("MSLV"), Aeroflex Incorporated ("ARXX"), Open Solutions Inc. ("OPEN") and MapInfo Corporation ("MAPS"). Based on the material nonpublic information gained from the Relative, Haim unlawfully traded in the securities of INGR, ARXX, OPEN, MSLV and MAPS prior to public merger announcements involving those companies. As a result of his illegal trading, Haim realized actual profits of \$30,126.

4. By knowingly or recklessly engaging in the conduct described in this Complaint, Defendant Haim violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

JURISDICTION AND VENUE

5. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1]. The Commission seeks a permanent injunction against the defendant, enjoining him from engaging in the acts, practices and courses of business alleged in this Complaint, disgorgement of all profits realized, prejudgment interest, civil money penalties and such other and further relief as the Court may deem just and appropriate.

6. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), 21A and 27 of the Exchange Act [15 U.S.C. 78u(d), 78u(e), 78u-1 and 78aa]. Haim, directly or indirectly, used the mails and instrumentalities of transportation or communication in interstate commerce, or of the mails, or the facilities of a national securities exchange.

7. Venue in this district is proper under Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, and courses of business constituting the violations alleged herein occurred within the District of New Jersey and elsewhere.

DEFENDANT

8. Abraham Haim, age 61, a United States citizen who resides in Manalapan, New Jersey, has a last known place of residence of 60 Hedgerow Lane, Manalapan, New Jersey 07726, and is a self-employed technology consultant who has worked in the technology industry for 35 years.

OTHER RELEVANT INDIVIDUAL AND ENTITIES

9. Relative is an investment banker with an international investment bank and resides in New Jersey.

10. Intergraph Corporation (“Intergraph”) was a Delaware corporation with its principal place of business in Huntsville, Alabama. Intergraph was a global provider of spatial information software. Its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was quoted on the Nasdaq under the symbol “INGR.” On August 31, 2006, Intergraph announced that it had signed an agreement to be acquired by an investor group led by Hellman & Friedman LLC and Texas Pacific Group whereby its stockholders would receive \$44 in cash for their shares, a 22% premium over its average closing share price for the last twenty trading days.

11. Metasolv, Inc. (“Metasolv”) was a Delaware corporation with its principal place of business in Plano, Texas. Metasolv was a company that designed, developed, and marketed software solutions for communications service providers. Its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and quoted on the Nasdaq under the symbol “MSLV.” On October 23, 2006, Metasolv announced that Oracle Corporation had agreed to acquire it through a cash merger for \$4.10 per share, a 23.5 % premium over the closing price on October 20, 2006, the previous trading day.

12. Open Solutions Inc. (“Open Solutions”) was a Delaware corporation with its principal place of business in Glastonbury, Connecticut. Open Solutions was a software and service provider to financial institutions. Its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and quoted on the Nasdaq under the symbol “OPEN.” On October 16, 2006, Open Solutions announced that they had agreed to be acquired by The Carlyle Group and Providence Equity Partners whereby The Carlyle Group and Providence Equity Partners would acquire all of Open Solutions’ outstanding shares of common stock for \$38 per share, an approximately 32% premium over the average closing price of Open Solutions’ stock for the last thirty trading days.

13. Aeroflex Incorporated (“Aeroflex”) is a Delaware corporation with its principal place of business in Plainview, New York. Aeroflex was a designer and supplier of microelectronics for the broadband, aerospace and defense markets. Its common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and quoted on Nasdaq under the symbol “ARXX.” On March 2, 2007, Aeroflex announced that it had entered into an agreement to be acquired by General Atlantic LLC and Francisco Partners in a

transaction through which its stockholders would receive \$13.50 in cash, a 22.6% premium over the closing share price on March 2, 2007.

14. MapInfo Corporation (“MapInfo”) was a Delaware corporation with its principal place of business in Troy, New York. MapInfo was a global provider of location intelligence solutions. Its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and quoted on Nasdaq under the symbol “MAPS.” On March 15, 2007, Pitney Bowes announced that it had entered into a merger agreement to acquire MapInfo and that it would commence a tender offer at a price of \$20.25 per share in cash, an increase of \$6.79, or approximately 51.4% from the prior day’s close.

FACTS

Haim Misappropriated Material Nonpublic Information About Five Companies From the Relative

15. During the relevant time period, the Relative worked as an investment banker for an international investment bank. The Relative provided advice on financings involving public companies for various purposes, including mergers and acquisitions. Haim knew that the Relative worked as an investment banker and knew that the Relative received material nonpublic information about public companies involved in mergers and acquisitions.

16. Haim regularly visited the Relative’s home. By virtue of the configuration of the Relative’s home, Haim often was present in a living area that was adjacent to the Relative’s home office.

17. Unbeknownst to the Relative, on multiple occasions, while the Relative participated in work-related teleconference calls from his home office or other private area, Haim surreptitiously listened to the Relative’s conversations. During those telephone conversations,

the Relative frequently discussed material nonpublic information regarding confidential mergers and acquisitions involving public companies.

18. In addition, also unbeknownst to the Relative, Haim read confidential documents he found in the Relative's home office that contained material nonpublic information regarding confidential mergers and acquisitions involving public companies.

Haim Traded on the Basis of Material Nonpublic Information he Misappropriated from the Relative

19. On at least five occasions during the relevant time period, Haim purchased shares of common stock in companies after surreptitiously obtaining material nonpublic information from the Relative.

20. In May 2006, the Relative was assigned to work on a potential acquisition relating to Intergraph. In the course of working on the acquisition, the Relative obtained material nonpublic information. Prior to August 29, 2006, Haim surreptitiously listened to a private telephone conversation during which the Relative spoke about material nonpublic information relating to the acquisition. Based on the material nonpublic information he misappropriated, on August 29, 2006, Haim purchased 220 shares of Intergraph in his brokerage account at \$35.90 per share. Prior to this time, Haim had never purchased Intergraph securities.

21. On August 31, 2006, Intergraph announced that it would be acquired for \$44 per share, a 22% premium over Intergraph's average closing share price for the last twenty trading days. On September 1, 2006, the share price of Intergraph's common stock increased \$6.54, or 17%, to \$43.90 per share on trading volume of 3,790,732 shares, compared to a daily average volume of 312,115 over the prior 6 months. On September 1, 2006, Haim sold all of his Intergraph shares for \$43.73 per share and profited by \$1,682.

22. Prior to May 2006, the Relative was assigned to work on a potential acquisition involving Metasolv. In the course of working on the acquisition, the Relative obtained material nonpublic information. Prior to May 2, 2006, while at the Relative's home, Haim surreptitiously listened to a private telephone conversation during which the Relative discussed material nonpublic information relating to the acquisition. Based on the material nonpublic information he misappropriated, on May 2, 2006, Haim purchased 2000 shares of Metasolv at \$3.10 per share in his brokerage account and on May 30, 2006, he purchased 1600 shares of Metasolv at \$3.04 per share. Prior to May 2, 2006, Haim had never purchased Metasolv securities.

23. On October 23, 2006, Metasolv announced that it would be acquired by Oracle for \$4.10 per share, which was an increase of \$0.78 over the prior day's closing price of \$3.32. On October 23, 2006, the share price of Metasolv's common stock closed at \$4.01, an increase of \$0.69, or 20%, on volume of 5,568,681 shares, compared to a daily average volume of 119,845 over the prior 6 months. On October 23, 2006, Haim sold his 3600 shares for \$4.01 per share and profited by \$3,339.

24. During May and June 2006, the Relative was assigned to work on a potential acquisition involving Open Solutions. In the course of working on the acquisition, the Relative obtained material nonpublic information about the acquisition. Prior to May 18, 2006, Haim, while at the Relative's house, surreptitiously listened to a private telephone conversation during which the Relative discussed material nonpublic information about the acquisition. Based on material nonpublic information he misappropriated, on May 18, 2006, Haim purchased 170 shares of Open Solutions in his brokerage account at \$27.35 per share. Prior to May 18, 2006, Haim had never purchased Open Solutions' securities.

25. On October 16, 2006, Open Solutions announced that it had entered an agreement to be acquired by the Carlyle Group and Providence Equity Partners at a price of \$38 per share, which represented an approximately 32% premium over the last thirty days' share price. On October 16, 2006, the share price of Open Solutions' common stock closed at \$37.56, an increase of \$7.28, approximately 24%, from the prior day's closing price on volume of approximately 12 million shares, compared to a daily average volume of 207,638 shares over the prior 6 months. On October 16, 2006, Haim sold all of his Open Solutions shares for \$37.19 per share and profited by \$1,651.

26. Between February 2006 and March 2007, the Relative worked on an acquisition involving Aeroflex. In the course of working on the acquisition, the Relative obtained material nonpublic information. Prior to April 10, 2006, Haim, while in the Relative's house, saw a confidential document in the Relative's home office that contained material nonpublic information relating to Aeroflex. Based on the material nonpublic information he misappropriated, on April 10, 2006, Haim purchased 850 shares of Aeroflex in his brokerage account for \$12.73 per share. On May 11, 2006, Haim sold the 850 shares for \$13.99 per share and profited by \$1,031.

27. Haim continued to access material nonpublic information regarding Aeroflex possessed by the Relative after April 2006. Based on the material nonpublic information that he misappropriated, on January 5, 2007, Haim purchased 390 shares of Aeroflex in his brokerage account for \$11.92 per share and purchased 525 shares in his brokerage account for \$11.91 per share and on January 11, 2007, he purchased 310 shares of Aeroflex in his brokerage account for \$11.61 per share and purchased 675 shares in his brokerage account for \$11.60 per share. On Friday, March 2, 2007, at 6:58 p.m., Aeroflex announced that it would be acquired by General

Atlantic Partners and Francisco Partners for \$13.50 per share. Prior to April 10, 2006, Haim had never purchased Aeroflex securities.

28. On Monday, March 5, 2007, the share price of Aeroflex's common stock increased by \$2.05, or 18%, to close at \$13.06, on volume of 11,139,069 shares, compared to a daily average volume of 479,724 shares over the prior 6 months. On March 5, 2007, Haim sold all of his shares of Aeroflex and profited \$1,652. In total, he profited by \$3,604 on his Aeroflex trades.

29. In February 2007, the Relative was assigned to work on an acquisition involving MapInfo. In the course of working on the acquisition, the Relative obtained material nonpublic information. Shortly before February 16, 2007, and unbeknownst to the Relative, Haim saw a confidential document that contained material nonpublic information about MapInfo. On February 16, 2007, based on material nonpublic information he misappropriated, Haim purchased 500 shares of MapInfo in his brokerage account at \$13.43 per share. On March 5, 2007, Haim purchased 625 shares of MapInfo in his brokerage account at \$13.34 per share. On March 12, 2007, Haim purchased 500 shares in his brokerage account at \$13.48 per share; purchased 710 shares in his brokerage account at \$13.38 per share, and purchased 265 shares at \$13.37 in another relative's account over which he had trading authority. Prior to February 16, 2007, Haim had never purchased MapInfo securities.

30. On March 15, 2007, Pitney Bowes announced that it had agreed to acquire MapInfo for \$20.25 per share. On March 15, 2007, the share price of MapInfo's common stock closed at \$20 per share, an increase of \$6.79, or approximately 51.4% from the prior day's close, on volume of 6,769,353 shares, compared to a daily average volume of 207,638 shares over the

prior 6 months. On March 15, 2007, after the announcement, Haim sold all of the MapInfo shares in all accounts for a total profit of \$19,850.

31. In all of the foregoing instances, the confidential information that Haim took from the Relative was material, concerning significant potential mergers or acquisitions. A reasonable investor would have viewed this information as being important to his or her investment decision or a significant alteration of the total mix of information made available to the public. Haim knew, or was reckless in not knowing, that the information he misappropriated from the Relative was material and nonpublic.

Haim Breached His Duty of Trust and Confidence to the Relative

32. At all relevant times, Haim and the Relative had a relationship that created a duty of trust and confidence between them.

33. During the relevant time, the Relative owed a duty of confidentiality to his employer and its clients. The Relative did not share material nonpublic information with Haim. Haim recognized the efforts that the Relative took to protect the confidentiality of information relating to his work, which included working outside the presence of others in his home office, taking work-related calls away from others, and not leaving documents in plain sight.

34. By trading in the securities of companies that Haim learned about while surreptitiously listening to the Relative's private work conversations and seeing the Relative's work papers, Haim misappropriated the information and knowingly or recklessly breached his duty of trust and confidence to the Relative to maintain the confidentiality of information within his home.

35. Haim knew, or was reckless in not knowing, that he had a duty to refrain from trading on the basis of material, nonpublic information.

CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder

36. The Commission realleges and reincorporates by reference each and every allegation in paragraphs 1 through 35, inclusive, as if there were fully set forth herein.

37. From April 2006 through March 2007, Defendant Haim by engaging in the conduct described above, knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by use of the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

- (a) employed devices, schemes or artifices to defraud;
- (b) made untrue statements of material facts 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; and/or
- (c) engaged in acts, 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 any security.

38. By engaging in the foregoing conduct, Defendant Haim violated, and unless enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10-b5 [17 C.F.R. § 240.10b-5], thereunder.

PRAYER FOR RELIEF

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

I.

Permanently restraining and enjoining Defendant Haim 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;

II.

Ordering Defendant Haim to disgorge the unlawful trading profits derived from the activities set forth in this Complaint, together with prejudgment interest thereon;

III.

Imposing civil penalties on Defendant Haim pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

IV.

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

Respectfully submitted,

Mary P. Hansen
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
Mellon Independence Center
701 Market Street, Suite 2000
Philadelphia, PA 19106
Telephone: (215) 597-3100
Facsimile: (215) 597-2740
hansenm@sec.gov

Of Counsel:
Daniel M. Hawke
Elaine C. Greenberg
G. Jeffrey Boujoukos
Lisa G. Blackburn

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