



negotiations and owed the corporation a duty to protect the confidentiality of the information he learned during board meetings.

3. Defendant Andrade breached this duty by providing material, non-public information concerning the potential acquisition of Bancorp RI to his friends and business partners, defendants Kielbasa, Goldwyn, and Rampino—each of whom knew that Andrade was a member of Bancorp RI's board of directors and that Andrade had no legitimate business purpose for providing them this material, non-public information.

4. After receiving this material, non-public information from Andrade, defendants Kielbasa, Goldwyn, and Rampino traded on it by purchasing Bancorp RI stock in advance of the public announcement of the company's acquisition. In this way, defendants Kielbasa, Goldwyn, and Rampino reaped the unfair advantage of buying on material, non-public inside information prior to the acquisition's announcement to the general public and the resultant price increase.

5. On the day that the merger of Bancorp RI and Brookline Bancorp was announced, and after the markets had a full trading day to incorporate that news, the closing price of Bancorp RI's shares was \$44 per share. Based on that \$44 share price, defendants Kielbasa, Goldwyn, Rampino and Andrade unjustly gained over \$80,000 when they, directly or indirectly, purchased Bancorp RI shares based on material non-public information.

6. By knowingly or recklessly engaging in the conduct described in this Complaint, defendants Andrade, Kielbasa, Goldwyn, and Rampino violated 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.

7. The Commission seeks an injunction against future violations, disgorgement of illicit profits, prejudgment interest thereon, and a civil penalty.

8. The Commission further seeks entry of an order barring Andrade from serving as an officer or director of a public company.

### **JURISDICTION AND VENUE**

9. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d), 78u-1].

10. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331, and Sections 21(d), 21(e), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78u-1, and 78aa]. The Defendants have directly or indirectly made use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the acts, practices, transactions, and courses of business alleged in this Complaint.

11. Venue in this district is proper under 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act [15 U.S.C. § 78aa] because acts, practices, transactions and courses of business constituting the alleged securities law violation(s) occurred in substantial part within this district and because defendant Kielbasa resides, and defendants Andrade and Rampino transact business, in this district.

### **DEFENDANTS**

12. Anthony Andrade, age 67, is a resident of Rehoboth, Massachusetts. He was a member of the Bancorp RI board of directors for approximately fourteen years until the bank was acquired in January 2012. Andrade owns multiple commercial printing businesses in Rhode Island, one of which he co-owns with defendant Fred Goldwyn. Andrade is also an active property investor. In his real estate investing activities, he has worked closely with defendants Kielbasa (a fellow real estate investor) and Rampino (a real estate attorney). Moreover, through

Andrade's business relationships with Goldwyn, Kielbasa, and Rampino, he has become personal friends with each of them.

13. Fred Goldwyn, age 60, is a resident of Wilmington, Delaware. Goldwyn has known Andrade for over 25 years. They met when Goldwyn, then a printing machine salesperson, called on one of Andrade's commercial printing businesses. In 2003, Goldwyn and Andrade co-founded a printing equipment sales business called Advanced Print Technologies, LLC (APT), which they continued to operate together through the relevant time period of this complaint.

14. Robert Kielbasa, age 59, is a resident of Portsmouth, Rhode Island. Kielbasa is a real estate investor. Kielbasa has known Andrade for over a decade. The two met in approximately 2000 when they jointly invested in a business property in Portsmouth, Rhode Island. Since that first investment in 2000, Kielbasa and Andrade have bought, sold, and/or managed real estate investments together in Rhode Island and Florida. Through this real estate investing partnership, the two have become close friends.

15. Kenneth Rampino, age 69, is a resident of Seekonk, Massachusetts. Rampino is a Rhode Island real estate attorney. He has known Andrade for over twenty years. Rampino met Andrade while performing legal services on a real estate investment made by Andrade and has continued to do this type of work for Andrade over the years. Through their working relationship, the two have also become friends.

#### **RELEVANT ENTITIES**

16. Bancorp Rhode Island, Inc. was a Rhode Island-based commercial bank. Prior to being acquired by Brookline Bancorp, Inc., Bancorp RI stock was registered with the Commission and traded on the NASDAQ exchange under the symbol BARI.

17. Brookline Bancorp, Inc. is a Massachusetts-based commercial bank. Brookline Bancorp's stock is registered with the Commission and trades on the NASDAQ exchange under the symbol BRKL.

**FACTUAL ALLEGATIONS**

18. On February 22, 2011, the Bancorp RI board of directors held a regularly scheduled meeting in Providence, Rhode Island, at which Defendant Andrade was physically present. During this meeting, the board received a presentation from the company's financial adviser, Jefferies & Company ("Jefferies"), concerning potential strategic directions for the company. Strategic directions discussed as part of the meeting included remaining an independent financial institution, acquiring a smaller financial institution, merging with a similarly sized institution, and a sale of the company. Jefferies advised the Bancorp RI board that the merger and acquisition market had recently rebounded, making the acquisition market, particularly in the Northeast, more competitive with a number of financially healthy potential acquirers and targets. Jefferies further advised that, while the company could remain independent and increase its stock value over time, the number of suitable buyers would likely decrease over time. With regard to a potential sale of the company, the Bancorp RI board and Jefferies discussed potential acquirers, with particular focus on four financial institutions that were viewed as the most likely to have both a strong strategic interest in Bancorp RI and the ability to make an attractive proposal in the event that the Bancorp RI board determined to pursue a sale of the company.

19. Approximately two weeks later, on March 7, 2011, the Bancorp RI board held a special meeting in Providence, Rhode Island for the purpose of considering the company's strategic options that had been discussed with Jefferies at the February 2011 meeting. Defendant

Andrade participated in this meeting by telephone. At the meeting, Bancorp RI's Chief Executive Officer ("CEO") addressed the issues raised by the Jefferies presentation, including the prospects for creating additional shareholder value as an independent company, whether Bancorp RI had the scale to produce earnings growth in light of recent increased regulatory costs, the limited number of acquisition targets and the fierce competition in the acquisition market, and the shrinking universe of financially healthy potential acquirers. The CEO then reviewed potential acquirers and their perceived strengths and weaknesses. In addition, the CEO discussed the confidentiality of any discussion of a potential sale transaction, and the extreme damage to the company and its franchise value if it was leaked out that the board was evaluating the possibility of a sale transaction.

20. Following this presentation, the Bancorp RI board discussed authorizing Jefferies to approach a limited number of possible acquirers on a confidential basis about a potential sale of Bancorp RI. The board, including Andrade, then authorized management to explore a potential sale through a solicitation of potential acquirers. The board appointed a Special Strategic Committee ("Special Committee") to approve an engagement letter with Jefferies and to interface with management and Jefferies in the sale process. Andrade was not a member of the Special Strategic Committee.

21. A week later, on March 14, 2011, the Special Committee met to discuss the proposed solicitation process. At this meeting, the Special Committee authorized Jefferies to contact the four potential acquirers to solicit initial offers indicating what they would pay to acquire Bancorp RI. And, on March 17, 2011, in accordance with the Strategic Committee's directives, Jefferies began contacting the four potential acquirers.

22. Ten days later, on March 24, 2011, the Special Committee reconvened to discuss the initial offers generated by Jefferies' solicitations. Jefferies informed the Special Committee that three of the four companies contacted had provided initial oral offers, ranging in value from \$40 to \$48 per share, to acquire Bancorp RI. Brookline Bancorp, the eventual acquirer, proposed an acquisition with a purchase price ranging from \$44 to \$48 per share. A second company, Company A, proposed a transaction valued at \$45 per share. And a third company, Company B, proposed a transaction valued at \$40 per share. All of these initial offers were subject to a period of due diligence on Bancorp RI before a final offer of purchase. After discussing these three initial offers, the Special Committee directed Bancorp RI's CEO to call a special meeting of the full Bancorp RI board of directors to consider whether to continue exploring a potential sale of the company.

23. Four days later, on March 28, 2011, the full Bancorp RI board held another special meeting in Providence, Rhode Island for the purpose of reviewing the financial terms of the three initial offers. Defendant Andrade was physically present at this meeting.

24. During the March 28 meeting, the board focused on the two highest price offers, from Brookline Bancorp and Company A. Jefferies advised the Board that if the Board determined to proceed with a sale transaction, the board should continue negotiations with both Company A and Brookline Bancorp. Representatives from Jefferies then left the board meeting, and the board discussed the merits of proceeding with a sale transaction or remaining independent. At the conclusion of this discussion, the board authorized Bancorp RI's management and the Special Committee to proceed with negotiations with both Company A and Brookline Bancorp for a sale of Bancorp RI.

25. As of March 28, 2011, Bancorp RI's stock price traded on the NASDAQ at approximately \$31 per share, on a volume of approximately 16,800 shares traded that day. The initial offers of Company A and Brookline Bancorp represented a substantial and material premium of as much as \$17 per share or 55% above the then-current market price for Bancorp RI shares.

26. Commencing on March 29, 2011 and continuing over the next two weeks, Company A and Brookline Bancorp and their respective advisers engaged in a due diligence review of Bancorp RI's business and financial condition. During this same period, Bancorp RI and its advisers engaged in due diligence of the business and financial condition of Company A and Brookline Bancorp.

27. At the same time, between April 1 and April 7, 2011, legal counsel for the parties exchanged drafts of a definitive merger agreement for the sale of Bancorp RI.

28. On April 12, 2011, Company A and Brookline Bancorp submitted revised offers for a purchase of Bancorp RI, which Jefferies presented to the Special Committee at a meeting held on April 13, 2011. Jefferies reported to the Special Committee that Company A proposed a transaction with an implied value of \$46.97 per share, and that Brookline Bancorp had increased its proposed purchase price to \$48.25 per share to acquire Bancorp RI. Jefferies also conveyed to the Special Committee that Brookline Bancorp had expressed a desire to enter into a definitive merger agreement and announce a transaction prior to its annual stockholders meeting, which was scheduled to occur eight days later on April 20, 2011.

29. On April 14, 2011, the full Bancorp RI board met in Providence, Rhode Island to review the revised offers from Company A and Brookline Bancorp. Defendant Andrade was physically present at this meeting.

30. After a discussion of the merits of each proposal, the board determined that Brookline Bancorp's offer represented the best price and value for the company. The board then authorized Bancorp RI's management to continue negotiations with Brookline Bancorp on the terms it proposed, and directed Jefferies to inform Company A that it would not be able to proceed with any further due diligence inquiries.

31. As of April 14 2011, Bancorp RI's stock price traded on the NASDAQ at approximately \$30 per share, on a volume of approximately 1,600 shares traded that day. Brookline Bancorp's offer represented a substantial and material premium of as much as \$18 per share or 60% over the current market price for Bancorp RI stock.

32. From April 14 to April 17, 2011, Bancorp RI and Brookline Bancorp and their respective legal counsel worked to complete negotiations over the terms of the definitive merger agreement. The senior management of both companies discussed employee staffing and retention matters in the combined organization.

33. On April 18, 2011, Brookline Bancorp verbally confirmed its offer to acquire Bancorp RI for \$48.25 per share.

34. On April 19, 2011, the Bancorp RI board held a special meeting in Providence, Rhode Island to review and consider the proposed transaction with Brookline Bancorp. Defendant Andrade was physically present at this meeting. Following a discussion of the terms of the merger agreement, the board unanimously approved the agreement and voted to recommend that the Bancorp RI shareholders approve the merger agreement. The companies then executed the merger agreement.

35. As of April 19, 2011, Bancorp RI's stock price traded on the NASDAQ at approximately \$31 per share. Brookline Bancorp's confirmed offer of \$48.25 per share

represented a substantial and material premium of approximately \$17.25 per share or 56% over the current market price for Bancorp RI stock.

36. On the following day, April 20, 2011, prior to the opening of the U.S. stock markets, the merger parties issued a joint press release publicly announcing the transaction. By the end of that day, Bancorp RI common stock price had risen to close at \$44 per share, an increase of 43% over the prior day's closing price of \$30.71 per share. This price increase was driven by a spike in trading activity. By the end of the day, the volume of Bancorp RI trading reached 469,700 shares traded.

**A. Andrade's Possession of Material Non-Public Information Through Confidential Bancorp RI Board Meetings**

37. Andrade was physically present at the Bancorp RI board meetings held on March 28 and April 14, 2011.

38. During the March 28, 2011 meeting, Andrade was present for the presentation of the competing initial offers to acquire Bancorp RI for a share price as high as \$48 per share. He also participated in the board vote to authorize management and the Special Committee to proceed with negotiations with both Company A and Brookline Bancorp for a sale of Bancorp RI.

39. During the April 14 meeting, Andrade was present for the presentation of the revised competing offers from Company A and Brookline Bancorp, and learned that Brookline Bancorp wanted to enter into a definitive merger agreement and announce a transaction before its annual stockholder meeting scheduled for April 20, 2015. Andrade participated in the board's determination that the offer from Brookline Bancorp represented the best price and value for the company. Andrade further participated in the board's decision authorizing management to continue negotiations with Brookline Bancorp on the terms it proposed, and to inform Company A, through Jefferies, that it would not be able to proceed with any further due diligence inquiries.

40. Andrade knew that the merger information he received at these board meetings was material.

41. Andrade knew that the merger information he received at these board meetings was non-public.

42. Andrade knew that, as a board member, he had a duty to Bancorp RI and its shareholders to keep this material, non-public information in confidence.

**B. Andrade Tips Kielbasa**

43. In or about April 2011, Andrade tipped Kielbasa with material, non-public information concerning the potential acquisition of Bancorp RI. In making this tip, Andrade provided Kielbasa, his close friend and longtime business partner, with an illicit gift or business opportunity of confidential, material, non-public information that Kielbasa could profit upon by purchasing Bancorp RI stock in advance of the public announcement of the contemplated merger.

44. At the time Kielbasa received this tip, he knew, and had known for years, that Andrade was a member of the Bancorp RI board of directors.

45. Kielbasa further knew that Andrade had no legitimate business purpose in providing him this material, non-public information and that Andrade was breaching his fiduciary duty to Bancorp RI by tipping him with it. Kielbasa further knew that Andrade provided him the tip of material, non-public information concerning Bancorp RI's imminent merger as an illicit gift or business opportunity to profit upon.

46. The circumstances of Andrade's tip and Kielbasa's stock purchase include the following facts.

47. Andrade and Kielbasa have been friends and business partners for over a decade.

48. The two met in approximately 2000 when they jointly purchased a commercial building in Portsmouth, Rhode Island using business entities they owned and/or controlled.

From the purchase of this property through the present, Andrade and Kielbasa, operating through their business entities, have shared profits derived from leasing units in this commercial building.

49. Between 2009 and 2013, Andrade and Kielbasa have also bought and sold at least two other properties together in Rhode Island and Florida.

50. Andrade and Kielbasa have shared profits that have been generated from these real estate deals.

51. Over the years, Andrade and Kielbasa's business relationship has been close and personal, with many of their business decisions and joint real estate deals done on a handshake.

52. In approximately 2002, Andrade and Kielbasa also became co-owners of a Rhode Island paint manufacturing business that had its principal place of business located in the commercial building they had jointly purchased.

53. The operating agreement of this paint business provided that Andrade and Kielbasa would share forty nine percent of any net profits or losses from the operation of this business.

54. Before April 2011, Kielbasa had never purchased or owned Bancorp RI stock.

55. Before April 2011, Kielbasa was an infrequent trader of individual stocks. Although Kielbasa held brokerage accounts in his own name at Merrill Lynch and Fidelity, these were primarily investment adviser-managed accounts. To the limited extent that Kielbasa had previously personally directed stock trading in these accounts, he lost money.

56. On April 12, 2011, at 2:08 p.m., Kielbasa placed a two minute call to Andrade. Six minutes later, at 2:16 p.m., Kielbasa received a call from Andrade's business that lasted four minutes.

57. On April 12, 2011, at 2:21 p.m., one minute after his prior call with Andrade's business ended, Kielbasa made his first ever purchase of Bancorp RI stock by calling his investment adviser, S.H., and directing S.H. to buy 1,000 shares of Bancorp RI stock. Kielbasa told S.H. during that phone call that he had a friend who had suggested that Bancorp RI would be a good investment.

58. Before April 12, 2011, Kielbasa had never made any self-directed stock trades through S.H.

59. S.H. fulfilled the order the same day, purchasing 1,000 Bancorp RI shares for Kielbasa at an average price of \$30.24 per share, for a total cost of approximately \$30,240, in a Fidelity brokerage account owned by Kielbasa and managed by S.H.

60. After fulfilling the Bancorp RI order, S.H. sent Kielbasa a confirmation letter stating that the transaction had been made at Kielbasa's direction.

61. Kielbasa made two additional purchases of Bancorp RI stock three days later on April 15, 2011, just a day after Andrade met with the Bancorp RI board of directors on April 14 to review revised competing offers from Company A and Brookline Bancorp.

62. As with the April 12 purchase, Kielbasa made his two purchases on April 15 after talking with Andrade on the telephone.

63. On April 15, 2011, at approximately 10:35 a.m., Kielbasa placed a two-minute phone call to Andrade. At approximately 11:16 a.m., Kielbasa placed another one-minute phone call to Andrade.

64. On the morning of April 15, Kielbasa placed two more orders to buy Bancorp RI shares. This time, however, Kielbasa split his buy orders between two different brokerage accounts held in different names at different financial institutions.

65. To place the first order, Kielbasa called his investment adviser, S.H., at 12:43 p.m., and placed another unsolicited order to purchase 1,000 shares of Bancorp RI stock in his Fidelity brokerage account. S.H. fulfilled the order the same day, purchasing 1,000 Bancorp RI shares for Kielbasa at an average cost of \$30.74 per share, for a total cost of approximately \$30,744.

66. To place the second order, Kielbasa called his investment adviser at Merrill Lynch at 1:49 p.m. On this call, Kielbasa placed another unsolicited order to purchase 1,000 shares of Bancorp RI stock and directed that it be made in an account held in the name of his business, Synergy Properties, Inc. (the "Synergy Account").

67. This Synergy Account was essentially a cash account that Kielbasa used for his property management business. The Bancorp RI shares that he purchased in the Synergy Account on April 15 were the first purchases of stock Kielbasa had made in that account since it was opened in 2006.

68. On April 15, 2011, however, Kielbasa used the Synergy Account for the purpose of dispersing his purchases of Bancorp RI stock.

69. Merrill Lynch fulfilled Kielbasa's order on April 15, purchasing 1,000 Bancorp RI shares for Kielbasa at an average price of \$30.94 per share, for a total cost of approximately \$30,948. Merrill Lynch also charged Kielbasa a commission of approximately \$399 to execute this trade.

70. On April 15, 2011, when Kielbasa placed his unsolicited order to purchase 1,000 Bancorp RI shares in his Synergy Account, he made the purchase at a time when that account had insufficient funds to cover the purchase. As of April 15, 2011, Kielbasa's Synergy Account held only \$9,768.06 in cash. Before the transaction settled, Kielbasa eventually covered the total

\$31,347 cost (including commission) of purchasing the 1,000 Bancorp RI shares he ordered, by wiring \$31,400 from his bank account at the Newport Federal Savings Bank to his Merrill Lynch Synergy Account on April 19, 2011. This wire covered almost the exact cost (including commission) of the Bancorp RI shares he purchased.

71. In total, during the three-day period between April 12 and April 15, 2011, Kielbasa spent over \$92,000 to buy 3,000 shares of Bancorp RI – a stock he had never owned before April 12, 2011.

72. On the day that the merger of Bancorp RI and Brookline Bancorp was announced, and after the markets had a full trading day to incorporate that news, the closing price of Bancorp RI's shares was \$44 per share. Based on that \$44 share price, Kielbasa unjustly gained approximately \$39,645 when he purchased 3,000 Bancorp RI shares based on material non-public information.

73. During an investigation into Kielbasa's trading activities, the Commission subpoenaed Kielbasa to give testimony under oath. During this testimony, the Commission asked Kielbasa to explain why he made these purchases of Bancorp RI stock in April 2011. Kielbasa declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

74. The Commission asked Kielbasa about his phone calls with Andrade in April 2011. Kielbasa declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

75. The Commission asked Kielbasa if his purchases of Bancorp RI in April 2011 were in connection with any material, non-public information received from Andrade. Kielbasa declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

76. The Commission asked Kielbasa if he ever provided anything of value to Andrade in connection with the purchase or sale of Bancorp RI stock. Kielbasa declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

77. The Commission asked Kielbasa background questions concerning his business and personal relationships with Andrade. Kielbasa declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

78. During the same investigation, the Commission subpoenaed Andrade to give testimony under oath. During this testimony, the Commission asked Andrade questions about his personal and business relationships with Kielbasa. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

79. The Commission asked Andrade questions about the phone calls he had with Kielbasa in April 2011. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

80. The Commission asked Andrade if he provided Kielbasa with any material, non-public information about the potential Bancorp RI acquisition during these calls. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

81. The Commission asked Andrade if he received anything of value from Kielbasa in connection with Kielbasa's purchase or sale of Bancorp RI stock. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

**C. Andrade Tips Goldwyn**

82. In or about April 2011, Andrade tipped Goldwyn with material, non-public information concerning the potential acquisition of Bancorp RI. In making this tip, Andrade provided Goldwyn with an illicit gift or business opportunity of confidential, material, non-

public information that Goldwyn could profit upon by purchasing Bancorp RI stock in advance of the public announcement of the contemplated merger.

83. At the time Goldwyn received this tip, he knew, and had known for years, that Andrade was a member of the Bancorp RI board of directors.

84. Goldwyn further knew that Andrade had no legitimate business purpose in providing him this material, non-public information and that Andrade was breaching his fiduciary duty to Bancorp RI by tipping him with it. Goldwyn further knew that Andrade provided him the tip of material, non-public information concerning Bancorp RI's imminent merger as an illicit gift or business opportunity to profit upon.

85. The circumstances of Andrade's tip and Goldwyn's stock purchase include the following facts.

86. Andrade and Goldwyn have known each other for over twenty five years.

87. Since 2003, the two have been business partners and co-owners of a printing equipment sales business called Advanced Print Technologies (APT).

88. As co-owners of APT, Andrade and Goldwyn have shared the profits of APT.

89. In running APT, Andrade and Goldwyn typically communicate daily by telephone.

90. Before April 2011, Goldwyn had never purchased or owned Bancorp RI stock.

91. As of April 2011, Goldwyn was not an active trader of individual stocks. Goldwyn invested mostly in mutual funds. His investments in individual stocks were infrequent and, when he made these infrequent investments in individual stocks, they typically cost only a few thousand dollars.

92. In April 2011, Goldwyn owned two personal brokerage accounts, one at RBC Dain Raucher (the “RBC Account”) and one at E\*Trade. He also had trading authority in an E\*Trade brokerage account that he held in custody for his son.

93. In the two years leading up to this purchase of Bancorp RI shares, Goldwyn had not purchased any other individual company stock in his RBC Account. According to an RBC Account statement for the period ending March 31, 2011, that account held just two stocks, which Goldwyn had purchased over a decade earlier in 1999, and that had a current market value of approximately \$4,000. His total account value for the RBC Account was approximately \$5,200.

94. Since opening his E\*Trade account in May 2009, Goldwyn had purchased stock of only one other company in May and September 2009. According to an account statement for the period ending March 31, 2011, this individual stock’s market value was approximately \$5,300.

95. On April 15, 2011, just a day after Andrade met with the Bancorp RI board of directors on April 14 to review revised competing offers from Company A and Brookline Bancorp, Goldwyn bought over \$30,000 of Bancorp RI stock approximately half an hour after talking with Andrade on the telephone.

96. On April 15, 2011, Andrade placed a telephone call to Goldwyn at 3:11 p.m., which lasted approximately fifteen minutes. Then, at approximately 3:29 pm, Goldwyn placed a call to Andrade that lasted approximately 5 minutes.

97. Approximately seventeen minutes after the end of his calls with Andrade, at 3:51 p.m., Goldwyn placed an unsolicited order to purchase 1,000 shares of Bancorp RI stock in his RBC Account at an average cost of \$30.99 per share, for a total cost of approximately \$30,992.

98. The cost of this order for Bancorp RI shares (including commission) was \$31,072.86 -- more than five times the value of the all individual stock holdings in Goldwyn's RBC Account.

99. On April 15, 2011, when Goldwyn placed his unsolicited order to purchase 1,000 Bancorp RI shares, he made the purchase at a time when his RBC Account had insufficient funds to cover the purchase. As of April 15, 2011, Goldwyn's RBC Account held only \$1,112.90 in cash. Before the transaction settled, Goldwyn eventually covered the balance of the cost of purchasing the 1,000 Bancorp RI shares he ordered, by depositing a check with RBC for \$29,959.95 on April 18, 2011. This check covered the precise cost (including commission) of the Bancorp RI shares he had purchased.

100. At approximately 4:00 p.m. on Friday, April 15, 2011, Goldwyn wired \$20,000 to his personal brokerage account he held with E\*Trade.

101. Over the weekend of April 16 and 17, Andrade and Goldwyn spoke by phone twice, for approximately seven minutes each time.

102. On the next business day, Monday, April 18, 2011, at 10:16 a.m., Goldwyn purchased 650 Bancorp RI shares through his personal E\*Trade account at an average cost of \$30.98 per share, for a total cost of approximately \$20,143.

103. The cost of Goldwyn's April 18, 2011 Bancorp RI purchase was almost quadruple the amount of the other individual stock held in his E\*Trade account.

104. Also, on Monday, April 18, 2011, Goldwyn wired \$5,000 to an E\*Trade custodial account he held for the benefit of his son, K.C.

105. At 2:37 p.m. on April 18, 2011, Goldwyn purchased 160 Bancorp RI shares in his custodial account at an average cost of \$30.83 per share, for a total cost of approximately \$4,933.

106. On April 19, 2011, the day the Bancorp RI board of directors approved the merger transaction, Goldwyn wired an additional \$50,000 to his personal brokerage account at E\*Trade.

107. On the morning of April 20, 2011, before the markets opened, the merger between Brookline Bank and Bancorp RI was announced. When the markets opened, Bancorp RI's stock began trading significantly above the prior day's closing price. On the morning of April 20, 2011, Goldwyn attempted to purchase another 1,500 Bancorp RI shares, but the order was rejected due to insufficient funds. Goldwyn then called E\*Trade to see why his order was rejected. On a recorded telephone call, an E\*Trade representative explained to Goldwyn that the rise in the market value of his 1,500 share order had greatly exceeded the amount of cash Goldwyn had wired into his account.

108. In total, during the two business days of April 15 and April 18, 2011, Goldwyn spent over \$56,000 to buy 1,810 shares of Bancorp RI – a stock he had never owned before April 15, 2011.

109. Approximately one month later, in May 2011, Goldwyn submitted paperwork to change the name and ownership of the custodial E\*Trade account to his son, who was then twenty four years old. Because Goldwyn's son had a different last name, the transfer of the account had the effect of making the account name appear to be unrelated to Goldwyn.

110. On the day that the merger of Bancorp RI and Brookline Bancorp was announced, and after the markets had a full trading day to incorporate that news, the closing price of Bancorp RI's shares was \$44 per share. Based on that \$44 share price, Goldwyn unjustly gained approximately \$21,458 when he purchased 1,650 Bancorp RI shares based on material non-public information.

111. Based on that \$44 share price, Goldwyn's son K.C. received ill-gotten gains of approximately \$2,107 when he received Bancorp RI stock that had been gifted to him after his father had purchased it based upon material, non-public information.

112. During an investigation into Goldwyn's trading activities, the Commission subpoenaed Goldwyn to give testimony under oath. During this testimony, the Commission asked Goldwyn to explain why he made these purchases Bancorp RI stock in April 2011. Goldwyn declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

113. The Commission asked Goldwyn if Andrade provided him with any material, non-public information concerning the possible acquisition of Bancorp RI. Goldwyn declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

114. The Commission asked Goldwyn if his purchases of Bancorp RI stock in April 2011 were based on material, non-public information provided by Andrade. Goldwyn declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

115. The Commission asked Goldwyn if he ever provided anything of value to Andrade in connection with the purchase or sale of Bancorp RI stock. Goldwyn declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

116. The Commission asked Goldwyn background questions concerning his business and personal relationships with Andrade. Goldwyn declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

117. During the same investigation, the Commission subpoenaed Andrade to give testimony under oath. During this testimony, the Commission asked Andrade questions about

his personal and business relationships with Goldwyn. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

118. The Commission asked Andrade questions about the phone calls he had with Goldwyn in April 2011. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

119. The Commission asked Andrade if he provided Goldwyn with any material, non-public information about the potential Bancorp RI acquisition during these calls. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

120. The Commission asked Andrade if he received anything of value from Goldwyn in connection with Goldwyn's purchase or sale of Bancorp RI stock. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

**D. Andrade Tips Rampino**

121. In or about April 2011, Andrade tipped Rampino with material, non-public information concerning the potential acquisition of Bancorp RI. In making this tip, Andrade provided Rampino with an illicit gift or business opportunity of confidential, material, non-public information that Rampino could profit upon by purchasing Bancorp RI stock in advance of the public announcement of the contemplated merger.

122. At the time Rampino received this tip, he knew, and had known for years, that Andrade was a member of the Bancorp RI board of directors.

123. Rampino further knew that Andrade had no legitimate business purpose in providing him this material non-public information and that Andrade was breaching his fiduciary duty to Bancorp RI by tipping him with it. Rampino further knew that Andrade provided him the tip of material, non-public information concerning Bancorp RI's imminent merger as an illicit gift or business opportunity to profit upon.

124. The circumstances of Andrade's tip and Rampino's stock purchase include the following facts.

125. Andrade and Rampino have known each other for over twenty years.

126. Rampino is a Rhode Island attorney specializing in real estate law.

127. Over the last twenty years, Andrade has used Rampino's professional services for real estate transactions, and, through this business relationship, the two have become friends.

128. As friends and long-time business associates, Andrade and Rampino have exchanged things of value for the other's personal benefit. For example, during the period of March 1 to April 19, 2011, Rampino provided advice to Andrade and Andrade's son regarding a problematic real estate issue Andrade's son was having. Andrade participated on several conference calls with Rampino regarding the matter. Rampino's law firm has no record of billing Andrade for this professional time. During the same time period, Andrade personally went with one of his property service vendors to Rampino's home to help resolve a septic issue for Rampino.

129. On Friday, April 15, 2011, just one day after Andrade met with the Bancorp RI board of directors on April 14 to review the revised competing offers from Company A and Brookline Bancorp, and after the stock market was closed for the day, Andrade placed two calls to Rampino at 4:58 p.m. and 5:45 p.m., the second call lasting approximately four minutes.

130. On the next business day, Monday, April 18, 2011, at 9:34 a.m., Rampino purchased 1,500 Bancorp RI shares at an average cost of approximately \$30.91 per share, for a total cost of approximately \$47,041.

131. Rampino purchased these Bancorp RI shares in an IRA rollover account he had funded two weeks earlier on April 4, 2011 by rolling over a profit sharing account he had

maintained with his law practice. Over the previous decade, Rampino had invested the funds in this profit sharing account in various mutual funds, but no individual company stocks.

132. On the day that the merger of Bancorp RI and Brookline Bancorp was announced, and after the markets had a full trading day to incorporate that news, the closing price of Bancorp RI's shares was \$44 per share. Based on that \$44 share price, Rampino unjustly gained approximately \$18,959 when he purchased 1,500 Bancorp RI shares based on material non-public information.

133. During an investigation into Rampino's trading activities, the Commission subpoenaed Rampino to give testimony under oath. During this testimony, the Commission asked Rampino to explain why he made his purchase Bancorp RI stock on April 18, 2011. Rampino declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

134. The Commission asked Rampino about his phone conversation with Andrade on April 15, 2011. Rampino declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

135. The Commission asked Rampino if, during this conversation, he and Andrade discussed Bancorp RI's possible merger with another bank. Rampino declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

136. The Commission asked Rampino if he executed his purchases of Bancorp RI in April 2011 after receiving material, non-public information from a person he knew had a duty to keep that information confidential. Rampino declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

137. The Commission asked Rampino if he ever provided anything of value to Andrade in connection with the purchase or sale of Bancorp RI stock. Rampino declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

138. The Commission asked Rampino background questions concerning his business and personal relationships with Andrade. Rampino declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

139. During the same investigation, the Commission subpoenaed Andrade to give testimony under oath. During this testimony, the Commission asked Andrade questions about his personal and business relationships with Rampino. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

140. The Commission asked Andrade questions about the phone conversation he had with Rampino on April 15, 2011. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

141. The Commission asked Andrade if he provided Rampino with any material, non-public information about the potential Bancorp RI acquisition. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

142. The Commission asked Andrade if he received anything of value from Rampino in connection with Rampino's purchase or sale of Bancorp RI stock. Andrade declined to answer by invoking his Fifth Amendment privilege against self-incrimination.

**CLAIM FOR RELIEF**  
**(Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder)**

143. The Commission repeats and incorporates by reference the allegations in paragraphs 1 through 141 above.

144. By engaging in the conduct described above, Andrade, Kielbasa, Goldwyn, and Rampino, directly or indirectly, acting knowingly or recklessly, in connection with the purchase or sale of securities, by the use of means and instrumentalities of interstate commerce, or of the mails, or 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 to make the statements made, in the 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 certain persons.

145. The conduct of Andrade, Kielbasa, Goldwyn, and Rampino involved fraud, deceit, manipulation, or deliberate or reckless disregard of regulatory requirements and directly or indirectly resulted in substantial losses to other persons.

146. As a result, Andrade, Kielbasa, Goldwyn, and Rampino violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**PRAYER FOR RELIEF**

WHEREFORE, the Commission requests that this Court:

A. Enter a permanent injunction restraining Defendants Andrade, Kielbasa, Goldwyn, and Rampino and each of their agents, servants, employees and attorneys and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, including facsimile transmission or overnight delivery service, from

directly or indirectly engaging in the conduct described above, or in conduct of similar purport and effect, in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

B. Require Defendants Andrade, Kielbasa, Goldwyn, and Rampino to disgorge ill-gotten gains and losses avoided, plus pre-judgment interest;

C. Order Defendants Andrade, Kielbasa, Goldwyn, and Rampino to pay an appropriate civil monetary penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)];

D. Enter an order, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. §78u(d)(2)], barring Andrade from serving as an officer or director of any issuer required to register securities with the Commission pursuant to Sections 12(b) or 12(g) [15 U.S.C. §78l(b), 78l(g)], or to file reports with Commission pursuant to Section 15(d) [15 U.S.C. §78o(d)], of the Exchange Act;

E. Retain jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

F. Award such other and further relief as the Court deems just and proper.

### **JURY DEMAND**

The Commission hereby demands a trial by jury on all claims so triable.

Respectfully submitted,

**SECURITIES AND EXCHANGE  
COMMISSION**

By its attorneys,

/s/R.M. Harper II

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