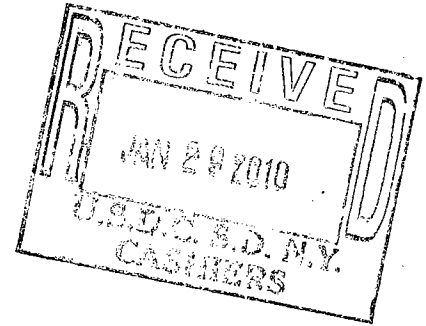


# Exhibit A-1

**David Rosenfeld**  
Associate Regional Director  
Attorney for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
New York Regional Office  
3 World Financial Center, Suite 400  
New York, New York 10281  
(212) 336-0153



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**-against-**

**GALLEON MANAGEMENT, LP,  
RAJ RAJARATNAM,  
RAJIV GOEL,  
ANIL KUMAR,  
DANIELLE CHIESI,  
MARK KURLAND,  
ROBERT MOFFAT,  
NEW CASTLE FUNDS LLC,  
ROOMY KHAN,  
DEEP SHAH,  
ALI HARIRI,  
ZVI GOFFER,  
DAVID PLATE,  
GAUTHAM SHANKAR,  
SCHOTTENFELD GROUP LLC,  
STEVEN FORTUNA,  
and  
S2 CAPITAL MANAGEMENT, LP,**

**Defendants.**

**09 Civ. 8811  
(JSR)**

**ECF CASE**

**SECOND  
AMENDED  
COMPLAINT**

**JURY TRIAL  
DEMANDED**

Plaintiff Securities and Exchange Commission ("Commission") for its Complaint  
against defendants Galleon Management, LP ("Galleon"), Raj Rajaratnam ("Rajaratnam"),

Rajiv Goel (“Goel”), Anil Kumar (“Kumar”), Danielle Chiesi (“Chiesi”), Mark Kurland (“Kurland”), Robert Moffat (“Moffat”), New Castle Funds LLC (“New Castle”), Roomy Khan (“Khan”), Deep Shah (“Shah”), Ali Hariri (“Hariri”), Zvi Goffer (“Goffer”), David Plate (“Plate”), Gautham Shankar (“Shankar”), Schottenfeld Group LLC (“Schottenfeld”), Steven Fortuna (“Fortuna”), and S2 Capital Management, LP (“S2 Capital”), alleges as follows:

### SUMMARY

1. This case involves widespread and repeated insider trading at several hedge funds, including Galleon – a multi-billion dollar New York hedge fund complex founded and controlled by Rajaratnam – New Castle, Spherix Capital LLC (“Spherix Capital”), and S2 Capital. The sources of the inside information include Goel, a managing director at Intel Corporation (“Intel”), Kumar, a director at McKinsey & Co. (“McKinsey”), Moffat, a senior executive at IBM, as well as executives and consultants at other well known companies. The inside information concerned market moving events such as quarterly earnings announcements, takeovers, and material contracts. The scheme generated over \$52 million in illicit profits or losses avoided.

2. The unlawful trading involved inside information concerning at least 14 different companies, including Google, Inc. (“Google”), Hilton Hotels Corporation (“Hilton”), and Intel. Specifically:

- (i) A Polycom, Inc. (“Polycom”) senior executive tipped Khan to material nonpublic information about Polycom’s Fourth Quarter (“Q4”) 2005 and Q1 2006 earnings. Khan traded based on that information and, in

turn, tipped Rajaratnam, who traded on behalf of Galleon based on that information.

- (ii) Shah, a Moody's rating agency analyst, tipped Khan to material nonpublic information about the impending takeover of Hilton by The Blackstone Group. Khan traded based on that information and also tipped Rajaratnam, who traded on behalf of Galleon based on that information. Khan also tipped another person ("Tipper X") who traded based on that information and tipped Shankar. Shankar traded based on the information and also tipped Goffer and others at Schottenfeld all of whom traded based on that information.
- (iii) An employee at Market Street Partners, an investor relations consulting firm that did work for Google, tipped Khan and Choo-Beng Lee ("Lee") to material nonpublic information about Google's Q2 2007 earnings. Khan traded based on that information and also tipped Rajaratnam, who traded based on that information on behalf of Galleon. Khan also tipped Tipper X, who also traded based on that information. Tipper X, in turn, tipped Shankar who also traded based on that information. Lee tipped Ali T. Far ("Far"), his business partner, and Lee and Far traded based on the information in an account in the name of Far & Lee LLC.
- (iv) A friend of Shah (the "Kronos Source") tipped Shah to material nonpublic information about the impending acquisition of Kronos Inc. ("Kronos"). Shah then tipped Khan who traded based on that

information and also tipped Tipper X. Tipper X traded based on the information and also tipped Shankar. Shankar traded based on the information and also tipped Goffer and Plate, both of whom also traded based on the information.

- (v) Goel tipped Rajaratnam to material nonpublic information about Intel's Q4 2006, Q1 2007 and Q3 2007 earnings, and Rajaratnam traded on behalf of Galleon based on that information.
- (vi) Goel also tipped Rajaratnam to material nonpublic information about a pending joint venture involving Clearwire Corporation ("Clearwire") and Sprint Nextel Corporation ("Sprint"). Rajaratnam traded on behalf of Galleon based on that information.
- (vii) As payback for Goel's Intel and Clearwire tips, Rajaratnam traded in Goel's personal account on the basis of material nonpublic information concerning PeopleSupport, Inc. ("PeopleSupport"), a company that was acquired by Aegis BPO Services Ltd. Rajaratnam also traded in Goel's personal account on the basis of material nonpublic information about the impending takeover of Hilton, as additional payback for Goel's tips.
- (viii) Kumar tipped Rajaratnam to material nonpublic information about Advanced Micro Devices Inc.'s ("AMD") pending transactions with ATI Technologies Inc. ("ATI") and with two Abu Dhabi sovereign entities, and Rajaratnam traded on behalf of Galleon based on that information.

- (ix) Kumar also tipped Rajaratnam to material nonpublic information about a major work force reduction by eBay Inc. (“eBay”), and Rajaratnam traded on behalf of Galleon based on that information.
- (x) An Akamai Technologies, Inc. (“Akamai”) executive tipped Chiesi to material nonpublic information about Akamai’s Q2 2008 earnings. Chiesi tipped Kurland, and Chiesi and Kurland traded based on that information on behalf of New Castle. Chiesi also tipped Rajaratnam, who traded based on that information on behalf of Galleon, as well as Fortuna, who traded based on that information on behalf of S2 Capital.
- (xi) Moffat tipped Chiesi to material nonpublic information about Sun Microsystems, Inc.’s (“SUN”) Q2 2009 earnings. Chiesi traded on behalf of New Castle based on that information. Moffat also tipped Chiesi to material nonpublic information about IBM’s fiscal quarter ending December 2008, and Chiesi traded on behalf of New Castle based on that information. In addition, Moffat and an AMD executive (“AMD Executive”) each tipped Chiesi to material nonpublic information about AMD’s pending transactions with two Abu Dhabi sovereign entities. Chiesi tipped Kurland, and Chiesi and Kurland traded based on that information on behalf of New Castle. Chiesi also tipped Fortuna who traded based on that information on behalf of S2 Capital.
- (xii) Hariri, an Atheros Communications, Inc. (“Atheros”) executive, tipped Far to material nonpublic information about Atheros’s Q4 2008

earnings. Far tipped Lee, and Far and Lee both traded based on that information on behalf of Spherix Capital.

**NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT**

3. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77t(b)] and Section 21(d) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78u(d)]. The Commission seeks permanent injunctions against each of the defendants, enjoining them from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, disgorgement of all profits realized or losses avoided from the unlawful insider trading activity set forth herein, and civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Commission also brings this action pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1] for civil penalties against the defendants under the Insider Trading and Securities Fraud Enforcement Act of 1988. In addition, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], the Commission seeks an order barring Goel, Moffat and Hariri from acting as officers or directors of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], and for such other relief as the Court may deem appropriate pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)].

**JURISDICTION AND VENUE**

4. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

5. Venue lies in this Court pursuant to Sections 20(b) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)], and Sections 21(d), 21A and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u-1 and 78aa]. Certain of the acts, practices, transactions and courses of business alleged herein occurred within the Southern District of New York. For example, Defendant Rajaratnam lives in New York, New York, and works at Galleon's New York, New York headquarters. Defendants Chiesi, Kurland, Goffer, and Plate all reside within the Southern District of New York, and New Castle, Schottenfeld and S2 Capital are all based within the Southern District of New York. In addition, many of the communications in furtherance of the insider trading alleged herein were made from, to, or within the Southern District of New York.

**DEFENDANTS**

6. **Galleon**, a Delaware limited partnership, is a registered investment adviser based in New York, New York, that, as of March 2009, had over \$2.6 billion under management. Galleon was founded in 1997 and registered with the Commission in January 2006. Galleon serves as the investment adviser for several hedge funds, including, among others, the Technology Offshore Fund, Technology Partners Fund, Technology MAC Fund, and the Diversified Fund (collectively, the "Galleon Tech funds"), the Captains funds and the Communications funds.



7. **Rajaratnam**, age 52, resides in New York, New York. Rajaratnam is the founder and a Managing General Partner of Galleon, and serves as the Portfolio Manager of the Galleon Tech funds. Prior to founding Galleon, Rajaratnam worked at Needham & Co., a registered broker-dealer, for 11 years, at which time he held Series 7 and Series 24 securities licenses. Rajaratnam obtained a degree from the University of Sussex, England, in 1980, and an MBA in Finance from the Wharton School of the University of Pennsylvania in 1983.

8. **Goel**, age 51, resides in Los Altos, California. Goel is a managing director within Intel's treasury group. He is also a managing director at Intel Capital, an Intel subsidiary that makes proprietary equity investments in technology companies. Goel received an MBA in Finance from the Wharton School of the University of Pennsylvania in or around 1983, and is a friend of Rajaratnam's.

9. **Kumar**, age 51, resides in Saratoga, California. During the relevant period, Kumar was a senior partner and director of McKinsey, a global business consulting firm. Kumar is on the Executive Board of the Indian School of Business. Kumar is a friend of Rajaratnam's and attended the Wharton School of the University of Pennsylvania with Rajaratnam in the early 1980s. Kumar is an indirect investor in one or more funds managed by Galleon.

10. **Chiesi**, age 44, resides in New York, New York. During the relevant time period, Chiesi was a consultant and a portfolio manager at New Castle, a registered hedge fund investment adviser. Chiesi holds Series 7 and 63 securities licenses.

11. **Kurland**, age 61, resides in Mount Kisco, New York. Kurland is a Senior Managing Director and General Partner at New Castle.

12. **Moffat**, age 53, resides in Ridgefield, Connecticut. During the relevant time period, Moffat was Senior Vice President and Group Executive of IBM's Systems and Technology Group.

13. **New Castle**, a Delaware limited liability company, is a registered investment adviser based in White Plains, New York, that was formerly part of Bear Stearns Asset Management. New Castle serves as the investment adviser to several hedge funds and, as of April 17, 2009, had assets under management of over \$971 million.

14. **Khan**, age 51, resides in Ft. Lauderdale, Florida. Khan is an individual investor who was employed at Intel in the late 1990s and subsequently was employed at Galleon.

15. **Shah**, age 27, resided in Jersey City, New Jersey during the relevant time period and, in 2007, was employed at Moody's as a lodging industry analyst. Shah left Moody's in late 2007 or early 2008, and he is believed to currently reside in India.

16. **Hariri**, age 38, resides in San Francisco, California. Hariri has served as Vice President of Broadband Carrier Networking at Atheros since March 2008. Hariri holds a BS in Electrical and Systems Engineering and a Master's degree in Electrical Engineering from the University of Connecticut.

17. **Goffer**, age 33, resides in New York, New York. During the relevant time period, Goffer was a registered representative and proprietary trader at Schottenfeld. Currently, Goffer is employed at Echotrade LLC and is a trader at Incremental Capital, LLC. Goffer holds Series 7, 55, 63 and 65 securities licenses.

18. **Plate**, age 34, resides in New York, New York. During the relevant time period, Plate was a registered representative and proprietary trader at Schottenfeld.

Currently, Plate is a registered representative at G-2 Trading, LLC. Plate holds Series 7, 55 and 63 securities licenses.

19. **Shankar**, age 35, resides in New Canaan, Connecticut. During the relevant time period, Shankar was a registered representative and a proprietary trader at Schottenfeld. Shankar is currently unemployed. Shankar holds Series 3, 7, 55 and 63 securities licenses.

20. **Schottenfeld**, a New York limited liability company, is a registered broker-dealer based in New York, New York.

21. **Fortuna**, age 47, resides in Westwood, Massachusetts. Fortuna is a co-founder and principal of S2 Capital, an unregistered hedge fund investment adviser. Fortuna received a Master's degree in Engineering from Boston University in 1989 and an MBA from Columbia Business School in 1993. Fortuna has held Series 7, 63, 86 and 87 securities licenses.

22. **S2 Capital**, a Delaware limited partnership, is an unregistered hedge fund investment adviser based in New York, New York. S2 Capital was co-founded by Fortuna. S2 Capital serves as the investment adviser to the hedge fund S2 Capital Fund, LP and is in the process of winding down its operations. During the relevant time period, S2 Capital had over \$125 million under management.

#### **RELEVANT INDIVIDUALS AND ENTITIES**

23. **Akamai** is a Delaware corporation headquartered in Cambridge, Massachusetts. Akamai provides services for facilitating the delivery of content and

applications over the internet. Akamai's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the Nasdaq under the symbol "AKAM."

24. **AMD** is a Delaware corporation headquartered in Sunnyvale, California. AMD is a global semiconductor company. AMD's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the New York Stock Exchange ("NYSE") under the symbol "AMD."

25. **Atheros** is a Delaware corporation headquartered in Santa Clara, California. Atheros is a developer of semiconductor systems for wireless and other network communication products. Atheros's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the Nasdaq under the symbol "ATHR."

26. **ATI** was a Canadian corporation headquartered in Markham, Ontario, Canada. On October 25, 2006, AMD completed an approximately \$5.4 billion acquisition of ATI. ATI designed and manufactured 3D graphics, PC platform technologies and digital media silicon solutions. ATI's securities were registered with the Commission pursuant to Section 12(g) of the Exchange Act, and its stock traded on the Nasdaq under the symbol "ATYT."

27. **Clearwire** is a Delaware corporation headquartered in Kirkland, Washington. Clearwire builds and operates wireless broadband networks in the United States and abroad. Clearwire's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the Nasdaq under the symbol

“CLWR.” Intel Capital provided financing for Clearwire’s joint venture with Sprint, which was publicly announced on May 7, 2008.

28. **eBay** is a Delaware corporation headquartered in San Jose, California. eBay provides online marketplaces for the sale of goods and services as well as online payment services and online communication offerings to individuals and businesses. eBay’s securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the Nasdaq under the symbol “EBAY.”

29. **Far**, age 48, resides in Saratoga, California. During the relevant period, Far was a Managing Member, portfolio manager, and co-founder of Spherix Capital, an unregistered hedge fund investment adviser. Far was a Managing Member of Far & Lee LLC. Far was previously a Managing Director, portfolio manager, and analyst at Galleon. Far received a BS in Electrical Engineering and Computer Science from the University of California, Berkeley, and a JD, MBA, and Master’s of Science in Electrical Engineering from Santa Clara University. Far has held Series 7 and 63 securities licenses.

30. **Far & Lee LLC**, a Delaware limited liability company, was formed in July 2007 to operate as a trading entity that was used by Lee and Far prior to their establishing hedge fund investment adviser Spherix Capital. Far & Lee LLC’s status as a Delaware limited liability company was canceled on October 21, 2008. Its registration as a California limited liability company was canceled on or around the same date.

31. **Google** is a Delaware corporation headquartered in Mountain View, California. Google hosts one of the leading internet search engines. Google’s securities

are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the Nasdaq under the symbol "GOOG."

32. **Hilton** is a Delaware corporation that is headquartered in Beverly Hills, California. Hilton is a leading international hotel chain. Hilton's securities were registered with the Commission pursuant to Section 12(b) of the Exchange Act and, prior to October 24, 2007, its stock traded on the NYSE under the symbol "HLT." On October 24, 2007, Hilton was taken private by The Blackstone Group and its stock ceased trading on the NYSE pursuant to a merger agreement that was announced after the close of the market on July 3, 2007.

33. **IBM** is a New York corporation headquartered in Armonk, New York. IBM is a computer technology and IT consulting firm. IBM's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the NYSE under the symbol "IBM."

34. **Intel** is a Delaware corporation that is headquartered in Santa Clara, California. Intel is one of the leading manufacturers of microprocessors. Intel's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and trade on the Nasdaq under the symbol "INTC." Intel, through its investment arm subsidiary, Intel Capital, invested \$1 billion in a joint venture, announced publicly on May 7, 2008, in which Clearwire and Sprint agreed to combine their wireless broadband, or WiMax, businesses.

35. **Kronos** is a Massachusetts corporation headquartered in Chelmsford, Massachusetts. Kronos makes workforce management software for businesses. Kronos's securities were registered with the Commission pursuant to Section 12(b) of the

Exchange Act and, until Kronos was acquired by private equity firm Hellman & Friedman on June 11, 2007, its stock traded on the Nasdaq under the symbol "KRON."

36. **Lee**, age 53, resides in San Jose, California. During the relevant period, Lee was the President, portfolio manager, and co-founder of Spherix Capital, an unregistered hedge fund investment adviser. Lee was also a Managing Member of Far & Lee LLC. Lee received a BS in electrical engineering from Duke University in 1978 and an MBA from the University of California, Berkeley in 1987.

37. **Market Street Partners** is an investor relations consulting firm in San Francisco, CA, which provided services to Google.

38. **McKinsey** is a global management consulting firm headquartered in New York, New York that advises businesses, governments and other institutions on issues of strategy, organization, technology and operations. McKinsey provided consulting services to AMD and to a subsidiary of eBay.

39. **Moody's** is a Delaware corporation headquartered in New York, New York. Moody's is a rating agency that performs research and analysis on borrowers' creditworthiness. Moody's is registered with the Commission as a Nationally Recognized Statistical Rating Organization. During 2007, Moody's issued ratings on Hilton's debt securities.

40. **PeopleSupport**, is a Delaware corporation headquartered in Los Angeles, California. On October 30, 2008, PeopleSupport merged with Aegis BPO Services Ltd., and became Aegis PeopleSupport. PeopleSupport was a business process outsourcing provider offering customer management, transcription, captioning and other services.

PeopleSupport's securities were registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock traded on the Nasdaq under the symbol "PSPT."

41. **Polycom** is a Delaware corporation headquartered in Pleasanton, California. Polycom produces applications for voice, video, and data networking. Polycom's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the Nasdaq under the symbol "PLCM."

42. **Spherix Capital**, a Delaware limited liability company, is an unregistered hedge fund investment adviser based in San Jose, California. Spherix Capital was co-founded in January 2008 by Lee and Far, who are both Managing Partners and portfolio managers at Spherix Capital. Spherix Capital serves as the investment adviser to the Elliptical family of hedge funds and is in the process of winding down its operations.

43. **SUN** is a Delaware corporation headquartered in Santa Clara, California. It provides network computing infrastructure. SUN's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act, and its stock trades on the Nasdaq under the symbol "JAVA." On April 20, 2009, Oracle Corporation announced that it had entered into a definitive merger agreement pursuant to which it would acquire SUN.



## FACTS

### **A. Insider Trading in Polycom Securities**

44. Khan first met Rajaratnam in or around 1996, when Rajaratnam worked at Needham & Co., and Khan was employed at Intel. In the late 1990s, after Rajaratnam had founded Galleon, Khan worked for a time at Galleon. In late 2005, faced with financial difficulties, Khan approached Rajaratnam to inquire about again working at Galleon. In response, Rajaratnam asked whether Khan had inside information about any public companies. Khan told Rajaratnam that she had, or could obtain, inside information regarding Polycom. Khan agreed to provide Rajaratnam inside information regarding Polycom in the hopes of securing a position with Galleon, and in anticipation of receiving future inside tips from Rajaratnam in exchange.

45. Khan's source was a Polycom executive with access to material nonpublic information regarding Polycom's earnings (the "Polycom Source"). In or around late 2005 and early-to-mid 2006, the Polycom Source, who was a friend of Khan's, provided Khan with material nonpublic information regarding Polycom, with the knowledge that Khan intended to use that information in order to profit, and with the expectation that Khan would share a portion of Khan's illicit profits with the Polycom Source.

#### **a. Polycom's Q4 2005 Earnings Release – January 25, 2006**

46. In late December 2005, the Polycom Source obtained material nonpublic information concerning Polycom's unit sales and revenues for Polycom's fourth quarter 2005 ("Q4 2005"). On or before January 10, 2006, the Polycom Source provided Khan with material nonpublic Q4 2005 earnings information, including that Polycom's Q4 was strong, its revenues were up and that its order backlog had increased.

47. Following the close of the markets on January 25, 2006, Polycom released its Q4 2005 earnings, which included higher-than-expected revenues. The following day, Polycom's stock opened at \$18.30 per share, up about 8% compared to the previous day's closing price of \$16.98 per share.

48. Khan traded on the basis of the information provided by the Polycom Source by purchasing Polycom securities for Khan's personal account. On January 10, 2006, Khan purchased 3,000 February \$17.50 Polycom call option contracts at \$0.67 per contract. On January 20, 2006, Khan purchased an additional 500 February \$17.50 Polycom call option contracts at \$0.65 per contract. Khan sold the Polycom call option contracts following Polycom's Q4 2005 earnings announcement, at varying prices, reaping profits of approximately \$330,000. The Polycom Source knew that Khan's trades in Polycom based on the Polycom Source's tips had been profitable, and the Polycom Source sought to be compensated for them.

49. On or about January 10, 2006, Khan told Rajaratnam that Polycom's revenues for Q4 2005 would beat street estimates. Khan made it clear to Rajaratnam that Khan's information regarding Polycom was from an insider and was reliable. After obtaining this information from Khan, Rajaratnam began purchasing Polycom securities for the accounts of certain of the Galleon Tech funds. The Polycom Source and Khan communicated again on January 11, 2006. Khan and Rajaratnam communicated again the following day, January 12, and within approximately three minutes of that January 12 communication, Rajaratnam sent a message to his trader instructing him to "buy 60 [thousand shares] PLCM" for certain Galleon Tech funds.

50. All told, from January 10 through January 25, 2006, the date of the Polycom earnings release, Rajaratnam purchased 245,000 shares of Polycom and 500 Polycom call option contracts on behalf of the Galleon Tech funds.

51. Following the earnings announcement, the Galleon Tech funds sold their Polycom holdings on different dates and at varying prices. Collectively, the Galleon Tech funds made approximately \$600,000 in connection with their Polycom trades based on Khan's tip. On January 26, the day after the earnings release, Rajaratnam thanked Khan for the Polycom information.

## **II. Polycom's Q1 2006 Earnings Release – April 19, 2006**

52. On or before April 10, 2006, the Polycom Source learned, through the Polycom Source's position at Polycom, of Polycom's first quarter 2006 ("Q1 2006") financial results, including that Polycom's revenues for Q1 2006 would beat market expectations.

53. On or about April 10, 2006, the Polycom Source communicated material nonpublic information about Polycom's Q1 2006 results to Khan. On or about April 13, 2006, Khan passed this information on to Rajaratnam, making it clear that the information was from the same source who had provided the inside information on Polycom's Q4 2005 earnings in January 2006.

54. On April 17, 2006, Khan purchased 200 April \$20 Polycom call options at \$1.35 per contract on the basis of the information Khan had received from Polycom Source, and between April 13 and 18, 2006, Rajaratnam purchased 250,000 Polycom shares on behalf of the Galleon Tech funds based on the information he had received from Khan.

55. On April 19, 2006, Polycom's stock opened at \$21.85 per share and began to climb in advance of the after-hours earnings release, closing at \$22.52 per share. Following the market close on April 19, Polycom released its Q1 2006 earnings, which included higher-than-expected revenues. Later that day, Rajaratnam congratulated Khan for the Polycom tip. On April 20, 2006, Polycom opened at \$22.72 per share. The Galleon Tech funds sold some of their Polycom shares in the stock price run-up prior to the announcement on April 19 and then sold the rest following the announcement for a profit of over \$165,000. Khan sold her options on April 19 during the stock price run-up prior to the announcement, making a profit of \$22,000.

**B. Insider Trading in Hilton Securities**

56. Khan obtained material nonpublic information in advance of a July 3, 2007 takeover announcement that a private equity group would be buying Hilton for \$47.50 per share, a premium of \$11.45 per share over the stock's July 3 closing price (the "Hilton Transaction"). Khan obtained the nonpublic information from Shah, a friend and roommate of Khan's cousin. At the time, Shah was working as an analyst at Moody's, a rating agency that was evaluating Hilton's debt in connection with the Hilton Transaction. Because of his position at Moody's, Shah had access to material nonpublic information about Hilton.

57. On or about July 2, 2007, Shah provided Khan with specific information concerning the upcoming Hilton Transaction. Shah told Khan that Hilton was going to be taken private in a deal to be announced the following day, at a price around the mid-\$40s per share. Shah indicated that he had learned this information through a communication that representatives of Moody's had received from Hilton management.

Immediately after receiving this information, Khan purchased 550 August \$35 Hilton call option contracts at \$1.07 per contract. The following morning, Khan purchased 100 July \$35 Hilton call option contracts at \$0.90 per contract.

58. Also on or about July 2, 2007, Khan told Rajaratnam that Hilton was going to be taken private at a price somewhere in the mid-\$40s per share in a deal to be announced the following day. Khan described the Hilton Transaction to Rajaratnam as a sure thing, and told Rajaratnam that she had a very good source for the Hilton information.

59. After receiving the tip from Khan, on July 3, 2007, Rajaratnam and Galleon purchased 400,000 shares of Hilton for the Galleon Tech funds, whose stated purpose is to make investments in the technology sector.

60. On the evening of July 3, the Hilton Transaction was announced at an \$11.45 per share premium over that day's closing price of \$36.05. On July 5, the first trading day after the July 4th holiday, Hilton shot up to \$45.39 per share.

61. On July 5, Khan sold all of the Hilton call option contracts that Khan had purchased on July 2 and 3 for a profit of over \$630,000.

62. To compensate Shah for the Hilton tip, Khan paid Shah \$10,000 through an intermediary.

63. The Galleon Tech funds sold their Hilton shares after the July 3 announcement for a profit of over \$4 million.

64. In addition, on July 3, 2007, Rajaratnam, or someone acting on his behalf, purchased 7,500 Hilton shares on behalf of Goel, using Goel's brokerage account held at

Charles Schwab & Co., Inc. (the "Schwab Account"). The shares were sold on July 6, 2007 for a profit of over \$78,000.

65. Khan also passed the tip Khan received from Shah about the Hilton Transaction to her friend, Tipper X, telling Tipper X on July 2, 2007 that Khan had learned from a source with inside information that Hilton would be acquired the next day at a significant premium. Tipper X traded profitably based on that information and also tipped Shankar, a proprietary trader at Schottenfeld, indicating to Shankar that the information was from an inside source. Shankar traded based on the Hilton tip, buying approximately 25,000 Hilton shares spread out over multiple accounts, including a Schottenfeld account Shankar managed as well as an account registered to a third party. After the announcement of the Hilton Transaction, Shankar sold the Hilton shares he had bought in the Schottenfeld account, making a profit of over \$156,000.

66. Shankar passed the Hilton tip that he received from Tipper X to associates at Schottenfeld, including Goffer. Shankar told Goffer that Hilton was about to be taken over and indicated that the information was from an inside source who, through Tipper X, had previously provided Shankar with inside information. Shankar and Goffer referred to the source as "the goose" (as in the goose that laid the golden egg) when speaking to each other. On July 3, 2007, Goffer purchased 5,000 Hilton shares and 510 call option contracts in a Schottenfeld account that he managed. Goffer also provided Shankar with \$10,000 to pay "the goose" for the Hilton tip, although the money was ultimately used to pay for a different insider tip, which is discussed below. Goffer sold the Hilton shares he had purchased in the Schottenfeld account after the Hilton Transaction announcement, generating profits of approximately \$329,000.

67. On July 3, 2007, a total of 81,100 Hilton shares and 773 Hilton call options were purchased in various Schottenfeld accounts generating total cumulative profits from Shankar's tip of over \$1.2 million.

**C. Insider Trading in Google Securities**

68. Within a week of the Hilton tip, Khan obtained material nonpublic information from another source (the "Google Source") concerning Google's second quarter 2007 ("Q2 2007") results, which were scheduled to be announced after the close of the markets on July 19, 2007. The Google Source worked at Market Street Partners, a consulting firm that did investor relations work on behalf of various companies, including Google. As a result, the Google Source had access to material nonpublic information concerning Google's earnings announcements.

69. On or about July 10, 2007, the Google Source told Khan that Google's earnings per share ("EPS") would be down about 25 cents, which was in sharp contrast to the market's expectation that Google's EPS would be strong. After receiving the Google tip from the Google source, beginning on July 12, 2007, and up until the day of the earnings announcement, Khan purchased a total of 566 August 2007 \$530 Google put options.

70. Shortly after receiving the Google tip from the Google Source, Khan passed the Google tip to Rajaratnam, telling him to short Google because earnings would fall below the analyst expectations. Khan told Rajaratnam that Khan's source for the tip was a consultant for Google who had pre-announcement access to earnings information.

71. After receiving the tip from Khan, Rajaratnam began buying Google put options for the Galleon Tech funds and continued buying them through July 19. In

addition, Rajaratnam communicated with Khan before the markets opened on July 17, and shortly thereafter Rajaratnam communicated with the portfolio manager of the Galleon Captains funds. Beginning that same day and continuing through the day of Google's Q2 2007 earnings announcement, the Captains funds purchased Google put options, sold Google call options and sold short Google stock.

72. After the markets closed on July 19, 2007, Google announced its Q2 2007 earnings results, disclosing, among other things, that its EPS was 25 cents lower than for Q1 2007. Google's share price fell from over \$548 per share to almost \$520 per share.

73. Khan sold all of Khan's put options the day after the July 19, 2007 Google announcement for a profit of over \$500,000.

74. The Galleon Tech funds' profits from the Google tip were nearly \$8 million, and the Galleon Captains funds made over \$1.3 million. Thus, the combined profits generated by Rajaratnam and Galleon on behalf of the various Galleon funds from insider trading in Google on the basis of Khan's tip concerning Google's July 19, 2007 announcement exceed \$9 million.

75. After the Google Source provided Khan with the above information, the Google Source told Khan that unless Khan paid the Google Source a fee of \$100,000-\$200,000 per quarter the Google Source would cease providing Khan with inside information. Khan demurred and the Google Source stopped providing Khan with tips.

76. On or about July 12, 2007, Khan also passed the material nonpublic information Khan received from the Google Source about Google's Q2 2007 results to Tipper X. Khan told Tipper X that Google would miss its quarter, and that the



information came from the Google Source, who worked at Google's investor relations firm.

77. Tipper X traded profitably on the information and paid Khan \$15,000 for the Google tip (\$10,000 of which was money redirected from Goffer, who had provided it as payment for the Hilton tip, and \$5,000 of which came from Shankar, as described below). Khan had intended to give the \$15,000 from Tipper X and \$15,000 of Khan's own money to the Google Source, but the Google Source subsequently refused to take Khan's calls. As a result, Khan kept the \$15,000 provided by Tipper X.

78. On or before July 18, 2007, Tipper X also passed the material nonpublic information Tipper X received from Khan about Google's Q2 2007 results to Shankar, telling Shankar that the information came from a source at Google's investor relations firm. Based on this information, before the announcement on July 19, 2007, Shankar sold short 2,000 Google shares and purchased 5 Google put option contracts in Schottenfeld proprietary accounts managed by Shankar. These transactions yielded profits of more than \$50,000. Tipper X told Shankar that Tipper X needed to pay the source for the Google information and Shankar gave Tipper X \$5,000 for that purpose.

79. The Google Source also provided Lee with specific information about Google's Q2 2007 disappointing earnings prior to the issuance of Google's July 19, 2007 earnings release. The Google Source is a family friend of Lee's and Lee knew, at the time, that the Google Source was employed at Google's investor relations firm. Lee shared the information from the Google Source with Lee's business partner, Far, and Far and Lee traded based on the information in a joint account they held in the name of Far & Lee LLC. On the morning of July 19, 2007, before the earnings announcement, Far and

Lee caused Far & Lee LLC to purchase 200 July 2007 \$540 Google put option contracts, a position they closed out after Google's announcement for a profit of over \$390,000. In addition, Lee purchased Google put options in his personal account for a profit of over \$71,000.

**D. Insider Trading in Kronos Securities**

80. Khan also received inside information, which Khan traded on and passed on to others, concerning the acquisition of software company Kronos by private equity firm Hellman & Friedman ("Hellman") in March 2007 (the "Kronos Transaction").

81. On March 23, 2007, Kronos announced, at market open, that it would be taken private by Hellman.

82. During mid-March 2007, Shah learned from a friend (the "Kronos Source") that Kronos was on the auction block and was about to be acquired. The Kronos Source and Shah communicated several times on March 14, 2007, and the Kronos Source relayed specific information concerning a bid to acquire Kronos. Shah and Khan also communicated several times on March 14, and Shah provided Khan with material nonpublic information concerning the Kronos Transaction. Khan, in turn, tipped Tipper X to this information.

83. On March 16, 2007, Khan purchased 35 April \$40 Kronos call options at \$3.00 per contract on the basis of the inside information Khan received from Shah.

84. Following the March 23, 2007 announcement that Kronos was being acquired for \$55 per share, Kronos' stock price increased nearly 14%, from \$46.63 per share on March 22 to \$53.11 per share at the market close on March 23. After the

announcement, Khan sold all of the call options she had bought on March 16 for a profit of approximately \$37,000.

85. Shah asked Khan to pay him \$10,000 for the Kronos tip, and Khan, in turn, arranged for her tippee, Tipper X, to make the payment to Shah.

86. On or about March 15, 2007, Khan told Tipper X that Kronos would be acquired in about a week for a substantial premium, and also told Tipper X about the source of the tip, and that the source wanted to be paid \$10,000 for the tip. Tipper X traded profitably based on the information and also personally paid Shah \$10,000 in cash for the Kronos tip.

87. Tipper X passed the Kronos tip, including information about the source, to Shankar, and asked Shankar whether he could get Shankar's Schottenfeld colleague, Goffer, to provide the \$10,000 that had been requested for the tip. Shankar tipped Goffer to the Kronos Transaction and Goffer agreed to pay the \$10,000, leaving the cash in a bag in Shankar's desk drawer.

88. Shankar purchased 7,500 Kronos shares on March 19 and 20, 2007, in a Schottenfeld account that Shankar managed and then sold them after the March 23 announcement of the Kronos Transaction for a profit of over \$78,000.

89. Goffer began purchasing Kronos shares on March 19, 2007, in a Schottenfeld account that Goffer managed, and held 19,000 Kronos shares heading into the March 23 announcement of the Kronos Transaction. The shares were sold after the announcement for a profit of approximately \$200,000.

90. Shankar passed the Kronos tip to Plate, another Schottenfeld colleague, and asked Plate to provide \$5,000 that would be used to pay the source of the

information. Plate paid Shankar the \$5,000 although Shankar did not end up providing this money to the source.

91. Plate began purchasing Kronos shares on March 20, 2007, in a Schottenfeld account that Plate managed, and held 10,000 Kronos shares heading into the March 23 announcement of the Kronos Transaction. The shares were sold after announcement for a profit of approximately \$90,000.

92. Shankar, Goffer, and/or Plate passed the material nonpublic information they received about Kronos to others at Schottenfeld. All told, 14 Schottenfeld accounts purchased shares in Kronos ahead of the March 23 announcement, realizing total cumulative profits of over \$800,000.

**E. Insider Trading in Intel Securities**

93. On several occasions, Rajaratnam obtained material nonpublic information concerning Intel from defendant Goel, a managing director in Intel's treasury group and at Intel Capital. The treasury group is part of Intel's finance department and Intel Capital reports directly to Intel's President & Chief Executive Officer.

**(a) Intel's Q4 2006 Earnings Release – January 16, 2007**

94. Beginning on or about January 8, and continuing through January 16, 2007, Goel communicated to Rajaratnam material nonpublic information that Goel secured through his position at Intel about Intel's fourth quarter 2006 ("Q4 2006"), financial results and outlook.

95. On January 8, 2007, approximately one week before Intel's scheduled Q4 2006 earnings announcement, Rajaratnam contacted Goel. The next day, on January 9, 2007, Rajaratnam purchased 1 million shares of Intel at \$21.08 per share, and on January

11, 2007, Rajaratnam purchased an additional 500,000 shares at \$21.65 per share on behalf of various Galleon Tech funds.

96. Goel and Rajaratnam communicated again multiple times over the Martin Luther King Day weekend that followed. On Tuesday, January 16, 2007, the day the markets reopened after the long weekend, Rajaratnam and Galleon abruptly shifted course with respect to Intel, selling the Galleon Tech funds' entire 1,500,000-share long position in Intel at \$22.03 per share, and making a profit of a little over \$1 million. Goel again contacted Rajaratnam that afternoon.

97. Later that day, after the markets closed, Intel released its Q4 2006 earnings. Although the company's earnings were slightly higher than analysts' projections, its guidance for future performance was below expectations.

98. As a result, Intel's stock price, which had closed at \$22.30 per share, opened at \$21.25 on January 17, 2007, down \$1.05 per share, or nearly 5%. Goel contacted Rajaratnam three times that day. The Galleon Tech funds' combined loss avoidance as a result of the January 16 sell-off was approximately \$1.4 million.

**(b). Intel's Q1 2007 Earnings Release – April 17, 2007**

99. The following quarter, Goel again provided Rajaratnam material nonpublic information concerning Intel's earnings and financial guidance. On or before April 9, 2007, approximately one week before Intel's scheduled Q1 2007 earnings announcement, Rajaratnam and Galleon began selling short Intel's stock. The funds sold short 1 million shares at \$20.14 per share. Goel and Rajaratnam spoke with each other multiple times in the days leading up to the trades, including on April 9, 2007. Later that day, after Rajaratnam's communication with Goel, Khan communicated with Rajaratnam.

That night, Khan emailed the principal of another hedge fund: “Also spoke to Raj[aratnam] . . . This is what I got . . . [Intel] dn 10% . . .”

100. The next day, April 10, 2007, Rajaratnam and Galleon sold short a combined 150,000 Intel shares at \$20.68 per share. On that day, Goel communicated with a member of Intel’s IR department, who, at the time of the calls, was aware of Intel’s quarterly earnings numbers. Goel and Rajaratnam communicated again on April 11 and 13, 2007. After the April 13 contact, Rajaratnam and Galleon reversed course and began covering the Galleon Tech funds’ short positions in Intel, and purchased 500,000 Intel shares at \$20.45 per share. Goel and Rajaratnam communicated again later that afternoon.

101. On Saturday, April 14, 2007, Goel reached out again to his contact in Intel’s IR department and then communicated with Rajaratnam. Then, on Monday, April 16, 2007, Goel repeatedly tried to contact Rajaratnam who was traveling in the Caribbean at the time. Shortly after Rajaratnam and Goel spoke, Rajaratnam contacted another portfolio manager for certain of Galleon hedge funds, including the Captain’s Fund. Beginning immediately after that communication, the Galleon Tech funds purchased 500,000 Intel shares at \$20.63 per share and covered their existing short position – 650,000 shares – at \$20.61 per share. Also immediately after the communication, other Galleon funds, including the Galleon Captains Fund and Galleon Communications Fund, started covering their existing short positions in Intel, purchasing Intel shares, and selling Intel put options.

102. On April 17, 2007, Rajaratnam and Galleon purchased 1,479,044 shares of Intel at prices ranging from \$20.81 to \$21.42 per share. Later that day, after the markets

closed, Intel released its Q1 2007 earnings, raising its profitability target for the rest of the year. Intel's share price, which had been \$20.77 at the close, rose following the announcement, primarily due to Intel's improved outlook on profitability, which was based mainly on cost reductions rather than any increases in revenues or sales. In fact, Intel's revenues were down 9% compared with Q4 2006, which ties closely with what Rajaratnam had told Khan, as reflected in Khan's April 9, 2007 communication.

103. In sum, Rajaratnam and Galleon established a sizable short position in Intel after Rajaratnam learned of Intel's lower revenue numbers from Goel on or around April 9, but then changed course and took a long position after Goel told Rajaratnam, on or around April 13, that Intel would be raising its profitability target for the rest of the year. The Galleon funds profited on the above trades by approximately \$1.3 million, and avoided losses of approximately \$917,000.

**(c). Intel's Q3 2007 Earnings Release – October 16, 2007**

104. In connection with Intel's third quarter release, Goel once again gave Rajaratnam material nonpublic information concerning Intel's earnings and financial guidance and Rajaratnam and Galleon traded based on the information. On October 8, 2007, a week or so before Intel's scheduled Q3 2007 earnings announcement, Goel contacted Rajaratnam. Two days later, on October 10, 2007, Rajaratnam and Galleon purchased 500,000 Intel shares at an average price of \$25.82 per share.

105. On October 15, 2007, the day before Intel's earnings announcement, Goel and Rajaratnam communicated again. The following day, Rajaratnam and Galleon purchased an additional 450,000 Intel shares at \$25.74 per share. After the markets closed that day, Intel released its Q3 2007 earnings, raising guidance and reporting

revenues and earnings that beat expectations. Following the announcement, Intel's share price, which had closed at \$25.48 on October 16, opened on October 17 at \$26.79 per share, up more than 5%. On October 17, Goel communicated with Rajaratnam, and Rajaratnam and Galleon sold the 950,000 Intel shares that they had acquired, at a price of approximately \$26.73 per share, realizing a profit of over \$690,000.

**F. Insider Trading in Clearwire Securities**

106. Goel, who is a managing director at Intel Capital, an Intel subsidiary that invests in technology companies, also tipped Rajaratnam about a joint venture between Clearwire and Sprint through which the two companies combined their wireless broadband, or WiMAX, businesses to form a new wireless communications company (the "Clearwire Transaction").

107. The Clearwire Transaction was publicly announced on May 7, 2008. Intel Capital, which was Clearwire's largest shareholder, owning about a 20% stake and having representation on Clearwire's Board at the time of the deal, invested \$1 billion in the Clearwire-Sprint joint venture. According to press reports, the investment was Intel Capital's largest ever.

108. Between early February 2008 and May 2008, Rajaratnam caused the Galleon Tech funds to engage in three rounds of Clearwire trading, all in close proximity to communications between Goel and Rajaratnam. In all three rounds, the Galleon Tech funds traded in advance of news reports relating to the deal between Clearwire and Sprint based on material nonpublic information about the Clearwire Transaction that Goel obtained through his employment at Intel and provided to Rajaratnam.



109. First, the Galleon Tech funds began building a long position in Clearwire on February 8, 2008 (continuing through February 14) of 375,350 shares following several timely contacts between Goel and Rajaratnam, including on the morning of February 8. On February 15, after multiple media outlets reported rumors that Clearwire and Sprint might revive a previously announced but abandoned plan to combine their wireless broadband businesses and announce a deal in the next few days (sending Clearwire's stock price up over 5%), the Galleon Tech funds began to liquidate their position.

110. Then, on March 19 and 20, 2008, Goel and Rajaratnam communicated repeatedly. In the course of these communications, Goel provided Rajaratnam with material nonpublic information about the Clearwire Transaction which Goel obtained through his employment at Intel. On the next trading day after the calls, Monday, March 24, the Galleon Tech funds again began to build a long position in Clearwire, purchasing 125,800 shares. Goel and Rajaratnam communicated again on March 24 and Goel provided Rajaratnam with additional material nonpublic information concerning the Clearwire Transaction. On March 25, Rajaratnam caused the Galleon Tech funds to buy another 136,000 Clearwire shares. After the close of the markets that day, the media reported that Clearwire had created a severance plan for its employees in the event of a takeover, again fueling speculation that Clearwire was close to striking a deal with Sprint. On March 26, Clearwire's share price opened at \$15.85 per share, up about 18% from the previous day's closing price.

111. On March 26, multiple media outlets reported that Clearwire and Sprint might get funding for the rumored joint venture from two major cable companies,

sending Clearwire's share price up almost 6% by the end of the trading day. That same day, Rajaratnam caused the Galleon Tech funds to begin to sell the Clearwire shares they had accumulated, selling 68,000 Clearwire shares. Rajaratnam and Goel communicated again on April 1 and April 2, 2008. On April 2, Rajaratnam caused the Galleon Tech funds to sell 44,200 Clearwire shares. On April 15, 2008, Goel communicated to Rajaratnam that things were not happening as planned with respect to the Clearwire Transaction. On April 18, Rajaratnam liquidated the Galleon Tech funds' Clearwire position, selling the remaining 149,600 shares.

112. Rajaratnam again established a long position in Clearwire on behalf of the Galleon tech funds on May 6, 2008, the day before the Clearwire Transaction was announced, purchasing 290,750 shares. The trades were once again preceded by contact between Goel and Rajaratnam (on April 20, 23, and 30). Clearwire's stock price jumped almost 9% on May 7 in the wake of the announcement, before declining over the course of the day to close down 1.46%. The Galleon Tech funds sold roughly half their Clearwire holdings for a sizeable profit on May 7, liquidating their remaining holdings by May 27.

113. Overall, the Galleon Tech funds realized illicit gains of over \$780,000 on their Clearwire trading between February and May 2008.

**G. Insider Trading in PeopleSupport Securities**

114. Rajaratnam traded on the basis of material nonpublic information concerning PeopleSupport on behalf of Goel.

115. During 2008, Galleon had regular access to inside information about PeopleSupport, a back office outsourcing company, because Galleon was a 25% owner of

the company, and because a managing director at Galleon (the “Galleon Designee”) served on PeopleSupport’s Board of Directors.

116. The Galleon Designee communicated material nonpublic information about PeopleSupport that the Galleon Designee learned through the Galleon Designee’s service on PeopleSupport’s Board of Directors to Rajaratnam, including information concerning the acquisition of PeopleSupport by Aegis BPO Services Ltd. (“Aegis”).

117. On two separate occasions during 2008, Rajaratnam purchased securities of PeopleSupport through Goel’s personal Schwab Account based on material nonpublic information. First, Rajaratnam purchased 30,000 shares in advance of PeopleSupport’s August 4, 2008 announcement that PeopleSupport would be acquired by Aegis. These shares were sold for a profit of about \$102,000 after PeopleSupport’s share price spiked 25% in response to the merger announcement.

118. Second, on the afternoon of October 7, 2008, in advance of PeopleSupport’s October 8, 2008 announcement that the merger with Aegis was confirmed (PeopleSupport had announced the prior morning that it had received a request to delay the merger, which sent prices down amidst investor concerns that the deal might be in jeopardy), Rajaratnam purchased 30,000 PeopleSupport shares for Goel’s Schwab Account. Rajaratnam communicated with Goel on October 7, indicating to Goel that Rajaratnam knew by virtue of the Galleon Designee’s position on PeopleSupport’s Board that the deal was going to close later in October and that he had purchased the shares for Goel in the Schwab Account. The shares were sold after the October 8 announcement for a profit of about \$48,000.

**H. Insider Trading in Akamai Securities**

119. An executive at the internet services company Akamai and a family friend of Chiesi's (the "Akamai Source"), provided material nonpublic information about Akamai's disappointing Q2 2008 earnings results and guidance concerning future performance to Chiesi in advance of Akamai's July 30, 2008 earnings release and earnings conference call (the "Q2 2008 Earnings Announcement"). Specifically, the Akamai Source told Chiesi that Akamai would guide down and that the consensus among Akamai's management was that Akamai's stock price would decline in the wake of the Q2 2008 Earnings Announcement.

120. In its Q2 2008 Earnings Announcement on July 30, 2008, Akamai announced results that missed both the consensus sales estimate and the consensus revenues forecast. Akamai also announced earnings and revenues forecasts that were below consensus estimates. Following the announcement, Akamai's stock declined nearly 20%, from \$31.25 per share on July 30 to \$25.06 per share on the day after the announcement.

121. Chiesi communicated with the Akamai Source numerous times, and also traded profitably in Akamai on behalf of the New Castle funds, prior to the Q2 2008 Earnings Announcement. Specifically, Chiesi and the Akamai Source spoke multiple times between July 2 and July 24, 2008, and had two lengthy discussions on July 24, 2008. Immediately following the second of these discussions, Chiesi communicated the material nonpublic information she had learned from the Akamai Source to Kurland. On the following day, July 25, the New Castle funds sold short shares of Akamai, adding to its short positions through July 30, 2008. In the day or so before Akamai's Q2 2008

Earnings Announcement, Chiesi had two additional calls with the Akamai Source. On July 30, New Castle purchased 1,466 Aug 2008 \$30 Akamai put options. Following the Q2 2008 Earnings Announcement, the New Castle funds covered their combined Akamai short position, which had grown to almost 290,000 shares, and sold their Akamai puts, generating profits of approximately \$2.4 million.

122. In addition to trading Akamai shares for the New Castle funds based on the tip from the Akamai Source, Chiesi also passed the Akamai Source's tip to Rajaratnam and Galleon, and also to Fortuna and S2 Capital.

123. Chiesi and Rajaratnam communicated numerous times on July 23 and 24, 2008, including immediately before and after Chiesi spoke with the Akamai Source. Just after speaking to the Akamai Source on July 24, Chiesi told Rajaratnam that she learned from the Akamai Source that Akamai was going to guide down and that people at Akamai were saying that Akamai's stock price was going to decline to \$25.00 per share based on the Q2 2008 Earnings Announcement. Chiesi made clear to Rajaratnam that her source was an insider at Akamai. On the day following this spate of communications, July 25, 2008, Rajaratnam dramatically increased the Galleon Tech funds' existing short position in Akamai, selling short 138,550 Akamai shares. On July 29, Rajaratnam sold short another 173,300 Akamai shares on behalf of the Galleon Tech funds. Then, on the morning of July 30, 2008, the day of the Q2 2008 Earnings Announcement, Rajaratnam contacted Chiesi. Shortly thereafter, Chiesi communicated with the Akamai Source and then communicated with Rajaratnam again. On July 30, Rajaratnam increased the Galleon Tech funds' short positions yet again, selling short another 211,650 Akamai shares. Following the announcement, Rajaratnam closed out the Galleon Tech funds'

half-million-share short position and put options for a combined profit of over \$3.2 million.

124. On the morning of Friday, July 25, after Chiesi had communicated with the Akamai Source the night before, Chiesi passed the Akamai tip to Fortuna, telling Fortuna that Akamai would guide lower and that the consensus among Akamai's management was that the Q2 2008 Earnings Announcement would drive Akamai's stock price down. Chiesi made clear to Fortuna that the information was nonpublic and that the source of the inside information was someone at Akamai. Based on Chiesi's tip, Fortuna began shorting Akamai stock and purchasing puts on that same day for S2 Capital's "Tech" account, increasing the short and put positions through the July 30, 2008 Q2 2008 Earnings Announcement. After the announcement, Fortuna covered S2 Capital's entire Akamai short position of 375,000 shares and sold the remaining Akamai put option contracts for a profit of approximately \$2.4 million.

**I. Insider Trading in SUN Securities**

125. Moffat, IBM's Senior Vice President and Group Executive, Systems and Technology Group, conveyed to Chiesi material nonpublic information about SUN's Q2 2009 results in advance of SUN's January 27, 2009 earnings release.

126. In January 2009, IBM was conducting due diligence on SUN in contemplation of a possible acquisition of SUN by IBM. Pursuant to a confidentiality agreement between IBM and SUN entered into as part of the acquisition process, SUN provided IBM with its Q2 2009 earnings results in advance of the January 27, 2009 earnings announcement. Because of his role in IBM's due diligence of SUN, Moffat had access to SUN's earnings results.

127. Chiesi and Moffat, who are friends, contacted each other numerous times during January 2009, with the frequency of contact between the two increasing significantly just prior to the SUN earnings release.

128. Moffat was one of a group of IBM executives on the preliminary due diligence team arriving at a designated location to conduct due diligence on SUN on January 19, 2009. Moffat contacted Chiesi at home that evening, and had several conversations with her over the next several days. In the course of one or more of these conversations, Moffat provided Chiesi with material nonpublic information concerning SUN's Q2 2009 earnings. In addition, on January 22, 2009, a draft of SUN's earnings results was conveyed to the IBM due diligence team.

129. On Monday, January 26, 2009, Chiesi told a third party that her IBM source had indicated to her that SUN would announce the next day that its "top," or quarterly revenue, and "bottom," or earnings per share, would exceed analysts' consensus expectations, and that the revenue number would be "3.2 [billion]," and that her source knew this because IBM was doing due diligence on SUN.

130. On January 26, 2009, Chiesi began acquiring a substantial long position in SUN on behalf of New Castle. On January 27, 2009, after the market closed, SUN reported its Q2 2009 earnings information. SUN's performance substantially exceeded consensus estimates, including higher revenue (\$3.22 billion) and margins, posting a \$0.02 per share profit whereas consensus estimates called for a loss of \$0.09/0.10 per share. SUN's share price rallied on the news, rising 21%, from a January 27 closing price of \$3.99 per share to a January 28 closing price of \$4.86 per share, generating profits of nearly \$1 million for New Castle.

131. On January 28, 2009, Moffat transmitted to SUN, on behalf of IBM, a preliminary proposal to acquire SUN.

**J. Insider Trading in ATI Securities**

132. Starting in or around 2003, Rajaratnam agreed to pay Kumar, a friend of Rajaratnam's and a senior partner and director of McKinsey, \$500,000 per year in return for material nonpublic information that Kumar obtained from clients of McKinsey. In an effort to hide the proposed arrangement, Rajaratnam paid Kumar for the information through a third party located overseas. Kumar reinvested the money paid to him by Rajaratnam in Galleon funds for Kumar's benefit, although in the name of a third party who was not a United States citizen. Kumar made arrangements to have an overseas entity receive payments from Rajaratnam via an account in Switzerland. Kumar also arranged to have such payments invested in one or more Galleon funds in the name of a domestic worker employed by Kumar, and informed Rajaratnam of such arrangement.

133. Pursuant to these arrangements, beginning in or around 2003, Kumar provided Rajaratnam material nonpublic information obtained from various McKinsey clients in exchange for the payments described in paragraph 132. For example, in or around 2004, Kumar provided Rajaratnam with material nonpublic information concerning AMD. Kumar reinvested the payments he received from Rajaratnam in exchange for the inside information in one or more Galleon funds for Kumar's benefit but in the name of Kumar's domestic worker.

134. In or around late 2005, Kumar, as a director of McKinsey, began advising AMD about the possibility of acquiring a graphics company. By in or around March 2006, AMD had settled on ATI as its acquisition target and had begun confidential



negotiations with ATI concerning a potential acquisition. Kumar tipped Rajaratnam to this information and, based on the information, Rajaratnam, in or around March 2006, caused the Galleon Tech funds to begin acquiring ATI stock. Negotiations between AMD and ATI continued over the next several months, and, during that span, Kumar updated Rajaratnam periodically on the progress of those negotiations. Based on the inside information Kumar provided, Rajaratnam caused the Galleon Tech funds to accumulate additional ATI shares.

135. On July 24, 2006, AMD publicly announced that it had entered into a \$5.4 billion transaction to acquire ATI (the "ATI Transaction"). ATI's stock price increased significantly based on the news and, that same day, Rajaratnam caused the Galleon Tech funds to liquidate their position in ATI, generating illicit profits of over \$19 million.

136. In or around late 2006, Rajaratnam told Kumar that he would pay him a \$1 million "bonus" to reward Kumar for the information Kumar provided Rajaratnam concerning the ATI Transaction. Rajaratnam subsequently caused Galleon to wire \$1 million into an overseas account held by Kumar.

137. In total, from in or around 2003 through in or about October 2009, Rajaratnam paid Kumar approximately \$1.75 million to \$2 million as compensation for Kumar's provision of inside information to Rajaratnam. Because Kumar reinvested a portion of that compensation in a nominee account at Galleon, Kumar received a total of approximately \$2.6 million through his participation in the illicit scheme with Rajaratnam.

138. In or around 2007, Rajaratnam told Kumar that because Galleon was under increased scrutiny, Kumar should no longer keep Kumar's investment in Galleon

in the name of Kumar's domestic worker. Kumar later changed the name of the investment holder of his Galleon investment from the name of his domestic worker to the name of an overseas entity.

**K. Insider Trading in AMD Securities**

139. On October 7, 2008, AMD announced a spin off of its semiconductor manufacturing operations into a joint venture with Advanced Technology Investment Company, an investment company formed by the government of Abu Dhabi. AMD also announced that an Abu Dhabi sovereign wealth fund, Mubadala Investment Co., would be investing \$314 million in AMD. Both deals were publicly announced prior to the market open on October 7, 2008 (collectively, the "AMD Transactions").

140. Kumar provided material nonpublic information to Rajaratnam about the AMD Transactions prior to the October 7, 2008 public announcement concerning those transactions.

141. Moffat and an AMD executive ("AMD Executive") also provided material nonpublic information to Chiesi about the AMD Transactions prior to the October 7, 2008 public announcement concerning the AMD Transactions. Chiesi shared material nonpublic information about the AMD Transactions with Kurland and Fortuna.

142. Prior to the October 7, 2008 announcement of the AMD Transactions, Rajaratnam and Chiesi exchanged material nonpublic information they received from their respective sources about the transactions. Chiesi tipped Kurland to material nonpublic information about the AMD Transactions that she received from Rajaratnam.

143. During in or about 2007 and in or about 2008, Kumar, as a director of McKinsey, advised AMD concerning its strategy to spin off its manufacturing business

while retaining its design business. Kumar tipped Rajaratnam to AMD's strategy, saying that it would probably prevent AMD from going out of business because it would cut costs and raise capital. Pursuant to this strategy, AMD negotiated with various entities during 2008 in an effort to sell its manufacturing business and raise capital. Kumar regularly provided Rajaratnam with material nonpublic information about the progress of these negotiations.

144. In or about June 2008, AMD entered into exclusive negotiations with the Abu Dhabi-based investors concerning the AMD Transactions. Beginning on June 1, 2008, McKinsey began advising AMD in connection with AMD's negotiations with the two Abu Dhabi sovereign entities. Kumar was one of the individuals at McKinsey knowledgeable about the negotiations, having first been contacted about the matter on or around June 1, 2008.

145. IBM was involved in the AMD Transactions because the new, separate manufacturing entity that was being created sought to license certain technology from IBM. Moffat was one of the employees at IBM participating in discussions and meetings relating to the AMD Transactions.

146. Kumar and Rajaratnam communicated numerous times concerning the AMD Transactions. On August 14, Kumar learned that the parties to the AMD Transactions had decided to proceed with the deal, and on August 15 Kumar conveyed this material nonpublic information to Rajaratnam. That day, Rajaratnam and Galleon dramatically increased their long position in AMD by purchasing over 2.5 million AMD shares as well as call options on behalf of various Galleon funds, and continued to build their long position up until just days before the announcement of the AMD Transactions.

On September 11, 2008, Kumar communicated to Rajaratnam that the deals were on track and that the announcement of the AMD Transactions would be the first week of October. Various Galleon funds continued to trade AMD based on the inside information Rajaratnam had received from Kumar, including a purchase of approximately 4 million AMD shares on September 25 and 26. On the evening of September 29, Kumar left a voice message for Rajaratnam indicating that he had the information that Rajaratnam wanted. The next day, Rajaratnam communicated with Chiesi and indicated that the date for the announcement of the AMD Transaction was October 7, 2008. That same day, Rajaratnam and Galleon purchased several hundred thousand more AMD shares in various Galleon funds, and then purchased over 1.5 million more AMD shares on October 3, 2008.

147. Meanwhile, on August 12 and 13, 2008, Chiesi communicated multiple times with the AMD Executive. On August 15, Rajaratnam communicated with Chiesi. Chiesi told Rajaratnam that she was hearing from her IBM source that the AMD Transactions would occur September 9 but the AMD Executive told her they would occur around mid-September. Chiesi's source at IBM for this information was Moffat. Rajaratnam informed Chiesi that the parties shook hands on the deals the day before. Shortly after Chiesi's communication with Rajaratnam, Chiesi communicated with Kurland, passing along material nonpublic information about AMD that she received from Moffat and the AMD Executive. Kurland cautioned Chiesi to be careful and to avoid putting anything in an email. Kurland also told Chiesi to purchase AMD shares on behalf of New Castle. Later that day, Chiesi communicated with Moffat and Moffat provided Chiesi with numerous details about the AMD Transactions. On or about August

15, Chiesi and Kurland bought approximately 200,000 AMD shares on behalf of New Castle.

148. From approximately August 22 to approximately September 22, 2008, Chiesi learned from Moffat additional material nonpublic information about the AMD Transactions. During this time period and throughout, Kurland received regular updates on the transactions, either indirectly from Chiesi, or directly by listening in on some of her communications with Moffat.

149. From approximately August 19 to approximately September 16, 2008, Chiesi had numerous communications with the AMD Executive during which the AMD Executive tipped Chiesi to additional nonpublic information about the AMD Transactions. Chiesi passed material inside information she received from the AMD Executive about the AMD Transactions to Kurland.

150. Between August 19 and September 30, 2008, Chiesi and Rajaratnam had numerous communications during which they exchanged material nonpublic information about the AMD Transactions that they received from their respective sources. Chiesi passed at least some of the inside information she received from Rajaratnam about the AMD Transactions to Kurland. For example, shortly after Rajaratnam told Chiesi on September 30 that the transaction would be announced on October 7, Chiesi passed this information to Kurland.

151. Chiesi and Kurland built a sizeable long position in AMD on behalf of New Castle between August 15 and September 30, 2008, including a purchase of approximately 127,600 AMD shares on September 30.

152. On or before August 15, 2008, Chiesi tipped Fortuna to the material nonpublic information she received from her various sources about the AMD Transactions. Fortuna communicated multiple times with Chiesi between August 12 and 15. Fortuna purchased 40,000 AMD shares on behalf of S2 Capital on August 15, and then continued to build a large long position in AMD right up until the October 7 announcement.

153. AMD's stock price increased by about 24.6% in the aftermath of the announcement of the AMD Transactions, opening at \$5.27 per share on October 7 after closing the day before at \$4.23 per share. However, because the worldwide economic crisis sent stock prices, including AMD's, tumbling in September and October 2008, AMD's share price was lower following the October 7 announcement than it was when the various Galleon, New Castle and S2 Capital funds had begun accumulating much of their respective AMD positions in August. Nevertheless, the funds' investments increased significantly on the news of the AMD Transactions – for instance, the aggregate value of Galleon's position in AMD increased by approximately \$9.5 million from October 6 to October 7, 2008.

**L. Insider Trading in eBay Securities**

154. On or about Thursday, October 2, 2008, Kumar learned through another McKinsey client, an eBay subsidiary, that eBay was planning to announce a major work force reduction on the following Monday, October 6, 2008, and that such information was confidential. On or around October 3, 2008, Kumar tipped Rajaratnam to this material nonpublic information. After receiving the tip, on October 3 Rajaratnam caused the Galleon Tech funds to sell short eBay shares. On October 6, 2008, eBay publicly

announced its plans to implement a significant reduction of its global workforce. After the announcement, Rajaratnam caused the Galleon Tech funds to cover their collective short position in eBay, generating illicit profits of more than \$500,000.

**M. Insider Trading in IBM Securities**

155. Moffat provided Chiesi with material nonpublic information concerning IBM's quarterly financial results, including IBM's Q4 2008 earnings release, and Chiesi traded on behalf of New Castle based on that information.

156. Prior to January 8, 2009, New Castle had accumulated a 177,000 share short position in IBM stock. On January 8, 2009, Moffat and Chiesi communicated twice. The following day, January 9, 2009, Chiesi began to cover New Castle's short position. All told, between January 9 and January 15, 2009, Chiesi covered New Castle's entire 177,000 share short position and then built a long position in the same amount, 177,000 shares.

157. Chiesi and Moffat communicated again on January 19, 2009. On January 20, 2009, Chiesi added to New Castle's long position, purchasing approximately 45,200 shares of IBM stock, at a price of approximately \$82.72 per share. That day, Chiesi indicated to an employee of another hedge fund that her IBM contact told her that IBM could add 30 cents to its bottom line guidance for its 2009 fiscal year. She also indicated that IBM could beat analyst estimates for the quarter.

158. On or about January 20, 2009, following the close of the market, IBM announced its earnings for the quarter ending in December 2008. Earnings per share were \$3.28, which beat analysts' consensus expectations of \$3.03. Moreover, IBM announced that it expected earnings per share in 2009 of at least \$9.20, which was 27

cents more than IBM's earnings per share in 2008 (\$8.93), and higher than analysts' expectations of \$8.75.

159. On January 21, 2009, IBM stock opened at \$86.29 per share, up \$4.31 (approximately 5%) over the previous day's closing price of \$81.98 per share. Between January 21, 2009 and January 30, 2009, New Castle sold approximately 109,000 shares of IBM stock, at prices ranging from \$88.83 to \$93.24 per share, for a profit of approximately \$715,000. Additionally, New Castle avoided losses of approximately \$1.02 million from its short covers based on the January 8 communication Chiesi had with Moffat.

**N. Insider Trading in Atheros Securities**

160. Hariri, a Vice-President at the semiconductor company Atheros, tipped Far, a principal at Spherix Capital, in advance of Atheros's December 17, 2008 earnings pre-announcement and February 2, 2009 Q4 2008 earnings announcement. Far knew Hariri through Far's mother-in-law, and Far and Hariri regularly exchanged inside information. Hariri regularly gave Far information related to Atheros's revenues, gross margins and guidance. In exchange, Far provided Hariri with inside information on other companies, which information Hariri then used to trade for his personal gain.

161. After the market close on December 17, 2008, Atheros announced that it was cutting its Q4 2008 earnings guidance in half, to between \$0.14 and \$0.19 per share, on anticipated revenue of \$95 million to \$100 million. Hariri told Far about the negative announcement on the morning of December 17, 2008, hours before the announcement was disclosed to the public. Within minutes of being told about the announcement, Far sold short 331,017 Atheros shares on behalf of Spherix Capital's Elliptical Master Fund



Ltd. (the "Elliptical Master Fund"). The negative news was announced after the market closed that day, and the following day Atheros's stock opened and traded lower, eventually closing at a price down 17.56%. Far covered the Elliptical Master Fund's short sales after the announcement, making a profit of approximately \$480,000.

162. Far shared the tip he received from Hariri about Atheros's December 17, 2008 pre-announcement with Lee, his partner and a co-principal at Spherix Capital. Lee knew that Far was receiving material nonpublic information from an inside source at Atheros and was trading based on the information on behalf of Spherix Capital.

163. On February 2, 2009, after the market close, Atheros issued its Q4 2008 earnings release, reporting sales and profits that were better than analysts' expectations. Hariri began providing Far with material nonpublic information concerning Atheros's Q4 2008 financial results on or about January 5, 2009. On January 5, Far increased the Elliptical Master Fund's position in Atheros and purchased an additional 70,000 Atheros shares. Far and Hariri communicated multiple additional times between January 5 and the February 2 announcement, and Far continued to build the fund's long position in Atheros leading up to the announcement, accumulating an approximately 900,000 share position heading into the announcement. After the announcement, Atheros's stock rose 6.7% from its February 2 closing price of \$12.09 per share to close at \$12.90 per share on February 3. Far sold off much of the fund's long position in Atheros in the days after the announcement, generating a profit of over \$390,000 on the fund's post-January 4, 2009 Atheros stock purchases based on material nonpublic information provided by Hariri.

**CLAIMS FOR RELIEF**

**CLAIM I**

**Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder  
(Against all Defendants)**

164. The Commission realleges and incorporates by reference paragraphs 1 through 162, as though fully set forth herein.

165. The information concerning (i) the Polycom January 25 and April 19, 2006 earnings announcements, (ii) the Hilton Transaction, (iii) the Google July 19, 2007 earnings announcement, (iv) the Kronos Transaction, (v) the Intel January 16, April 17 and October 16, 2007 earnings announcements, (vi) the Clearwire Transaction, (vii) the PeopleSupport Merger Announcements, (viii) the ATI Transaction, (ix) the AMD Transactions, (x) the eBay October 6, 2008 work force reduction announcement, (xi) the Akamai July 30, 2008 earnings announcement, (xii) the SUN January 27, 2009 earnings announcement, (xiii) the IBM January 20, 2009 earnings announcement, and (xiv) the Atheros December 17, 2008 earnings pre-announcement and February 2, 2009 earnings announcement, respectively, was, in each case, material and nonpublic. In addition, the information was in each case considered confidential by the companies that were the ultimate source of the information, and each of these companies had policies protecting confidential information.

166. Each of the Polycom Source, Shah, the Google Source, the Kronos Source, Goel, Kumar, the Akamai Source, Moffat, the AMD Executive and Hariri learned the material nonpublic information each conveyed during the course of their employment, and each knew, recklessly disregarded, or should have known, that each,

directly, indirectly or derivatively, owed a fiduciary duty, or obligation arising from a similar relationship of trust and confidence, to keep the information confidential.

167. Each of the Polycom Source, Shah, the Google Source, the Kronos Source, Goel, Kumar, the Akamai Source, Moffat, the AMD Executive and Hariri tipped material, nonpublic information to their respective tippee(s) with the expectation of receiving a benefit.

168. In connection with the purchase or sale of securities, each of Khan, Rajaratnam, Tipper X, Shankar, Goffer, Plate, Chiesi, Kurland and Fortuna knew, recklessly disregarded, or should have known, that the material non-public information each received from their respective tippers was disclosed or misappropriated in breach of a fiduciary duty, or similar relationship of trust and confidence.

169. Each of Shah, Khan, Chiesi, Tipper X and Shankar tipped their respective tippees material non-public information, with the expectation of a benefit therefrom, and each knew, recklessly disregarded, or should have known, that the information was conveyed in breach of a fiduciary duty, or obligation arising from a similar relationship of trust and confidence.

170. Rajaratnam learned of the information concerning the merger of PeopleSupport through Galleon's representation on PeopleSupport's Board of Directors. Rajaratnam knew, recklessly disregarded, or should have known, that he, directly, indirectly or derivatively, owed a fiduciary duty, or obligation arising from a similar relationship of trust and confidence, to PeopleSupport to maintain such information in confidence and to not trade on it.

171. Rajaratnam, Galleon, Chiesi, Kurland, New Castle, Fortuna and S2 Capital, are liable for the trading occurring in the funds advised – directly or indirectly – by each, respectively, because each effectuated the trades on behalf of the funds, controlled the funds and/or unlawfully tipped the inside information to the funds.

172. The unlawful trading done by Rajaratnam, Shankar, Plate, Goffer, Chiesi, Kurland and Fortuna, respectively, is imputed or attributable to Galleon, Schottenfeld, New Castle, and S2 Capital, respectively.

173. By virtue of the foregoing, each of the Defendants, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or a facility of a national securities exchange, directly or indirectly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material fact or 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; or (c) engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon persons.

174. By virtue of the foregoing, each of the Defendants directly or indirectly, violated, and unless enjoined, will again 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].

**CLAIM II**  
**Violations of Section 17(a) of the Securities Act**  
**(Against Galleon, Rajaratnam, Goel, Kumar, Chiesi, Kurland, New Castle, Khan,**  
**Hariri, Shankar, Schottenfeld, Fortuna and S2 Capital)**

175. The Commission realleges and incorporates by reference paragraphs 1 through 173, as though fully set forth herein.

176. By virtue of the foregoing, in the offer or sale of securities, by the use of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, each of Galleon, Rajaratnam, Goel, Kumar, Chiesi, Kurland, New Castle, Khan, Hariri, Shankar, Schottenfeld, Fortuna and S2 Capital: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices or courses of business which operate or would operate as a fraud or deceit upon a purchaser.

177. By reason of the conduct described above, Galleon, Rajaratnam, Goel, Kumar, Chiesi, Kurland, New Castle, Khan, Hariri, Shankar, Schottenfeld, Fortuna and S2 Capital, directly or indirectly, violated, and unless enjoined will again violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

### **RELIEF SOUGHT**

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

#### **I.**

Permanently restraining and enjoining each of the Defendants, their officers, 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, and each of them, from violating 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];

**II.**

Permanently restraining and enjoining Galleon, Rajaratnam, Goel, Kumar, Chiesi, Kurland, New Castle, Khan, Hariri, Schottenfeld, Shankar, S2 Capital, Fortuna, their officers, 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, and each of them, from violating Section 17(a) of the Securities Act [15 U.S.C. §§ 77q(a)];

**III.**

Ordering each of the Defendants to disgorge, with prejudgment interest, all illicit trading profits, other ill-gotten gains received, and/or losses avoided as a result of the conduct alleged in this Complaint, including, as to each of the Defendants, their own illicit trading profits, other ill-gotten gains, and/or losses avoided, and the illicit trading profits, other ill-gotten gains, and/or losses avoided of their direct and downstream tippees.

**IV.**

Ordering each of the Defendants to pay civil monetary penalties pursuant to Section 21(d)(3) and/or Section 21A of the Exchange Act [15 U.S.C. §§ 78u(d)(3), 78u-1], and Section 20(d) of the Securities Act [5 U.S.C. § 77t(d)];

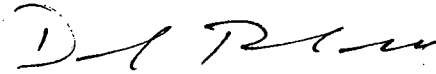
**V.**

Barring defendants Goel, Moffat and Hariri pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as officers or directors of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VI.

Granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York  
January 29, 2010



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David Rosenfeld  
Associate Regional Director  
Attorney for Plaintiff  
SECURITIES AND EXCHANGE  
COMMISSION  
New York Regional Office  
3 World Financial Center, Suite 400  
New York, New York 10281  
(212) 336-0153

Of Counsel:

Sanjay Wadhwa (WadhwaS@sec.gov)  
Valerie A. Szczepanik (SzczepanikV@sec.gov)  
Silvestre A. Fontes\*\* (FontesS@sec.gov)  
Kevin McGrath\* (McGrathK@sec.gov)  
Jason E. Friedman (FriedmanJ@sec.gov)  
John Henderson\* (HendersonJ@sec.gov)  
Matthew Watkins (WatkinsMA@sec.gov)  
Timothy Casey (CaseyT@sec.gov)

\* *not admitted in the S.D.N.Y.*

\*\**admitted pro hac vice*

**CERTIFICATE OF SERVICE**

I hereby certify that, on January 29, 2010, the foregoing Second Amended Complaint was filed with the Clerk of the Court and served in accordance with the Federal Rules of Civil Procedure, and/or the Southern District's Local Rules, and/or the Southern District's Rules on Electronic Service upon the following parties and participants.

**SERVICE LIST**

<b>Defendant</b>	<b>Counsel</b>
Galleon Management, LP	<b>Adam S. Hakki, Esq.</b> Shearman & Sterling LLP 599 Lexington Ave. New York, NY 10022 Ph: (212) 848-4924
Raj Rajaratnam	<b>William White, Esq.</b> Akin Gump Strauss Hauer & Feld LLP 1333 New Hampshire Ave., NW Washington, DC 20036 Ph: 202.887.4036
Rajiv Goel	<b>Norman A. Bloch, Esq.</b> Thomson Hine LLP 335 Madison Avenue, 12 <sup>th</sup> floor New York, NY 10017-4611 Ph: 212.344.5680
Anil Kumar	<b>Robert G. Morvillo, Esq.</b> Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, P.C. 565 Fifth Avenue New York, NY 10017 Ph: (212) 856-9600
Danielle Chiesi	<b>Alan R. Kaufman, Esq.</b> Kelley Drye & Warren LLP 101 Park Avenue New York, NY 10178 Ph: (212) 808-5195

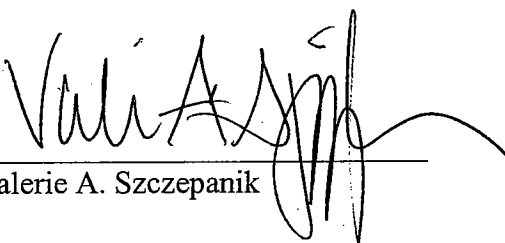


Mark Kurland	<b>Ted Altman, Esq.</b> DLA Piper LLP 1251 Avenue of the Americas, 27 <sup>th</sup> Floor New York, NY 10020 Ph: (212) 335-4556
Robert Moffat	<b>Kenneth I. Schacter, Esq.</b> Bingham McCutchen LLP 399 Park Avenue New York, NY 10022 Ph: (212) 705-7487
New Castle Funds, LLC	<b>Steven R. Glaser, Esq.</b> Skadden, Arps, Slate, Meagher & Flom LLP Four Times Square New York, NY 10036 Ph: (212) 735-2465
Roomy Khan	<b>David Wikstrom, Esq.</b> Law Offices of David Wikstrom 26 Broadway – 19 <sup>th</sup> Floor New York, NY 10004 Ph: (212) 248-5511
Ali Hariri	<b>Harlan J. Protass, Esq.</b> Law Offices of Harlan J. Protass, PLLC 305 Madison Avenue Suite 1301 New York, NY 10165 Ph: 212.922.1080
Zvi Goffer	<b>Cynthia M. Monaco, Esq.</b> Anderson Kill & Olick, P.C. 1251 Avenue of the Americas New York, New York 10020 (212) 278-1009
David Plate	<b>Roland G. Riopelle, Esq.</b> Sercarz & Riopelle, LLP 152 W. 57th Street, Suite 24C New York, NY 10019 Ph: (212) 586-4900, x 18

Gautham Shankar	<b>Frederick L. Sosinsky, Esq.</b> 45 Broadway, 30 <sup>th</sup> Floor New York, NY 10006-3007 Ph: (212) 285-2270
Schottenfeld Group LLC	<b>Kenneth Breen, Esq.</b> Paul, Hastings, Janofsky & Walker LLP 75 East 55th Street New York, NY 10022 Ph: (212) 318-6344
Steven Fortuna	<b>Adler Bernard, Esq.</b> Dornbush Schaeffer Strongin & Venaglia, LLP 747 Third Avenue, 11 <sup>th</sup> Floor New York, NY 10017 Ph: (212) 759-3300

<p>S2 Capital Management, LP</p>	<p>S2 Capital Management, LP 650 Fifth Avenue, 6<sup>th</sup> Floor New York, NY 10019</p> <p>S2 Capital Management, LP Attention: The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801 Ph: (302) 777-0220</p> <p>S2 Capital Management, LP Attention: Seth Buchalter c/o Michael B. Himmel, Esq. 65 Livingston Avenue Roseland, NJ 07068 Ph: (973) 597-6172</p> <p>S2 Capital Management, LP Attention: Steven Fortuna c/o Adler Bernard, Esq. Dornbush Schaeffer Strongin &amp; Venaglia, LLP 747 Third Avenue, 11<sup>th</sup> Floor New York, NY 10017 Ph: (212) 759-3300</p>
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Dated: January 29, 2010  
New York, New York

  
\_\_\_\_\_  
Valerie A. Szczepanik

# Exhibit A-2

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
SECURITIES AND EXCHANGE COMMISSION,	:	
	:	<b>No. 09 Civ. 8811 (JSR)</b>
Plaintiff,	:	
	:	<b>ECF CASE</b>
- against -	:	
	:	
GALLEON MANAGEMENT, L.P., et al.,	:	
	:	
Defendants.	:	
-----X	:	

**ANSWER OF GALLEON MANAGEMENT, L.P. TO THE  
SECOND AMENDED COMPLAINT**

Defendant Galleon Management, L.P. (“Galleon”) states as follows for its Answer in response to the Second Amended Complaint, dated January 29, 2010 (the “Second Amended Complaint”). To the extent that certain paragraphs in the Second Amended Complaint include allegations against defendants other than Galleon, Galleon’s responses to the allegations contained in such paragraphs, set forth herein, relate to Galleon only and to no other defendant. To the extent allegations in the Second Amended Complaint purport to summarize, paraphrase or quote oral conversations involving representatives of Galleon, Galleon has, where applicable, relied on the Answer in this action of the representative who allegedly participated in the conversation.

1. Galleon denies the allegations in Paragraph 1, except admits that the allegations purport to describe Plaintiff’s claims.
2. Galleon denies the allegations in Paragraph 2, except admits that the allegations purport to describe Plaintiff’s claims.
3. To the extent the allegations in Paragraph 3 state legal conclusions, no response is required. To the extent a response is required, Galleon admits that Plaintiff purports

to bring this action pursuant to the statutes cited in Paragraph 3, and that Plaintiff purports to seek the relief described in Paragraph 3.

4. To the extent the allegations in Paragraph 4 state legal conclusions, no response is required. To the extent a response is required, Galleon admits that Plaintiff purports to base jurisdiction over the subject matter of this action pursuant to the statutes cited in Paragraph 4.

5. To the extent the allegations in Paragraph 5 state legal conclusions, no response is required. To the extent a response is required, Galleon admits that its headquarters are located in New York, New York, but lacks knowledge or information sufficient to form a belief as to the truth of the other allegations in Paragraph 5, except admits that Plaintiff purports to base venue on the statutes cited in Paragraph 5.

6. Galleon admits the allegations in the first and second sentences of Paragraph 6. Galleon admits that it is the investment manager for several hedge funds, including, among others, Galleon Technology Offshore, Ltd., Galleon Diversified Fund, Ltd., Galleon Emerging Technology Offshore, Ltd., Galleon Buccaneer's Offshore, Ltd., Galleon Explorers Offshore, Ltd., and Galleon Strategic Fund, Ltd.

7. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in the first, third, and fourth sentences of Paragraph 7. Galleon admits that Raj Rajaratnam ("Rajaratnam") is a managing member of Galleon Management, L.L.C. The general partner of Galleon is Galleon Management, L.L.C.

8. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 8.

9. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 9, except admits that Ambit Ltd., an entity in which Mr. Kumar has or had a beneficial interest, has one or more investment interests in funds managed by Galleon.

10. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 10.

11. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 11.

12. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 12.

13. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 13.

14. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 14, except admits that Khan was previously employed by or associated with Galleon or one of its affiliates.

15. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 15.

16. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 16.

17. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17.

18. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 18.

19. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 19.

20. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 20.

21. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 21.

22. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 22.

23. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23, except admits that Akami provides services for facilitating the delivery of content and applications over the Internet and that Akami's stock trades on the Nasdaq under the symbol "AKAM."

24. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 24, except admits that AMD is a semiconductor company headquartered in Sunnyvale, California and that AMD's stock trades on the NYSE under the symbol "AMD."

25. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 25, except admits that Atheros is a developer of semiconductor systems for wireless and other network communication products, and that Atheros's stock trades on the Nasdaq under the symbol "ATHR."

26. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 26, except admits that on October 25, 2006, AMD completed an approximately \$5.4 billion acquisition of ATI, that ATI designed and



manufactured 3D graphics, PC platform technologies and digital media silicon solutions, and that ATI's stock traded on the Nasdaq under the symbol "ATYT."

27. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27, except admits that Clearwire builds and operates wireless broadband networks in the United States and abroad, that it is headquartered in Kirkland, Washington, and that Clearwire's stock trades on the Nasdaq under the symbol "CLWR." Galleon admits that Intel or an Intel subsidiary provided financing for Clearwire's joint venture with Sprint.

28. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 28, except admits that eBay provides online marketplaces for the sale of goods and services as well as online payment services and online communication offerings to individuals and businesses, and that eBay's stock is traded on the Nasdaq under the symbol "EBAY."

29. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 29, except admits that Far was previously employed by or associated with Galleon or one of its affiliates.

30. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 30.

31. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 31, except admits that Google hosts an internet search engine, that it is headquartered in Mountain View, California, and that Google's stock trades on the Nasdaq under the symbol "GOOG."

32. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 32, except admits that Hilton is an international hotel chain, that Hilton was taken private by the Blackstone Group, and that Hilton ceased trading on the NYSE, but formerly traded under the symbol “HLT.”

33. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 33, except admits IBM is a computer technology and IT consulting firm and that IBM’s stock trades on the NYSE under the symbol “IBM.”

34. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 34, except admits that Intel is a microprocessor manufacturer headquartered in Santa Clara, California, that Intel or an Intel subsidiary invested \$1 billion in a joint venture in which Clearwire and Sprint agreed to combine their wireless broadband or WiMax, businesses, and that Intel’s stock trades on the Nasdaq under the symbol “INTC.”

35. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 35, except admits that Kronos makes workforce management software for businesses, that Kronos was acquired by Hellman & Friedman, and that Kronos stock traded on the Nasdaq under the symbol “KRON.”

36. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 36.

37. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 37.

38. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 38, except admits that McKinsey is a global management consulting firm that advises on issues of strategy, organization, technology, and operations.

39. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 39, except admits that Moody's is a rating agency that performs research and analysis on borrower credit-worthiness, and that Moody's is a registered Nationally Recognized Statistical Rating Organization.

40. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 40, except admits that PeopleSupport was a business process outsourcing provider offering customer management, transcription, captioning and other services, that it merged with Aegis BPO Services Ltd., and that PeopleSupport's stock traded on the Nasdaq under the symbol "PSPT."

41. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 41, except admits that Polycom produces applications for voice, video, and data networking and that Polycom's stock trades on the Nasdaq under the symbol "PLCM."

42. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 42.

43. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 43, except admits that SUN provides network computing infrastructure, that it is headquartered in Santa Clara, California, that SUN's stock trades on the Nasdaq under the symbol "JAVA" and that Oracle Corporation announced that it had entered into a definitive merger agreement pursuant to which it would acquire SUN.

44. Galleon admits that Khan worked for a time at Galleon. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegation that Khan was facing financial difficulties. Galleon denies the remaining allegations in Paragraph 44.

45. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 45.

46. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 46.

47. The allegations in Paragraph 47 are based on public information, and Galleon refers to such information for an accurate statement of its contents.

48. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 48.

49. Galleon denies the allegations in the second and third sentences of Paragraph 49. Galleon admits that it or its affiliates traded in Polycom securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 49 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 49.

50. Galleon admits that it or its affiliates traded in Polycom securities and refers to its trading records produced in this Action for an accurate statement of such trading.

51. Galleon admits that it or its affiliates traded in Polycom securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of

material, non-public information and denies the allegations in Paragraph 51 to the extent they contend otherwise.

52. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 52.

53. Galleon denies the allegations in Paragraph 53, except that it lacks knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence.

54. Galleon admits that it or its affiliates traded in Polycom securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 54 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 54.

55. To the extent the allegations in Paragraph 55 are based on public information, Galleon refers to such information for an accurate statement of its contents. Galleon admits that it or its affiliates traded in Polycom securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 55 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 55.

56. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 56.

57. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 57.

58. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 58, except that Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 58 to the extent they contend otherwise.

59. Galleon admits that it or its affiliates traded in Hilton securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 59 to the extent they contend otherwise. Galleon denies the remaining allegations in Paragraph 59 and refers to the offering materials for the funds it advises produced in this Action for a correct statement of their purposes.

60. The allegations in Paragraph 60 are based on public information, and Galleon refers to such information for an accurate statement of its contents.

61. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 61.

62. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 62.

63. Galleon admits that it or its affiliates traded in Hilton securities and refers to its trading records produced in this Action for an accurate statement of such trading.

64. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 64.

65. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 65.

66. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 66.

67. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 67.

68. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 68.

69. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 69.

70. Galleon denies the allegations in Paragraph 70.

71. Galleon admits that it or its affiliates traded in Google securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 71 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 71.

72. The allegations in Paragraph 72 are based on public information, and Galleon refers to such information for an accurate statement of its contents.

73. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 73.

74. Galleon admits that it or its affiliates traded in Google securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies the remaining allegations in Paragraph 74.

75. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 75.

76. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 76.

77. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 77.

78. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 78.

79. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 79.

80. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 80.

81. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 81.

82. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 82.

83. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 83.

84. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 84.



85. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 85.

86. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 86.

87. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 87.

88. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 88.

89. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 89.

90. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 90.

91. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 91.

92. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 92.

93. Galleon denies the allegations in the first sentence of Paragraph 93. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 93.

94. Galleon denies the allegations in Paragraph 94.

95. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-

public information and denies the allegations in Paragraph 95 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 95.

96. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in the first and third sentences of Paragraph 96. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 94 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 96.

97. The allegations in Paragraph 97 are based on public information, and Galleon refers to such information for an accurate statement of its contents.

98. To the extent the allegations in Paragraph 98 are based on public information, Galleon refers to such information for an accurate statement of its contents. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in the second sentence. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 98 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 98.

99. Galleon denies the allegations in the first sentence of Paragraph 99.

Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 99 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 99.

100. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 100 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 100.

101. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 101 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 101.

102. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 102 to the extent they contend

otherwise. To the extent the allegations in Paragraph 102 are based on public information, Galleon refers to such information for an accurate statement of its contents.

103. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 103 to the extent they contend otherwise.

104. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 104 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 104.

105. Galleon admits that it or its affiliates traded in Intel securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 105 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 105.

106. Galleon denies the allegations in Paragraph 106.

107. The allegations in Paragraph 107 are based on public information, and Galleon refers to such information for an accurate statement of its contents.

108. Galleon admits that it or its affiliates traded in Clearwire securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 108 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 108.

109. Galleon admits that it or its affiliates traded in Clearwire securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 109 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 109.

110. Galleon admits that it or its affiliates traded in Clearwire securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 110 to the extent they contend otherwise. To the extent the allegations in Paragraph 110 are based on public information, Galleon refers to such information for an accurate statement of its contents. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 110.

111. Galleon admits that it or its affiliates traded in Clearwire securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of

material, non-public information and denies the allegations in Paragraph 111 to the extent they contend otherwise. To the extent the allegations in Paragraph 111 are based on public information, Galleon refers to such information for an accurate statement of its contents. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 111.

112. Galleon admits that it or its affiliates traded in Clearwire securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 112 to the extent they contend otherwise. To the extent the allegations in Paragraph 112 are based on public information, Galleon refers to such information for an accurate statement of its contents. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 112.

113. Galleon denies the allegations in Paragraph 113.

114. Galleon denies the allegations in Paragraph 114.

115. Galleon admits that it and certain of its affiliates held at certain times an aggregate direct or indirect equity ownership stake in PeopleSupport common stock of approximately 25%, and that at certain times a person affiliated or associated with Galleon was a member of PeopleSupport's board of directors. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 115 to the extent they contend otherwise. Furthermore, with respect to the PeopleSupport director associated with Galleon, Galleon adhered to PeopleSupport's trading

policies, applicable requirements of Section 16 of the Securities Exchange Act of 1934, as well as Galleon's own policies and other restrictions associated with such holdings.

116. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 116. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 116 to the extent they contend otherwise.

117. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 117.

118. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 118.

119. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 119.

120. The allegations in Paragraph 120 are based on public information, and Galleon refers to such information for an accurate statement of its contents.

121. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 121.

122. Galleon denies the allegations in Paragraph 122.

123. Galleon admits that it or its affiliates traded in Akamai securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 123 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 123.

124. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 124.

125. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 125.

126. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 126.

127. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 127.

128. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 128.

129. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 129.

130. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 130.

131. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 131.

132. Galleon denies the allegations in Paragraph 132.

133. Galleon denies the allegations in Paragraph 133.

134. Galleon admits that it or its affiliates traded in ATI securities and refers to its trading records for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 134 to the extent they contend otherwise. Galleon lacks



knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 134.

135. Galleon admits that it or its affiliates traded in ATI securities and refers to its trading records to be produced in this Action for an accurate statement of such trading.

Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 135 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 135.

136. Galleon denies the allegations in Paragraph 136.

137. Galleon denies the allegations in Paragraph 137.

138. Galleon denies the allegations in Paragraph 138.

139. The allegations in Paragraph 139 are based on public information, and Galleon refers to such information for an accurate statement of its contents.

140. Galleon admits that it or its affiliates traded in AMD securities and refers to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 140 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 140.

141. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 141.

142. Galleon denies the allegations in the first sentence of Paragraph 142.

Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 142.

143. Galleon denies the allegations in the second and fourth sentences of

Paragraph 143. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 143.

144. Galleon lacks knowledge or information sufficient to form a belief as to

the truth of the allegations in Paragraph 144.

145. Galleon lacks knowledge or information sufficient to form a belief as to

the truth of the allegations in Paragraph 145.

146. Galleon admits that it or its affiliates traded in AMD securities and refers

to its trading records produced in this Action for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 146 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 146.

147. Galleon lacks knowledge or information sufficient to form a belief as to

the truth of the allegations in Paragraph 147.

148. Galleon lacks knowledge or information sufficient to form a belief as to

the truth of the allegations in Paragraph 148.

149. Galleon lacks knowledge or information sufficient to form a belief as to

the truth of the allegations in Paragraph 149.

150. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 150.

151. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 151.

152. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 152.

153. The allegations in Paragraph 153 are based on public information, and Galleon refers to such information for an accurate statement of its contents. To the extent a response is required, Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 153.

154. Galleon admits that it or its affiliates traded in eBay securities and refers to its trading records for an accurate statement of such trading. Galleon denies that it or any of its employees or affiliates traded or profited on the basis of material, non-public information and denies the allegations in Paragraph 154 to the extent they contend otherwise. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 154.

155. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 155.

156. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 156.

157. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 157.

158. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 158.

159. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 159.

160. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 160.

161. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 161.

162. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 162.

163. Galleon lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 163, except that Galleon admits that Atheros issued its Q4 2008 earnings release on February 2, 2009.

164. In response to Paragraph 164, Galleon repeats and re-alleges each of the foregoing responses as if set forth fully herein.

165. To the extent the allegations in Paragraph 165 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 165.

166. To the extent the allegations in Paragraph 166 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 166.

167. To the extent the allegations in Paragraph 167 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 167.

168. To the extent the allegations in Paragraph 168 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 168.

169. To the extent the allegations in Paragraph 169 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 169.

170. To the extent the allegations in Paragraph 170 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 170.

171. To the extent the allegations in Paragraph 171 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 171.

172. To the extent the allegations in Paragraph 172 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 172.

173. To the extent the allegations in Paragraph 173 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 173.

174. To the extent the allegations in Paragraph 174 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 174.

175. In response to Paragraph 175, Galleon repeats and re-alleges each of the foregoing responses as if set forth fully herein.

176. To the extent the allegations in Paragraph 176 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 176.

177. To the extent the allegations in Paragraph 177 state legal conclusions, no response is required. To the extent a response is required, Galleon denies the allegations in Paragraph 177.

The Relief Sought by Plaintiff does not contain allegations of fact or law that require a response from Galleon. However, to the extent a response is required, Galleon denies the allegations in the Relief Sought and denies that the Relief Sought by Plaintiff is appropriate or available.

To the extent any allegation in the Second Amended Complaint is not admitted herein, it is denied.

#### **AFFIRMATIVE DEFENSES**

Galleon asserts the following affirmative defenses without assuming the burden of proof, persuasion, or going forward as to any such defenses or issues that would otherwise rest on Plaintiff. Galleon reserves the right to amend its pleadings, and to assert additional or different defenses, based upon information or evidence developed in discovery or otherwise.

1. The Second Amended Complaint fails to state a claim upon which relief can be granted.
2. The Second Amended Complaint fails to allege fraud with particularity.
3. The Second Amended Complaint fails to plead scienter with particularity.
4. Plaintiff's claims are barred in whole or in part by the applicable statute of limitations.
5. Plaintiff's claims are barred in whole or in part by laches.
6. Equitable relief requested by Plaintiff is unavailable, either in whole or in part, because the alleged conduct occurred wholly in the past and is unlikely to be repeated.
7. Galleon acted at all times in good faith, and without knowledge of any supposed wrongdoing.
8. At all relevant times, Galleon maintained and applied in good faith an appropriate compliance program intended to ensure compliance by its employees and affiliates with all laws, rules, and regulations applicable to its business.

Dated: February 16, 2010  
New York, New York

SHEARMAN

& STERLING LLP

By: /s/ Adam S. Hakki  
Adam S. Hakki  
Fishbein  
A. Nathanson

Stephen  
John

599  
New  
(212)  
(212)

Lexington Avenue  
York, NY 10022-6069  
848-4000  
848-7179 (facsimile)

*Attorneys for Galleon Management, L.P.*



# Exhibit A-3

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:	
<b>SECURITIES AND EXCHANGE COMMISSION,</b>	:	
	:	
<b>Plaintiff,</b>	:	<b>09 Civ. 8811 (JSR)</b>
	:	<b>ECF CASE</b>
<b>-against-</b>	:	
<b>GALLEON MANAGEMENT, LP, et al.,</b>	:	
	:	
<b>Defendants.</b>	:	
	:	

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**AFFIDAVIT OF RAJ RAJARATNAM**

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the following is true and correct:

1. My name is Raj Rajaratnam. I am a Defendant in this action. I acknowledge having been properly served pursuant to the Federal Rules of Civil Procedure in this matter with a Notice of Deposition, dated June 13, 2011, issued by the Plaintiff Securities and Exchange Commission ("Commission") and attached hereto as Exhibit A ("Notice");

2. The Notice commands me to appear for a deposition at the Commission's New York Regional Office ("NYRO") on June 24, 2011 at 9:00 a.m. (the "Noticed Deposition");

3. I have reviewed the Second Amended Complaint filed by the Commission in this matter; it is attached hereto as Exhibit B ("Complaint");

4. Upon the advice of counsel, in response to any question that the Commission would ask me in connection with or in any way relevant to any of the allegations in the Complaint or any potential defense thereto or reasonably calculated to lead to the discovery of admissible evidence in this action, I hereby assert my right to refuse to answer based upon my

privilege against self-incrimination pursuant to the Fifth Amendment to the United States Constitution (“Fifth Amendment privilege”).

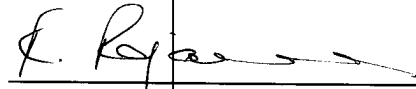
5. I agree that assertion of my Fifth Amendment privilege in this Affidavit shall have the same legal and/or factual consequences as if I had asserted my Fifth Amendment privilege during the Noticed Deposition;

6. I hereby waive any argument I may have (or had) that assertion of my Fifth Amendment privilege through this Affidavit is of any lesser legal and/or factual significance than such an assertion through live testimony at a deposition;

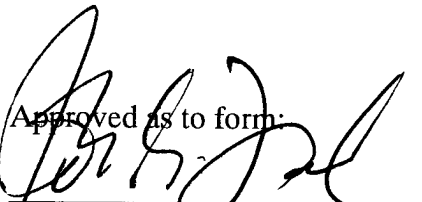
7. I have consulted with my personal counsel, John M. Dowd, Esq., before executing this affidavit, and I do so voluntarily and with full understanding of its contents.

Dated: \_\_\_\_\_

6/21/2011

  
Raj Rajaratnam

Approved as to form:

  
John M. Dowd, Esq.  
Akin Gump Strauss Hauer & Feld LLP  
1333 New Hampshire Ave., NW  
Washington, DC 20036  
Attorney for Raj Rajaratnam

# Exhibit A-4

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - -x

UNITED STATES OF AMERICA :

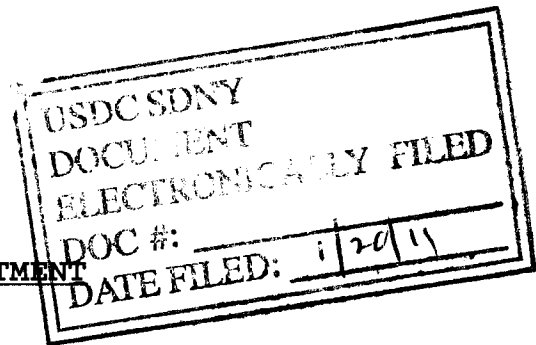
-v.- :

RAJ RAJARATNAM, :

Defendant. :

- - - - -x

~~INDICTMENT~~



S2 09 Cr. 1184 (RJH)

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The Grand Jury charges:

Relevant Entities and Individuals

1. At certain times relevant to this Indictment, the Galleon Group ("Galleon") operated a family of hedge funds based in New York, New York. During certain times relevant to this Indictment, Galleon had as much as \$7 billion in assets under management. Galleon Management, L.P. ("Galleon Management") managed a number of Galleon's hedge funds including, but not limited to, Galleon Technology Offshore, Ltd. and Galleon Diversified Fund, Ltd. At all times relevant to this Indictment, RAJ RAJARATNAM, the defendant, served as the Managing Member of Galleon Management LLC, the general partner of Galleon Management.

2. At all times relevant to this Indictment, RAJ RAJARATNAM, the defendant, served as the portfolio manager for Galleon Technology Offshore, Ltd. (referred to herein, along with any of its successors and predecessors, as "Galleon Tech"), as

well as certain accounts of Galleon Diversified Fund, Ltd. (referred to herein, along with any of its successors and predecessors, as "Diversified").

**The Rajaratnam-Galleon Insider Trading Scheme**

3. From in or about 2003 through in or about March 2009, RAJ RAJARATNAM, the defendant, certain then-current Galleon employees, certain former Galleon employees, and others known and unknown, participated in a scheme to defraud by obtaining, sharing and disclosing material, nonpublic information ("Inside Information") and/or executing securities transactions based on Inside Information pertaining to various companies. The Inside Information related to merger and acquisition activity, quarterly earnings announcements, business updates, and other corporate events. RAJARATNAM and his co-conspirators engaged in this conduct for the purpose of executing profitable securities transactions in accounts affiliated with Galleon, and with knowledge that the Inside Information had been disclosed in violation of duties of trust and confidence.

**The Conspiracy**

4. From at least in or about 2003 up to and including in or about March 2009, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, certain then-current Galleon employees, certain former Galleon employees, and others known and unknown, unlawfully, willfully, and knowingly did

combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

Object of the Conspiracy

5. It was a part and an object of the conspiracy that RAJ RAJARATNAM, the defendant, certain then-current Galleon employees, certain former Galleon employees, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting 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 (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-

5 and 240.10b5-2.

**Means and Methods of the Conspiracy**

6. Among the means and methods by which RAJ RAJARATNAM, the defendant, certain then-current Galleon employees, certain former Galleon employees, and others known and unknown, would and did carry out the conspiracy were the following:

a. Certain individuals with access to Inside Information misappropriated that Inside Information in violation of: (a) the fiduciary and other duties of trust and confidence that these individuals owed to their respective employers and/or their shareholders; (b) the expectations of confidentiality of their respective employers; and (c) their respective employers' written policies regarding the use and safekeeping of confidential and material, nonpublic information.

b. These individuals disclosed Inside Information to RAJARATNAM, his co-conspirators or others in violation of duties of trust and confidence, with the understanding that the Inside Information would be used for the purpose of purchasing or selling securities.

c. RAJARATNAM and his co-conspirators shared certain of this Inside Information with one another, all for the purpose of engaging in profitable securities transactions in accounts affiliated with Galleon, and with knowledge that the Inside Information had been disclosed in violation of duties of



trust and confidence.

d. RAJARATNAM and his co-conspirators, while in possession of the Inside Information that had been disclosed in violation of duties trust and confidence, purchased and sold securities based on Inside Information and thereby received substantial illegal profits.

**Overt Acts**

7. In furtherance of the conspiracy and to effect the illegal object thereof, RAJ RAJARATNAM, the defendant, and his co-conspirators committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about 2005, a co-conspirator provided RAJARATNAM with Inside Information relating to Integrated Circuit Systems, Inc.

b. In or about 2006, RAJARATNAM obtained Inside Information relating to Xilinx, Inc.

c. In or about March 2008, RAJARATNAM provided a co-conspirator with Inside Information relating to Clearwire Corporation.

d. In or about May 2008, in New York, New York, a co-conspirator provided RAJARATNAM with Inside Information relating to Vishay Intertechnology, Inc.

e. In or about May 2008, RAJARATNAM provided one or more co-conspirators with Inside Information relating to

Spancion Inc.

f. In or about August 2008, RAJARATNAM provided a co-conspirator with Inside Information relating to Advanced Micro Devices Inc. ("AMD").

g. In or about October 2008, RAJARATNAM provided a co-conspirator with Inside Information relating to Goldman Sachs Group, Inc.

h. In or about January 2009, a co-conspirator called RAJARATNAM in New York, New York, and provided him with Inside Information relating to Atheros Communications, Inc.

i. In or about January 2009, a co-conspirator called RAJARATNAM in New York, New York, and provided him with Inside Information relating to Marvell Technology Group, Ltd.

(Title 18, United States Code, Section 371.)

**COUNT TWO**

(Conspiracy to Commit Securities Fraud)

The Grand Jury further charges:

**Relevant Entities and Individuals**

8. The allegations contained in paragraphs 1 and 2 of this Indictment are repeated and realleged as though fully set forth herein.

9. At all times relevant to this Indictment, Roomy Khan, a co-conspirator not named as a defendant herein, traded securities on her own behalf and, at certain times relevant to

this Indictment, exchanged Inside Information about certain companies with RAJ RAJARATNAM, the defendant.

The Rajaratnam-Khan Insider Trading Scheme

10. From in or about January 2006 through in or about July 2007, RAJ RAJARATNAM, Roomy Khan, and others known and unknown, participated in a scheme to defraud by disclosing Inside Information and/or executing securities transactions based on Inside Information pertaining to at least the following publicly traded companies: Polycom, Inc. ("Polycom"), Hilton Hotels Corp. ("Hilton"), and Google Inc. ("Google"). The means by which RAJARATNAM and Roomy Khan effectuated the scheme were as follows: Khan obtained Inside Information regarding Polycom, Hilton and Google from various sources (the "Khan Inside Sources"), who disclosed the Inside Information in violation of duties of trust and confidence that the Khan Inside Sources owed to their respective employers, their employers' shareholders, and/or their employers' clients. Khan communicated this Inside Information to RAJARATNAM, who, knowing that the Inside Information had been disclosed in violation of duties of trust and confidence, caused Galleon Tech and Diversified to execute securities transactions on the basis of this Inside Information, earning a total profit of approximately \$14 million from the scheme. In exchange, RAJARATNAM provided Khan with information regarding Intel and other technology companies.

**The Conspiracy**

11. From at least in or about January 2006 up to and including in or about July 2007, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, Roomy Khan, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Object of the Conspiracy**

12. It was a part and an object of the conspiracy that RAJ RAJARATNAM, the defendant, Roomy Khan, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting 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

(c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Means and Methods of the Conspiracy**

13. Among the means and methods by which RAJ RAJARATNAM, the defendant, Roomy Khan, and others known and unknown, would and did carry out the conspiracy were the following:

a. The Khan Inside Sources misappropriated Inside Information in violation of: (a) the fiduciary and other duties of trust and confidence that these sources owed to their respective employers, their shareholders, and/or their employers' clients; (b) the expectations of confidentiality of their respective employers; and (c) their respective employers' written policies regarding the use and safekeeping of confidential and material, nonpublic information.

b. The Khan Inside Sources disclosed the Inside Information to Roomy Khan in breach of their duty of confidentiality to their respective employers, their shareholders, and/or their employers' clients, with the understanding that Khan and others would use the Inside Information to purchase and sell securities, and thereby receive substantial illegal profits.

c. Khan disclosed the Inside Information to RAJARATNAM, knowing that the Khan Inside Sources had disclosed the Inside Information to her in breach of their duty of confidentiality to their respective employers, their shareholders, and/or their employers' clients.

d. RAJARATNAM, while in possession of the Inside Information that he knew had been misappropriated by the Khan Inside Sources in breach of their duty of confidentiality to their respective employers, their shareholders, and/or their employers' clients, purchased and sold securities based on such information and thereby received substantial illegal profits.

**Overt Acts**

14. In furtherance of the conspiracy and to effect the illegal object thereof, RAJ RAJARATNAM, the defendant, and Roomy Khan and their co-conspirators committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about January 9, 2006, Khan sent the following instant message to RAJARATNAM, in New York, New York: "donot [sic] buy plcm till i het [sic] guidance; want to make sure guidance OK."

b. In or about January 2006, in New York, New York, RAJARATNAM caused Galleon Tech to purchase shares of Polycom common stock, which traded under the symbol "PLCM."

c. On or about July 3, 2007, in New York, New

York, RAJARATNAM caused Galleon Tech to purchase approximately 400,000 shares of Hilton common stock, which traded under the symbol "HLT."

d. In or about July 2007, in New York, New York, RAJARATNAM caused Galleon Tech and Diversified to execute transactions in the securities of Google.

(Title 18, United States Code, Section 371.)

**COUNT THREE**

(Conspiracy to Commit Securities Fraud)

The Grand Jury further charges:

**Relevant Entities and Individuals**

15. The allegations contained in paragraphs 1 and 2 of this Indictment are repeated and realleged as though fully set forth herein.

16. At all times relevant to this Indictment, Rajiv Goel, a co-conspirator not named as a defendant herein, worked at Intel. Goel worked in Intel's Treasury Group and was responsible for assisting Intel Capital, the investment arm of Intel, with its strategic investment decisions.

**The Rajaratnam-Goel Insider Trading Scheme**

17. From at least in or about 2007 through in or about 2009, RAJ RAJARATNAM, the defendant, Rajiv Goel, and others known and unknown, participated in a scheme to defraud by disclosing Inside Information and/or executing securities transactions based

on Inside Information relating to Intel. The means by which RAJARATNAM and Goel effectuated the fraudulent scheme were as follows: Goel obtained Inside Information relating to Intel, including (i) in or about April 2007, Inside Information relating to Intel's earnings announcement for the quarter ending in March 2007, and (ii) in or about 2008, Inside Information relating to Intel's plans to invest in a joint venture involving Clearwire Corp. (collectively, the "Intel Inside Information"). Goel disclosed the Intel Inside Information to RAJARATNAM in violation of duties of trust and confidence that Goel owed to Intel. RAJARATNAM, knowing that Goel had disclosed the Intel Inside Information to him in violation of duties of trust and confidence, then caused Galleon Tech and Diversified to execute securities transactions on the basis of this Inside Information, earning a total profit (or avoiding losses) of approximately \$3 million from the scheme. Goel provided the Intel Inside Information to RAJARATNAM because of his friendship with RAJARATNAM. Goel benefitted from his friendship with RAJARATNAM in various ways, some of which were financial. For example, in or about 2005 and 2006, RAJARATNAM gave Goel money to help Goel with personal financial matters, and, from in or about October 2005 to in or about 2009, RAJARATNAM executed securities transactions on behalf of Goel in Goel's personal brokerage account, earning Goel trading profits. For example, in or about October 2008, RAJARATNAM



executed a profitable trade in PeopleSupport common stock in Goel's personal brokerage account based on Inside Information that RAJARATNAM obtained from his colleague at Galleon who served on PeopleSupport's Board of Directors.

**The Conspiracy**

18. From at least in or about 2007 up to and including in or about 2009, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, Rajiv Goel, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Object of the Conspiracy**

19. It was a part and an object of the conspiracy that RAJ RAJARATNAM, the defendant, Rajiv Goel, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing

devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting 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 (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Means and Methods of the Conspiracy**

20. Among the means and methods by which RAJ RAJARATNAM, the defendant, Rajiv Goel, and others known and unknown, would and did carry out the conspiracy were the following:

a. Goel misappropriated the Intel Inside Information in violation of: (a) the fiduciary and other duties of trust and confidence that Goel owed Intel; (b) the expectations of confidentiality of Intel; and (c) Intel's written policies regarding the use and safekeeping of confidential and material, nonpublic information.

b. Goel disclosed the Intel Inside Information to RAJARATNAM in breach of Goel's duty of confidentiality to his employer, with the understanding that RAJARATNAM and others would use the Inside Information to purchase and sell securities, and

thereby receive substantial illegal profits.

c. RAJARATNAM, while in possession of the Intel Inside Information that he knew had been misappropriated by Goel in breach of Goel's duty of confidentiality to Goel's employer, purchased and sold securities based on such information and thereby received substantial illegal profits.

Overt Acts

21. In furtherance of the conspiracy and to effect the illegal object thereof, RAJ RAJARATNAM, the defendant, Rajiv Goel, and their co-conspirators committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about April 2007, Goel provided RAJARATNAM with Inside Information about Intel's quarterly earnings announcement for the quarter ending in March 2007.

b. On or about March 20, 2008, Goel made a call to a cellphone used by RAJARATNAM.

c. On or about March 24, 2008, in New York, New York, RAJARATNAM caused Galleon Tech to purchase approximately 125,800 shares of Clearwire common stock.

(Title 18, United States Code, Section 371.)

**COUNT FOUR**

(Conspiracy to Commit Securities Fraud)

The Grand Jury further charges:

**Relevant Entities and Individuals**

22. The allegations contained in paragraphs 1 and 2 of this Indictment are repeated and realleged as though fully set forth herein.

23. At all times relevant to this Indictment, Anil Kumar, a co-conspirator not named as a defendant herein, worked at McKinsey & Company, Inc. ("McKinsey"), a global management consulting firm, as a senior partner and director. In that capacity, Kumar advised various clients in the technology industry concerning their business strategies, including potential acquisitions and reorganizations.

**The Rajaratnam-Kumar Insider Trading Scheme**

24. From in or about 2003 through in or about October 2009, RAJ RAJARATNAM, the defendant, Anil Kumar, and others known and unknown, participated in a scheme to defraud by disclosing Inside Information and/or executing securities transactions based on Inside Information obtained from clients of McKinsey. The means by which RAJARATNAM and Kumar effectuated the fraudulent scheme were as follows: Kumar obtained Inside Information from certain of McKinsey's clients, including, for example, Inside Information relating to AMD, ATI Technologies Inc. ("ATI") and

eBay Inc. ("eBay"). Kumar communicated the Inside Information to RAJARATNAM in violation of duties of trust and confidence that Kumar owed to McKinsey and/or its clients. RAJARATNAM then caused Galleon Tech and Diversified to execute securities transactions based on the Inside Information, earning a total profit of at least approximately \$24.5 million from the scheme. In exchange for this Inside Information, RAJARATNAM arranged for Galleon to wire money to an offshore account designated by Kumar. That money was subsequently reinvested in certain Galleon funds in the name of Kumar's domestic worker and then subsequently, in the name of an offshore entity designated by Kumar. In addition, in or about January 2007, RAJARATNAM wired approximately \$1 million to an offshore account controlled by Kumar.

**The Conspiracy**

25. From in or about 2003 through in or about October 2009, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, Anil Kumar, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Object of the Conspiracy**

26. It was a part and an object of the conspiracy that RAJ RAJARATNAM, the defendant, Anil Kumar, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting 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 (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Means and Methods of the Conspiracy**

27. Among the means and methods by which RAJ RAJARATNAM, the defendant, Anil Kumar, and others known and unknown, would and did carry out the conspiracy were the following:

a. Kumar misappropriated the Inside Information in violation of: (a) the fiduciary and other duties of trust and confidence that Kumar owed to McKinsey and/or its clients; (b) the expectations of confidentiality of McKinsey and its clients; and (c) McKinsey's written policies regarding the use and safekeeping of confidential and material, nonpublic information.

b. Kumar disclosed the Inside Information to RAJARATNAM in breach of Kumar's duty of confidentiality to his employer and/or its clients, with the understanding that RAJARATNAM and others would use the Inside Information to purchase and sell securities, and thereby receive substantial illegal profits.

c. RAJARATNAM, while in possession of the Inside Information that he knew had been misappropriated by Kumar in breach of Kumar's duty of confidentiality to Kumar's employer and/or its clients, purchased and sold securities based on such information and thereby received substantial illegal profits.

**Overt Acts**

28. In furtherance of the conspiracy and to effect the illegal object thereof, RAJ RAJARATNAM, the defendant, Anil Kumar and their co-conspirators committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about 2006, Kumar spoke to RAJARATNAM by telephone about AMD's planned acquisition of ATI.

b. On or about August 15, 2008, Kumar spoke with RAJARATNAM on RAJARATNAM's cellphone.

c. On or about August 15, 2008, in New York, New York, RAJARATNAM caused Galleon Tech to purchase shares of AMD common stock.

(Title 18, United States Code, Section 371.)

**COUNT FIVE**

(Conspiracy to Commit Securities Fraud)

The Grand Jury further charges:

**Relevant Entities and Individuals**

29. The allegations contained in paragraphs 1 and 2 of this Indictment are repeated and realleged as though fully set forth herein.

30. At certain times relevant to this Indictment, Danielle Chiesi, a co-conspirator not named as a defendant herein, worked for a hedge fund called New Castle Partners ("New Castle"), which, in early 2008, was the equity hedge fund group of Bear Stearns Asset Management Inc. ("BSAM"). Following the acquisition of BSAM's parent company by JPMorgan Chase & Co. ("JPMorgan"), New Castle operated as a hedge fund affiliated with JPMorgan. At certain times relevant to this Indictment, New Castle had assets under management of approximately \$1 billion.



The Rajaratnam-Chiesi Insider Trading Scheme

31. From at least in or about July 2008 through in or about October 2008, RAJ RAJARATNAM, the defendant, Danielle Chiesi, and others known and unknown, participated in a scheme to defraud by disclosing Inside Information and/or executing securities transactions based on Inside Information pertaining to publicly traded companies, including, for example, Akamai Technologies, Inc. ("Akamai") and AMD. The means by which RAJARATNAM and Chiesi effectuated the fraudulent scheme included, for example, the following: Chiesi obtained Inside Information regarding Akamai from an employee of Akamai (the "Akamai Source"), and Chiesi and RAJARATNAM obtained Inside Information regarding AMD from Anil Kumar and/or other sources (the "AMD Sources" and, together with the Akamai Source, the "AMD/Akamai Sources"). The AMD/Akamai Sources disclosed the Inside Information in violation of duties of trust and confidence owed by the AMD/Akamai Sources to their respective employers, their shareholders, and/or their employers' clients. Chiesi communicated Inside Information regarding Akamai to RAJARATNAM. In addition, RAJARATNAM and Chiesi provided one another with Inside Information regarding AMD. RAJARATNAM caused Galleon Tech and Diversified to execute securities transactions on the basis of Inside Information obtained from Chiesi, earning a total profit of approximately \$3.5 million from the scheme.

**The Conspiracy**

32. From at least in or about July 2008 up to and including in or about October 2008, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, Danielle Chiesi, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Object of the Conspiracy**

33. It was a part and an object of the conspiracy that RAJ RAJARATNAM, the defendant, Danielle Chiesi, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting 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

(c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

**Means and Methods of the Conspiracy**

34. Among the means and methods by which RAJ RAJARATNAM, the defendant, Danielle Chiesi, and others known and unknown, would and did carry out the conspiracy were the following:

a. The AMD/Akamai Sources misappropriated the Inside Information in violation of: (a) the fiduciary and other duties of trust and confidence that they owed to their respective employers, their shareholders, and/or their employers' clients; (b) the expectations of confidentiality of their respective employers, their shareholders, and/or their employers' clients; and (c) their respective employers' written policies regarding the use and safekeeping of confidential and material, nonpublic information.

b. The Akamai Source disclosed Inside Information regarding Akamai to Chiesi. The AMD Sources disclosed Inside Information regarding AMD to Chiesi or RAJARATNAM. RAJARATNAM and Chiesi provided one another with Inside Information regarding AMD, and Chiesi provided RAJARATNAM with Inside information regarding

Akamai, all with knowledge that the Inside Information had been disclosed in violation of the duties of confidentiality owed by the sources of the Inside Information to their respective employers, their shareholders, and/or their employers' clients, and with the understanding that RAJARATNAM, Chiesi and others would use the Inside Information to purchase and sell securities, and thereby receive substantial illegal profits.

c. RAJARATNAM and Chiesi, while in possession of the Inside Information that they knew had been misappropriated in breach of the duties of confidentiality owed by the AMD/Akamai Sources to their respective employers, their shareholders, and/or their employers' clients, purchased and sold securities based on such information and thereby received substantial illegal profits.

**Overt Acts**

35. In furtherance of the conspiracy and to effect the illegal object thereof, RAJ RAJARATNAM, the defendant, Danielle Chiesi, and their co-conspirators committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about July 24, 2008, Chiesi called RAJARATNAM from New York, New York.

b. On or about July 25, 2008, in New York, New York, RAJARATNAM caused Galleon Tech to sell short approximately 138,550 shares of Akamai common stock, which traded under the

symbol "AKAM."

c. On or about September 30, 2008, RAJARATNAM spoke on the telephone with Chiesi, who was in New York, New York.

(Title 18, United States Code, Section 371.)

**COUNTS SIX THROUGH TWELVE**

(Securities Fraud)

The Grand Jury further charges:

36. The allegations contained in paragraphs 1-3, 6-7, 16-17, 20-21, 30-31, and 34-35 of this Indictment are repeated and realleged as though fully set forth herein.

37. On or about the dates set forth below, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting 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 (c) engaging in acts, practices and courses of business which operated

and would operate as a fraud and deceit upon persons, to wit: (i) RAJARATNAM caused Galleon Tech and/or Diversified to execute the securities transactions listed below in the securities of: (a) Clearwire on the basis of material, nonpublic information he obtained from Rajiv Goel, and (b) Akamai, on the basis of material, nonpublic information he obtained from Danielle Chiesi; and (ii) RAJARATNAM executed the securities transactions listed below in the securities of PeopleSupport, on the basis of material, nonpublic information he obtained from a source at PeopleSupport:

COUNT	APPROX. DATE	SECURITY	TRANSACTION (AMOUNT APPROXIMATE)
SIX	March 24, 2008	Clearwire (CLWR)	Galleon Tech purchased 125,800 shares of common stock
SEVEN	March 25, 2008	Clearwire (CLWR)	Galleon Tech purchased 136,000 shares of common stock
EIGHT	July 25, 2008	Akamai (AKAM)	Galleon Tech sold short 138,550 shares of common stock
NINE	July 29, 2008	Akamai (AKAM)	Galleon Tech sold short 173,300 shares of common stock
TEN	July 30, 2008	Akamai (AKAM)	Galleon Tech sold short 86,650 shares of common stock and purchased 1,400 put options
ELEVEN	July 28, 2008	PeopleSupport (PSPT)	Rajaratnam purchased 15,000 shares of common stock

TWELVE	October 7, 2008	PeopleSupport (PSPT)	Rajaratnam purchased 30,000 shares of common stock
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(Title 15, United States Code, Sections 78j(b) & 78ff;  
Title 17, Code of Federal Regulations, Sections 240.10b-5 and  
240.10b5-2, and Title 18, United States Code, Section 2.)

**COUNT THIRTEEN**

(Securities Fraud)

The Grand Jury further charges:

38. The allegations contained in paragraphs 1-3, 6-7, 23-24, and 27-28 of this Indictment are repeated and realleged as though fully set forth herein.

39. From in or about March 2006 to in or about July 2006, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting 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 (c) engaging in acts, practices and courses of

business which operated and would operate as a fraud and deceit upon persons, to wit: RAJARATNAM caused Galleon Tech and/or Diversified to execute transactions in the securities of ATI on the basis of material, nonpublic information.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2.)

**COUNT FOURTEEN**

(Securities Fraud)

The Grand Jury further charges:

40. The allegations contained in paragraphs 1-3, 6-7, 16-17, and 20-21 of this Indictment are repeated and realleged as though fully set forth herein.

41. In or about April 2007, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting 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 (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, RAJARATNAM caused Galleon Tech and/or Diversified to execute transactions in the securities of Intel on the basis of material, nonpublic information.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2.)

**FORFEITURE ALLEGATION**

42. As a result of committing one or more of the foregoing securities fraud offenses, in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 18, United States Code, Section 371; and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, as alleged in Counts One through Fourteen of this Indictment, RAJ RAJARATNAM, the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the securities fraud offenses, in an amount of at least approximately \$45 million.

Substitute Assets Provision

43. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (i) cannot be located upon the exercise of due diligence;
- (ii) has been transferred or sold to, or deposited with, a third party;
- (iii) has been placed beyond the jurisdiction of the court;
- (iv) has been substantially diminished in value; or
- (v) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

(Title 15, United States Code, Sections 78j(b), 78ff;  
Title 18, United States Code, Sections 371 and 981;  
Title 21, United States Code, Section 853(p);  
Title 28, United States Code, Section 2461;  
and Title 17, Code of Federal Regulations,  
Sections 240.10b-5 and 240.10b5-2.)

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FOREPERSON



Preet Bharara  
PREET BHARARA  
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

RAJ RAJARATNAM,

Defendant.

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INDICTMENT

S2 09 Cr. 1184 (RJH)

(Title 15, United States Code, Sections  
78j(b), 78ff; Title 17, Code of Federal  
Regulations, Sections 240.10b-5,  
240.10b5-2; Title 18, United States Code,  
Section 2)


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PREET BHARARA  
United States Attorney

A TRUE BILL.

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Foreperson.

1/20/11

FILED INDICTMENT

COTT, USMT

# Exhibit A-5

COURT EXHIBIT # ~~#13~~

DATE: May 4, 2011

TIME: 10:11 AM

CASE: 09 CR 1184

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

-against-

RAJ RAJARATNAM

Defendant.

S2 09 Cr. 1184 (RJH)

**VERDICT FORM**

1. With respect to Count One of the Indictment, conspiracy, how do you find the defendant?

Guilty                       Not Guilty

2. With respect to Count Two of the Indictment, conspiracy, how do you find the defendant?

Guilty                       Not Guilty

3. With respect to Count Three of the Indictment, conspiracy, how do you find the defendant?

Guilty                       Not Guilty

4. With respect to Count Four of the Indictment, conspiracy, how do you find the defendant?

Guilty                       Not Guilty

5. With respect to Count Five of the Indictment, conspiracy, how do you find the defendant?

Guilty  Not Guilty

6. With respect to Count Six of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

7. With respect to Count Seven of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

8. With respect to Count Eight of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

9. With respect to Count Nine of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

10. With respect to Count Ten of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

11. With respect to Count Eleven of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

12. With respect to Count Twelve of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

13. With respect to Count Thirteen of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

14. With respect to Count Fourteen of the Indictment, securities fraud, how do you find the defendant?

Guilty  Not Guilty

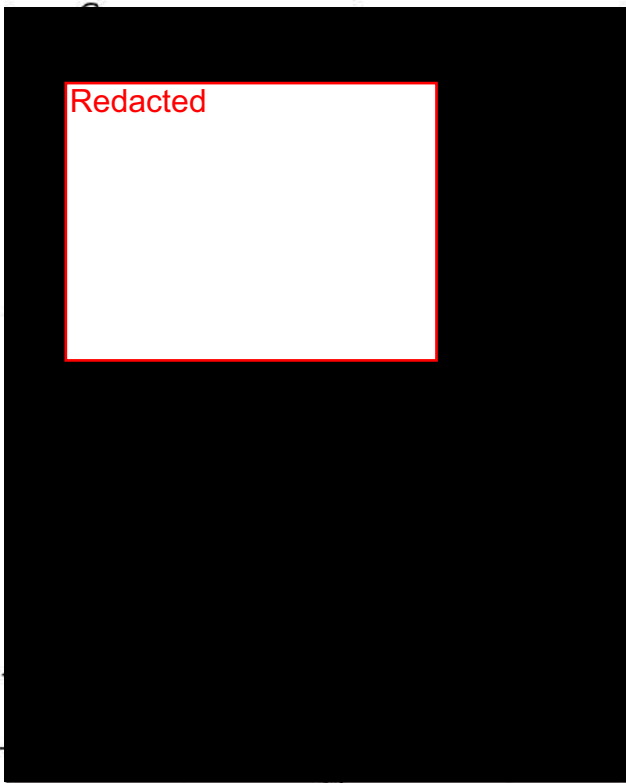
Dated: New York, NY  
*May 11, 2011*

**VERIFICATION**

Please sign your names on the lines below, fill in the date, and inform the Marshal that you have reached a verdict after all jurors have signed below.

1. Redacted \_\_\_\_\_
2. \_\_\_\_\_

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- 11.
- 12.



Redacted

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Dated: 5/11, 2011