



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

GALLEON MANAGEMENT, LP, et al.,

Defendants.

09 Civ. 8811 (JSR)

ECF CASE

~~[PROPOSED]~~ ORDER

On June 8, 2011, the Court entered a Consent Order and Judgment as to Defendant Gautham Shankar, ordering permanent injunctive relief, disgorgement, and prejudgment interest. The Consent Order and Judgment, however, provided that the Court would determine at a later date whether it would impose civil penalties against defendant Shankar and, if so, to what extent. On April 19, 2012, the Court received the attached letter from the Securities and Exchange Commission, which requested that this Court terminate this action against defendant Shankar without imposing civil penalties. The Court agrees. Accordingly, for the reasons stated in the attached letter, the Court hereby terminates this action with respect to defendant Shankar. The Consent Order and Judgment shall otherwise remain in full force and effect.

SO ORDERED.

JED S. RAKOFF, U.S.D.J.

Dated: New York, New York  
April 19, 2012



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
NEW YORK REGIONAL OFFICE  
3 WORLD FINANCIAL CENTER  
ROOM 400  
NEW YORK, NEW YORK 10281-1022

April 19, 2012

Via Facsimile

The Honorable Jed S. Rakoff  
United States District Judge  
U.S. District Court for the Southern District of New York  
500 Pearl Street  
New York, NY 10007-1312

Re: *SEC v. Galleon Mgmt., LP, et al.; 09 Civ. 8811 (JSR) (S.D.N.Y.)*

Dear Judge Rakoff:

In accordance with Your Honor's Individual Rule of Practice 1, and with prior permission of the Court, counsel for the Commission submits this letter and a proposed order concerning defendant Gautham Shankar. An electronic copy of the proposed order also was submitted by email to the Judgment Clerk of the Court, in accordance with ECF Rule 18.4.

On June 8, 2011, the Court entered a Consent Order and Judgment as to Defendant Gautham Shankar in this action, ordering permanent injunctive relief, disgorgement in the amount \$243,105.59 and prejudgment interest thereon in the amount \$34,462.35, for a total of \$277,567.94. The order provided that the Court would determine at a later date whether, and to what extent, civil penalties were appropriate. At the time the parties submitted the settlement for the Court's approval, they agreed that a deferral of the decision whether to impose a civil penalty was warranted, so that Mr. Shankar's cooperation with the Commission and with the Government could be taken into consideration in the determination whether and to what extent civil penalties were appropriate. On January 4, 2012, upon stipulation by the parties and by order of the Court, the date by which such a determination would be made was adjourned to April 27, 2012.

Mr. Shankar was separately charged and pleaded guilty in a parallel criminal case, *United States v. Shankar*, 09 CV 996 (RJS). On April 18, 2012, Mr. Shankar was sentenced to serve three years probation, six months of which would be served as home confinement. He also was ordered to pay a \$25,000 fine and to forfeit \$448,437. Also, on June 8, 2011, in a separate case against Mr. Shankar by the Commission, *SEC v. Cuttillo et al.*, 09 CV 9208 (RJS), Mr. Shankar was ordered, among other things, liable for disgorgement and prejudgment interest for a total of \$124,813.

Mr. Shankar agreed to cooperate shortly after he was approached by federal agents in May 2008. He recorded phone calls with a number of defendants connected to the investigation underlying this and other actions, and led directly to the cooperation of another witness. We understand that Mr. Shankar met with AUSAs from the SDNY when requested to do so in order to assist in the Government's investigation and prosecution in the *United States v. Goffer*, 10 CR 56 (RJS) and other matters. According to the Government, Shankar's cooperation "provided substantial assistance to the Government in the investigation and prosecution of numerous individuals. ... [T]he derivative fruits of Hardin's cooperation were substantial." *United States v. Goffer*, 10 CR 56 (RJS), Dkt. #25 (Govt.'s Sentencing Memo.). "In addition, Shankar provided the Government with an insider's view of Zvi Goffer's actions at Schottenfeld while the Government's investigation was still covert. This provided great assistance to the Government in assessing wiretap evidence, making charging decisions, and devising strategies for approaching other conspirators to seek their cooperation." *Id.*

Based on the foregoing and under these circumstances, the Commission believes that further punitive sanctions in the form of a civil penalty are not necessary to further the Commission's goals. The Commission respectfully requests that Your Honor terminate this matter with respect to Mr. Shankar without imposing civil penalties. A proposed order is attached for the Court's consideration. Counsel for Mr. Shankar, Frederick L. Sosinsky, Esq., has informed the undersigned that he agrees with the contents of this letter and joins in the Commission's request. The parties remain available for a conference should the Court have any further questions.

Respectfully submitted,



Valerie A. Szczepanik  
Counsel for the Commission

cc: Frederick L. Sosinsky, Esq. (by email)