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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

GALLEON MANAGEMENT, LP, et al.,

Defendants.

No. 09-Civ-8811 (JSR)

ECF CASE

**ANSWER ON BEHALF OF
DEFENDANT
SCHOTTENFELD GROUP, LLC**

Defendant Schottenfeld Group, LLC (“Schottenfeld Group”), by its attorneys Paul, Hastings, Janofsky and Walker LLP and in Answer to the Amended Complaint of the Securities and Exchange Commission (the “SEC”), states as follows:

**I.
SPECIFIC ANSWERS**

SUMMARY

1. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 1 of the Amended Complaint.

2. Schottenfeld Group denies the allegations set forth in paragraph 2 of the Amended Complaint insofar as they apply to it. Schottenfeld Group is without knowledge or information

sufficient to form a belief as to the truth of the allegations set forth in paragraph 2 of the Amended Complaint insofar as they apply to other defendants.

- (i) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(i) of the Amended Complaint.
- (ii) Schottenfeld Group denies the allegations set forth in sub-paragraph 2(ii) of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in this sub-paragraph.
- (iii) Schottenfeld Group denies the allegations set forth in sub-paragraph 2(iii) of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in this sub-paragraph.
- (iv) Schottenfeld Group denies the allegations set forth in sub-paragraph 2(iv) of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in this sub-paragraph.
- (v) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(v) of the Amended Complaint.
- (vi) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(vi) of the Amended Complaint.

- (vii) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(vii) of the Amended Complaint.
- (viii) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(viii) of the Amended Complaint.
- (ix) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(ix) of the Amended Complaint.
- (x) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(x) of the Amended Complaint.
- (xi) Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in sub-paragraph 2(xi) of the Amended Complaint.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

3. Paragraph 3 of the Amended Complaint consists of a description of the SEC's enforcement authority and legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 3 of the Amended Complaint.

JURISDICTION AND VENUE

4. Paragraph 4 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 4 of the Amended Complaint.

5. Paragraph 5 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 5 of the Amended Complaint, except it admits that its office is located within the Southern District of New York.

DEFENDANTS

6. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 6 of the Amended Complaint.

7. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 7 of the Amended Complaint.

8. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 8 of the Amended Complaint.

9. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 9 of the Amended Complaint.

10. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 10 of the Amended Complaint.

11. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 11 of the Amended Complaint.

12. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 12 of the Amended Complaint.

13. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 13 of the Amended Complaint.

14. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 14 of the Amended Complaint.

15. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 15 of the Amended Complaint.

16. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 16 of the Amended Complaint.

17. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 17 of the Amended Complaint.

18. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 18 of the Amended Complaint.

19. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 19 of the Amended Complaint.

20. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 20 of the Amended Complaint.

21. Schottenfeld Group admits the allegations set forth in the first sentence of paragraph 21 of the Amended Complaint, that Zvi Goffer (“Goffer”) was a registered representative and proprietary trader at Schottenfeld Group from January 3, 2007 to November 28, 2007, and that during the time he was employed at Schottenfeld Group he held Series 7, 55 and 63 securities licenses. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 21 of the Amended Complaint.

22. Schottenfeld Group admits the allegations set forth in the first sentence of paragraph 22 of the Amended Complaint, that David Plate (“Plate”) was a registered representative and proprietary trader at Schottenfeld Group from March 1, 2006 to March 18, 2008, and that during the time he was employed at Schottenfeld Group he held Series 7, 55 and 63 securities licenses. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 22 of the Amended Complaint.

23. Schottenfeld Group admits the allegations set forth in the first sentence of paragraph 23 of the Amended Complaint, that Gautham Shankar (“Shankar”) was a registered representative and proprietary trader at Schottenfeld Group from November 16, 2006 to October 21, 2008, and that during the time he was employed at Schottenfeld Group he held Series 7, 55 and 63 securities licenses. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 23 of the Amended Complaint.

24. Schottenfeld Group admits the allegations set forth in paragraph 24 of the Amended Complaint.

25. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 25 of the Amended Complaint.

26. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 26 of the Amended Complaint.

RELEVANT ENTITIES

27. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 27 of the Amended Complaint, except that Schottenfeld Group admits that Akamai's stock trades on the Nasdaq under the symbol "AKAM."

28. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 28 of the Amended Complaint, except that Schottenfeld Group admits that AMD's stock trades on the NYSE under the symbol "AMD."

29. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 29 of the Amended Complaint, except that Schottenfeld Group admits that Atheros's stock trades on the Nasdaq under the symbol "ATHR."

30. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 30 of the Amended Complaint, except that Schottenfeld Group admits that Clearwire's stock trades on the Nasdaq under the symbol "CLWR."

31. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 31 of the Amended Complaint, except that Schottenfeld Group admits that Google, Inc. ("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. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 32 of the Amended Complaint, except that Schottenfeld Group admits that Hilton Hotels Corporation (“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. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 33 of the Amended Complaint, except that Schottenfeld Group admits that IBM’s stock trades on the NYSE under the symbol “IBM.”

34. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 34 of the Amended Complaint, except that Schottenfeld Group admits that Intel’s stock trades on the Nasdaq under the symbol “INTC.”

35. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 35 of the Amended Complaint, except Schottenfeld Group admits that Kronos, Inc. (“Kronos”) makes workforce management software for businesses, that Kronos was acquired by Hellman & Friedman, and that Kronos’s stock traded on the Nasdaq under the symbol “KRON.”

36. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 36 of the Amended Complaint.

37. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 37 of the Amended Complaint.

38. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 38 of the Amended Complaint, except Schottenfeld Group admits that Moody's is a registered Nationally Recognized Statistical Rating Organization.

39. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 39 of the Amended Complaint, except that Schottenfeld Group admits that PeopleSupport's stock traded on the Nasdaq under the symbol "PSPT."

40. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 40 of the Amended Complaint, except that Schottenfeld Group admits that Polycom's stock trades on the Nasdaq under the symbol "PLCM."

41. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 41 of the Amended Complaint, except that Schottenfeld Group admits that SUN'S stock trades on the Nasdaq under the symbol "JAVA."

FACTS

A. Insider Trading in Polycom Securities

42. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 42 of the Amended Complaint.

43. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 43 of the Amended Complaint.

44. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 44 of the Amended Complaint.

45. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 45 of the Amended Complaint.

46. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 46 of the Amended Complaint.

47. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 47 of the Amended Complaint.

48. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 48 of the Amended Complaint.

49. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 49 of the Amended Complaint.

50. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 50 of the Amended Complaint.

51. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 51 of the Amended Complaint.

52. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 52 of the Amended Complaint.

53. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 53 of the Amended Complaint.

B. Insider Trading in Hilton Securities

54. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 54 of the Amended Complaint, except admits that there was a July 3, 2007 announcement that a private equity group would be buying Hilton.

55. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 55 of the Amended Complaint.

56. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 56 of the Amended Complaint.

57. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 57 of the Amended Complaint.

58. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 58 of the Amended Complaint, except admits that on July 3, 2007, it was announced that a private equity group would be buying Hilton.

59. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 59 of the Amended Complaint.

60. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 60 of the Amended Complaint.

61. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 61 of the Amended Complaint.

62. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 62 of the Amended Complaint.

63. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 63 of the Amended Complaint, except admits that Shankar was a proprietary trader at Schottenfeld Group on July 2, 2007 and that in July 2007 Shankar traded in Hilton securities in a Schottenfeld Group account that Shankar managed.

64. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 64 of the Amended Complaint, except admits that in July 2007 Goffer traded in Hilton securities in a Schottenfeld Group account that Goffer managed.

65. Schottenfeld Group denies the allegations set forth in paragraph 65 of the Amended Complaint to the extent they imply that Schottenfeld Group received or traded upon material non-public information. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 65 of the Amended Complaint, except admits that in July 2007 traders at Schottenfeld Group traded in Hilton securities in Schottenfeld Group accounts that they managed.

C. Insider Trading in Google Securities

66. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 66 of the Amended Complaint.

67. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 67 of the Amended Complaint.

68. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 68 of the Amended Complaint.

69. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 69 of the Amended Complaint.

70. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 70 of the Amended Complaint.

71. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 71 of the Amended Complaint.

72. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 72 of the Amended Complaint.

73. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 73 of the Amended Complaint.

74. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 74 of the Amended Complaint.

75. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 75 of the Amended Complaint.

76. Schottenfeld Group denies the allegations set forth in paragraph 76 of the Amended Complaint to the extent they imply that Schottenfeld Group received or traded upon material non-

public information. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 76 of the Amended Complaint, except admits that on July 19, 2007 Shankar traded in Google in Schottenfeld Group accounts that Shankar managed.

77. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 77 of the Amended Complaint.

D. Insider Trading in Kronos Securities

78. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 78 of the Amended Complaint, except admits that Kronos was acquired by private equity firm Hellman & Friedman in March 2007.

79. Schottenfeld Group admits the allegations set forth in paragraph 79 of the Amended Complaint.

80. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 80 of the Amended Complaint.

81. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 81 of the Amended Complaint.

82. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 82 of the Amended Complaint.

83. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 83 of the Amended Complaint.

84. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 84 of the Amended Complaint.

85. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 85 of the Amended Complaint.

86. Schottenfeld Group denies the allegations set forth in paragraph 86 of the Amended Complaint to the extent they imply that Schottenfeld Group received or traded upon material non-public information. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 86 of the Amended Complaint, except admits that in March 2007 Shankar traded in Kronos shares in a Schottenfeld Group account that Shankar managed.

87. Schottenfeld Group denies the allegations set forth in paragraph 87 of the Amended Complaint to the extent they imply that Schottenfeld Group received or traded upon material non-public information. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 87 of the Amended Complaint, except admits that in March 2007 Goffer traded in Kronos shares in a Schottenfeld Group account that Goffer managed.

88. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 88 of the Amended Complaint, except admits that Goffer and Plate were Schottenfeld Group colleagues in March 2007.

89. Schottenfeld Group denies the allegations set forth in paragraph 89 of the Amended Complaint to the extent they imply that Schottenfeld Group received or traded upon material non-

public information. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 89 of the Amended Complaint, except admits that in March 2007 Plate traded in Kronos shares in a Schottenfeld Group account that Plate managed.

90. Schottenfeld Group denies the allegations set forth in paragraph 90 of the Amended Complaint to the extent they imply that Schottenfeld Group traded based on or while in possession of material non-public information. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 90 of the Amended Complaint, except admits that in March 2007 traders at Schottenfeld Group traded in Kronos shares in Schottenfeld Group accounts that they managed.

E. Insider Trading in Intel Securities

91. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 91 of the Amended Complaint.

92. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 92 of the Amended Complaint.

93. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 93 of the Amended Complaint.

94. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 94 of the Amended Complaint.

95. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 95 of the Amended Complaint.

96. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 96 of the Amended Complaint.

97. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 97 of the Amended Complaint.

98. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 98 of the Amended Complaint.

99. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 99 of the Amended Complaint.

100. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 100 of the Amended Complaint.

101. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 101 of the Amended Complaint.

102. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 102 of the Amended Complaint.

103. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 103 of the Amended Complaint.

F. Insider Trading in Clearwire Securities

104. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 104 of the Amended Complaint.

105. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 105 of the Amended Complaint.

106. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 106 of the Amended Complaint.

107. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 107 of the Amended Complaint.

108. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 108 of the Amended Complaint.

109. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 109 of the Amended Complaint.

110. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 110 of the Amended Complaint.

111. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 111 of the Amended Complaint.

G. Insider Trading in PeopleSupport Securities

112. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 112 of the Amended Complaint.

113. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 113 of the Amended Complaint.

114. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 114 of the Amended Complaint.

115. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 115 of the Amended Complaint.

116. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 116 of the Amended Complaint.

H. Insider Trading in Akamai Securities

117. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 117 of the Amended Complaint.

118. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 118 of the Amended Complaint.

119. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 119 of the Amended Complaint.

120. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 120 of the Amended Complaint.

121. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 121 of the Amended Complaint.

122. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 122 of the Amended Complaint.

I. Insider Trading in SUN Securities

123. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 123 of the Amended Complaint.

124. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 124 of the Amended Complaint.

125. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 125 of the Amended Complaint.

126. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 126 of the Amended Complaint.

127. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 127 of the Amended Complaint.

128. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 128 of the Amended Complaint.

129. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 129 of the Amended Complaint.

J. Insider Trading in AMD Securities

130. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 130 of the Amended Complaint.

131. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 131 of the Amended Complaint.

132. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 132 of the Amended Complaint.

133. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 133 of the Amended Complaint.

134. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 134 of the Amended Complaint.

135. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 135 of the Amended Complaint.

136. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 136 of the Amended Complaint.

137. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 137 of the Amended Complaint.

138. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 138 of the Amended Complaint.

139. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 139 of the Amended Complaint.

140. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 140 of the Amended Complaint.

141. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 141 of the Amended Complaint.

142. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 142 of the Amended Complaint.

143. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 143 of the Amended Complaint.

K. Insider Trading in IBM Securities

144. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 144 of the Amended Complaint.

145. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 145 of the Amended Complaint.

146. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 146 of the Amended Complaint.

147. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 147 of the Amended Complaint.

148. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 148 of the Amended Complaint.

L. Insider Trading in Atheros Securities

149. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 149 of the Amended Complaint.

150. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 150 of the Amended Complaint.

151. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 151 of the Amended Complaint.

152. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 152 of the Amended Complaint.

153. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 153 of the Amended Complaint.

CLAIMS FOR RELIEF

CLAIM 1

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

154. Schottenfeld Group re-alleges and incorporates its answers to paragraphs 1 through 153 of the Amended Complaint, as though fully set forth herein.

155. Paragraph 155 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 155 of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 155 of the Amended Complaint as they apply to other defendants.

156. Paragraph 156 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 156 of the Amended Complaint.

157. Paragraph 157 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 157 of the Amended Complaint.

158. Paragraph 158 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 158 of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 158 of the Amended Complaint.

159. Paragraph 159 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 159 of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 159 of the Amended Complaint.

160. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 160 of the Amended Complaint.

161. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 161 of the Amended Complaint.

162. Paragraph 162 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 162 to the extent they apply to it. Schottenfeld Group

is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 162 of the Amended Complaint as they apply to other defendants.

163. Paragraph 163 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 163 of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 163 of the Amended Complaint as they apply to other defendants.

164. Paragraph 164 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 164 to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 164 of the Amended Complaint as they apply to other defendants.

CLAIM II

Violations of Section 17(a) of the Securities Act (Against Galleon, Rajaratnam, Goel, Chiesi, Kurland, New Castle, Khan, Far, Lee, Far & Lee, Spherix Capital, Hariri, Shankar, Schottenfeld, Fortuna and S2 Capital)

165. Schottenfeld Group re-alleges and incorporates its answers to paragraphs 1 through 164 of the Amended Complaint, as though fully set forth herein.

166. Paragraph 166 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 166 of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as

to the truth of the allegations set forth in paragraph 166 of the Amended Complaint as they apply to other defendants.

167. Paragraph 167 of the Amended Complaint consists of legal conclusions, to which no response is required. To the extent a response is deemed to be required, Schottenfeld Group denies the allegations set forth in paragraph 167 of the Amended Complaint to the extent they apply to it. Schottenfeld Group is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 167 of the Amended Complaint as they apply to other defendants.

RELIEF SOUGHT

168. Schottenfeld Group denies that the Commission is entitled to the relief sought in subsections I-V of this section of the Amended Complaint to the extent the relief sought applies to it.

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

II. **AFFIRMATIVE DEFENSES**

170. The Amended Complaint fails, in whole or in part, to state a claim against Schottenfeld Group upon which relief can be granted.

171. Schottenfeld Group did not engage in any unlawful conduct, and is not liable for any unlawful acts that may have been committed by defendants Goffer, Plate or Shankar.

Schottenfeld Group is a proprietary-trading firm, which employs approximately 40 to 45 traders who buy and sell securities and futures using an allocation of Schottenfeld Group's capital.

Unlike a hedge fund, there is no unified strategy or investment committee at Schottenfeld Group;

each trader is responsible for his or her research and analysis, and makes trades as he or she sees fit, subject to limits and risk parameters imposed by firm management. Traders at Schottenfeld Group are paid a portion of any profits they make. In connection with the trades alleged in the Amended Complaint, the defendants Goffer, Plate and Shankar conducted their own examinations of the companies at issue, utilizing their own expertise as well as third party research reports and other publicly available information to formulate their opinions. The research performed by various traders employed by Schottenfeld Group was often more detailed and precise than the information referenced in the Amended Complaint.

172. At all times relevant to the Amended Complaint, Schottenfeld Group had established, maintained and enforced in good faith policies and procedures designed to achieve compliance with applicable securities laws, rules and regulations. Schottenfeld Group has at all times had a compliance officer whose responsibilities include taking appropriate measures to assure compliance by all Schottenfeld Group personnel with all applicable laws, rules, regulations and internal policies on insider trading. Schottenfeld Group and its compliance officer took reasonable and appropriate measures to reasonably assure such compliance by Schottenfeld Group personnel.

173. Schottenfeld Group acted at all times in good faith, and without knowledge of any act or acts constituting the alleged violations.

174. Schottenfeld Group reserves the right pending the completion of discovery to amend this Answer and assert any additional defenses that may exist.

175. Schottenfeld Group hereby joins the affirmative defenses asserted by other defendants in this action, to the extent applicable.

Dated: December 9, 2009

By: /s/

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