

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

GALLEON MANAGEMENT, LP,  
ET AL.,

Defendants.

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: 09 Civ. 8811 (JSR)  
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:  
:

:  
: ANSWER OF DEFENDANT  
: STEVEN FORTUNA TO  
: THE AMENDED COMPLAINT  
:  
:  
:

Defendant Steven Fortuna (“Defendant”), by his attorneys, Dornbush Schaeffer Strongin & Venaglia, LLP, as and for his Answer to the Amended Complaint filed on November, 5, 2009, states as follows:

**SUMMARY**

1. That this case involves widespread and repeated insider trading at several hedge funds, including Galleon Management, LP (“Galleon”), New Castle Funds LLC (“New Castle”), Spherix Capital LLC (“Spherix Capital”), and S2 Capital Management, LP, (“S2”), is a legal conclusion to which no response is required. To the extent the allegations contained in Paragraph 1 of the Amended Complaint do not relate to Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent that the allegations contained in Paragraph 1 of the Amended Complaint purport to relate to Defendant, he, on the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

2. That this case involves unlawful trading on inside information concerning at least 12 different companies, including Google, Inc, Hilton Hotels Corporation, and Intel, is a legal

conclusion as to which no response is required. To the extent the allegations contained in Paragraph 2 of the Amended Complaint do not relate to Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent that that the allegations contained in Paragraph 2 of the Amended Complaint purport to relate to Defendant, he, on the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

- (i) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(i) of the Amended Complaint.
- (ii) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(ii) of the Amended Complaint.
- (iii) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(iii) of the Amended Complaint.
- (iv) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(iv) of the Amended Complaint.
- (v) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(v) of the Amended Complaint.
- (vi) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(vi) of the Amended Complaint.
- (vii) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(vii) of the Amended Complaint.
- (viii) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(viii) of the Amended Complaint.

- (ix) The allegations contained in Paragraph 2(ix) of the Amended Complaint contain legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 2(ix) of the Amended Complaint do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent that that the allegations contained in Paragraph 2(ix) purport to relate to Defendant, he, on the advice of counsel, asserts his right not to be compelled to be a witness against himself.
- (x) The allegations contained in Paragraph 2(x) of the Amended Complaint contain legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 2(x) of the Amended Complaint do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent that that the allegations contained in Paragraph 2(x) purport to relate to Defendant, he, on the advice of counsel, asserts his right not to be compelled to be a witness against himself.
- (xi) Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2(xi) of the Amended Complaint.

**NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT**

- 3. Paragraph 3 of the Amended Complaint contains legal conclusions and requests for relief as to which no response is required.

## **JURISDICTION AND VENUE**

4. Paragraph 4 of the Amended Complaint contains legal conclusions as to which no response is required.

5. The first sentence of Paragraph 5 of the Amended Complaint contains a legal conclusion as to which no response is required. Defendant admits that S2 did have a business presence in the Southern District of New York. To the extent the allegations contained in Paragraph 5 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent that the allegations contained in Paragraph 5 require a response and the allegations purport to relate to Defendant, he, on the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

## **DEFENDANTS**

6. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 6 of the Amended Complaint.

7. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 7 of the Amended Complaint.

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

9. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 9 of the Amended Complaint.

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

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

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

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

14. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 14 of the Amended Complaint.

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

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

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

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

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

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

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

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

23. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23 of the Amended Complaint.

24. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 24 of the Amended Complaint.

25. Defendant admits the allegations contained in Paragraph 25 of the Amended Complaint.

26. Defendant admits the allegations contained in Paragraph 26 of the Amended Complaint, except states that S2 served as the investment adviser to the hedge fund S2 Capital Fund, LP and that S2 has wound down its operations.

#### **RELEVANT ENTITIES**

27. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27 of the Amended Complaint.

28. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 28 of the Amended Complaint.

29. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 29 of the Amended Complaint.

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

31. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 31 of the Amended Complaint.

32. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 32 of the Amended Complaint.

33. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 33 of the Amended Complaint.

34. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 34 of the Amended Complaint.

35. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 35 of the Amended Complaint.

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

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

38. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 38 of the Amended Complaint.

39. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 39 of the Amended Complaint.

40. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 40 of the Amended Complaint.

41. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 41 of the Amended Complaint.

## FACTS

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

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

43. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 43 of the Amended Complaint.

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

44. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 44 of the Amended Complaint.

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

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

47. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 47 of the Amended Complaint.

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

49. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 49 of the Amended Complaint.

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

50. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 50 of the Amended Complaint.



51. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 51 of the Amended Complaint.

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

53. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 53 of the Amended Complaint.

**B. Insider Trading in Hilton Securities**

54. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 54 of the Amended Complaint.

55. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 55 of the Amended Complaint.

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

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

58. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 58 of the Amended Complaint.

59. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 59 of the Amended Complaint.

60. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 60 of the Amended Complaint.

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

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

63. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 63 of the Amended Complaint.

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

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

**C. Insider Trading in Google Securities**

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

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

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

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

70. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 70 of the Amended Complaint.

71. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 71 of the Amended Complaint.

72. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 72 of the Amended Complaint.

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

74. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 74 of the Amended Complaint.

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

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

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

**D. Insider Trading in Kronos Securities**

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

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

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

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

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

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

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

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

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

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

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

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

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

**E. Insider Trading in Intel Securities**

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

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

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

93. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 93 of the Amended Complaint.

94. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 94 of the Amended Complaint.

95. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 95 of the Amended Complaint.

96. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 96 of the Amended Complaint.

**II. Intel's Q1 2007 Earnings Release – April 17, 2007**

97. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 97 of the Amended Complaint.

98. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 98 of the Amended Complaint.

99. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 99 of the Amended Complaint.

100. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 100 of the Amended Complaint.

101. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 101 of the Amended Complaint.

**III. Intel's Q3 Earnings Release – October 16, 2007**

102. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 102 of the Amended Complaint.

103. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 103 of the Amended Complaint.

**F. Insider Trading in Clearwire Securities**

104. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 104 of the Amended Complaint.

105. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 105 of the Amended Complaint.

106. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 106 of the Amended Complaint.

107. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 107 of the Amended Complaint.

108. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 108 of the Amended Complaint.

109. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 109 of the Amended Complaint.

110. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 110 of the Amended Complaint.

**G. Insider Trading in PeopleSupport Securities**

111. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 111 of the Amended Complaint.

112. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 112 of the Amended Complaint.

113. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 113 of the Amended Complaint.

114. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 114 of the Amended Complaint.

115. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 115 of the Amended Complaint.

116. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 116 of the Amended Complaint.

**H. Insider Trading in Akami Securities**

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

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

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

120. To the extent the allegations contained in Paragraph 120 of the Amended Complaint do not relate to him, Defendant lacks knowledge or information sufficient to form a belief as to the truth of those allegations. To the extent that that the allegations contained in Paragraph 120 of the Amended Complaint purport to relate to Defendant, Defendant, on the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

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

122. To the extent the allegations contained in Paragraph 122 of the Amended Complaint do not relate to him, Defendant lacks knowledge or information sufficient to form a belief as to the truth of those allegations. To the extent that that the allegations contained in

Paragraph 122 of the Amended Complaint purport to relate to Defendant, Defendant, on the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

**I. Insider Trading in SUN Securities**

123. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 123 of the Amended Complaint.

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

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

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

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

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

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

**J. Insider Trading in AMD Securities**

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

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



132. To the extent the allegations contained in Paragraph 132 of the Amended Complaint do not relate to him, Defendant lacks knowledge or information sufficient to form a belief as to the truth of those allegations. To the extent that that the allegations contained in Paragraph 132 of the Amended Complaint purport to relate to Defendant, Defendant, on the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

133. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 133 of the Amended Complaint.

134. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 134 of the Amended Complaint.

135. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 135 of the Amended Complaint.

136. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 136 of the Amended Complaint.

137. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 137 of the Amended Complaint.

138. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 138 of the Amended Complaint.

139. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 139 of the Amended Complaint.

140. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 140 of the Amended Complaint.

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

142. To the extent the allegations contained in Paragraph 142 of the Amended Complaint do not relate to him, Defendant lacks knowledge or information sufficient to form a belief as to the truth of those allegations. To the extent that that the allegations contained in Paragraph 142 of the Amended Complaint purport to relate to Defendant, Defendant, on the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

143. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 143 of the Amended Complaint.

**K. Insider Trading in IBM Securities**

144. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 144 of the Amended Complaint.

145. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 145 of the Amended Complaint.

146. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 146 of the Amended Complaint.

147. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 147 of the Amended Complaint.

148. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 148 of the Amended Complaint.

**L. Insider Trading in Atheros Securities**

149. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 149 of the Amended Complaint.

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

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

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

153. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 153 of the Amended Complaint.

### **CLAIMS FOR RELIEF**

#### **CLAIM I**

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

154. Defendant repeats his responses to each and every allegation contained in Paragraphs 1 through 153 of the Amended Complaint as if fully set forth herein.

155. Paragraph 155 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 155 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

156. Paragraph 156 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 156 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

157. Paragraph 157 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 157 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

158. Paragraph 158 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 158 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

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

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

161. Paragraph 161 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 161 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

162. Paragraph 162 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 162 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

163. Paragraph 163 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 163 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

164. Paragraph 164 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 164 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

## **CLAIM II**

### **Violations of Section 17(a) of the Securities Act**

**(Against Galleon, Rajarantam, Goel, Chiesi, Kurland, New Castle, Khan, Far, Lee, Far & Lee, Spherix Capital, Hariri, Shankar, Schottenfeld, Fortuna and S2 Capital)**

165. Defendant repeats his responses to each and every allegation contained in Paragraphs 1 through 164 of the Amended Complaint as if fully set forth herein.

166. Paragraph 166 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 166 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

167. Paragraph 164 of the Amended Complaint contains legal conclusions as to which no response is required. To the extent the allegations contained in Paragraph 164 require a response and do not relate to the Defendant, he lacks knowledge or information sufficient to form a belief as to the truth of the allegations. To the extent a response is required and the allegations do purport to relate to Defendant, Defendant, upon the advice of counsel, asserts his rights not to be compelled to be a witness against himself.

**RELIEF SOUGHT**

Subsections I through V of this section contain summary allegations, legal conclusions and requests for relief for which no response is required.

Dated: New York, New York  
December 21, 2009

DORNBUSH SCHAEFFER  
STRONGIN & VENAGLIA, LLP

By:



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