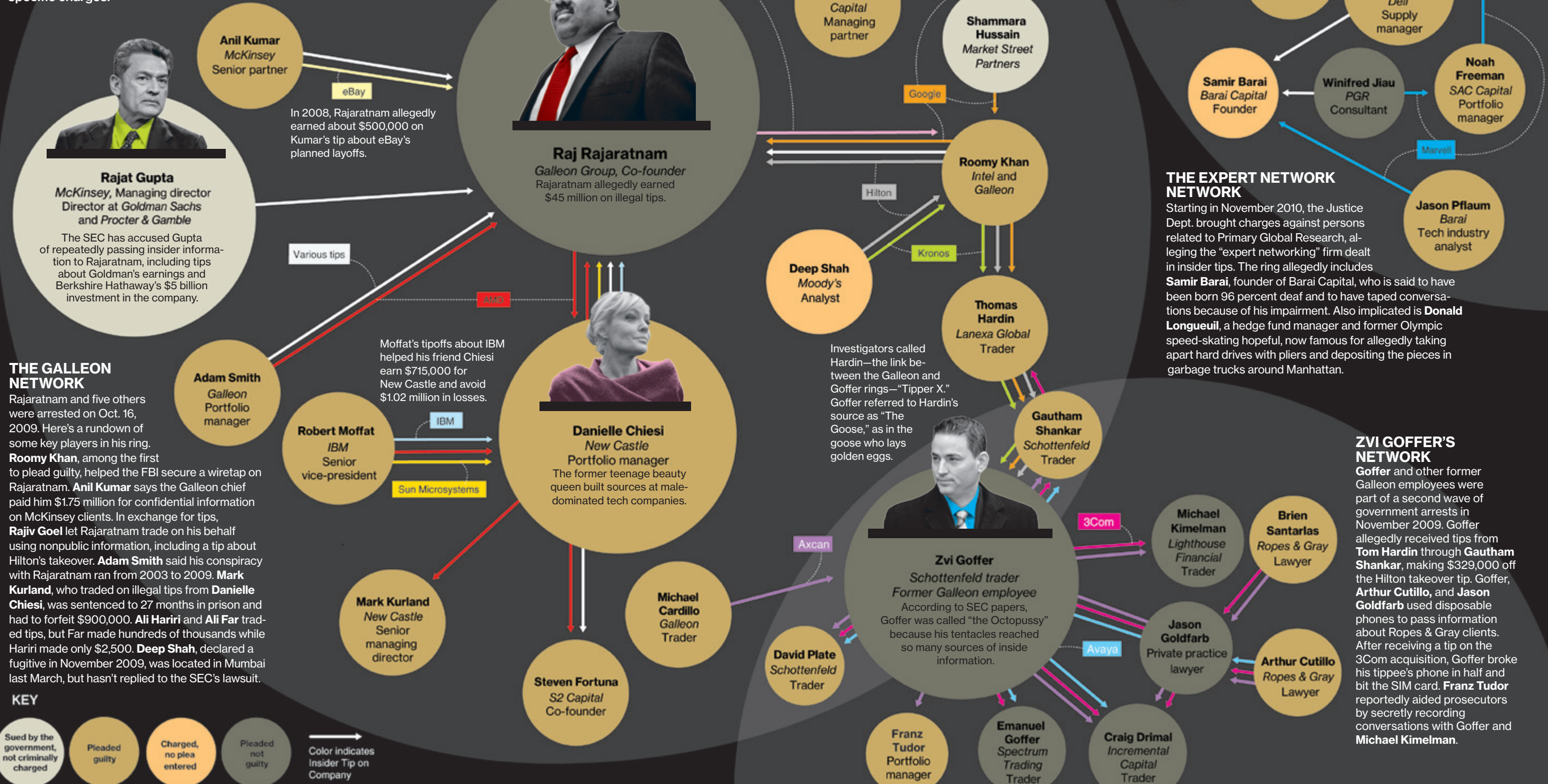


## The Insider's Guide To Insider Trading

Raj Rajaratnam, co-founder of Galleon, grabbed most of the headlines this week, but he's only one star in a galaxy of characters accused of insider trading. This guide to the case, based on Justice Dept. and SEC complaints, shows how information allegedly flowed between defendants and the firms where they worked at the time. The arrows represent just some of the tips that led to specific charges.



**Rajat Gupta**  
McKinsey, Managing director  
Director at Goldman Sachs and Procter & Gamble  
The SEC has accused Gupta of repeatedly passing insider information to Rajaratnam, including tips about Goldman's earnings and Berkshire Hathaway's \$5 billion investment in the company.

**Anil Kumar**  
McKinsey  
Senior partner

In 2008, Rajaratnam allegedly earned about \$500,000 on Kumar's tip about eBay's planned layoffs.

**Adam Smith**  
Galleon  
Portfolio manager

### THE GALLEON NETWORK

Rajaratnam and five others were arrested on Oct. 16, 2009. Here's a rundown of some key players in his ring. **Roomy Khan**, among the first to plead guilty, helped the FBI secure a wiretap on Rajaratnam. **Anil Kumar** says the Galleon chief paid him \$1.75 million for confidential information on McKinsey clients. In exchange for tips, **Rajiv Goel** let Rajaratnam trade on his behalf using nonpublic information, including a tip about Hilton's takeover. **Adam Smith** said his conspiracy with Rajaratnam ran from 2003 to 2009. **Mark Kurland**, who traded on illegal tips from **Danielle Chiesi**, was sentenced to 27 months in prison and had to forfeit \$900,000. **Ali Hariri** and **Ali Far** traded tips, but Far made hundreds of thousands while Hariri made only \$2,500. **Deep Shah**, declared a fugitive in November 2009, was located in Mumbai last March, but hasn't replied to the SEC's lawsuit.

**KEY**

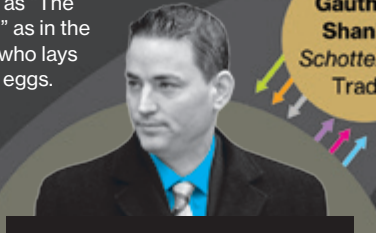
- Sued by the government, not criminally charged
- Pleaded guilty
- Charged, no plea entered
- Pleaded not guilty
- Color indicates Insider Tip on Company



**Raj Rajaratnam**  
Galleon Group, Co-founder  
Rajaratnam allegedly earned \$45 million on illegal tips.



**Danielle Chiesi**  
New Castle  
Portfolio manager  
The former teenage beauty queen built sources at male-dominated tech companies.



**Zvi Goffer**  
Schottenfeld trader  
Former Galleon employee  
According to SEC papers, Goffer was called "the Octopussy" because his tentacles reached so many sources of inside information.

### THE EXPERT NETWORK NETWORK

Starting in November 2010, the Justice Dept. brought charges against persons related to Primary Global Research, alleging the "expert networking" firm dealt in insider tips. The ring allegedly includes **Samir Barai**, founder of Barai Capital, who is said to have been born 96 percent deaf and to have taped conversations because of his impairment. Also implicated is **Donald Longueuil**, a hedge fund manager and former Olympic speed-skating hopeful, now famous for allegedly taking apart hard drives with pliers and depositing the pieces in garbage trucks around Manhattan.

### ZVI GOFFER'S NETWORK

**Goffer** and other former Galleon employees were part of a second wave of government arrests in November 2009. Goffer allegedly received tips from **Tom Hardin** through **Gautham Shankar**, making \$329,000 off the Hilton takeover tip. Goffer, **Arthur Cutillo**, and **Jason Goldfarb** used disposable phones to pass information about Ropes & Gray clients. After receiving a tip on the 3Com acquisition, Goffer broke his tippee's phone in half and bit the SIM card. **Franz Tudor** reportedly aided prosecutors by secretly recording conversations with Goffer and **Michael Kimelman**.