

George S. Canellos
Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
3 World Financial Center, Suite 400
New York, NY 10281-1022
(212) 336-1100

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
	:	
Plaintiff,	:	
	:	
-against-	:	<u>COMPLAINT</u>
	:	
ROBERT FEINBLATT,	:	
JEFFREY YOKUTY,	:	ECF CASE
TRIVIUM CAPITAL MANAGEMENT LLC,	:	
SUNIL BHALLA,	:	
and	:	
SHAMMARA HUSSAIN,	:	
	:	
Defendants.	:	

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against defendants Robert Feinblatt (“Feinblatt”), Jeffrey Yokuty (“Yokuty”), Trivium Capital Management LLC (“Trivium”), Sunil Bhalla (“Bhalla”), and Shammara Hussain (“Hussain”), alleges as follows:

SUMMARY

1. This case involves the tipping of material nonpublic information (“inside information”) by insiders, including Bhalla, a senior executive at Polycom, Inc. (“Polycom”), and Hussain, an employee at Market Street Partners, an investor relations consulting firm that did work for Google, Inc. (“Google”). The inside information was passed through an individual, Roomy Khan (“Khan”), to Trivium, its principal Feinblatt, its analyst Yokuty, and others, who then traded on the basis of this information. Khan also traded on and tipped others to inside information she learned from Bhalla, Hussain, and others.

2. Bhalla tipped Khan to inside information about Polycom’s fourth quarter 2005 (“Q4 2005”) earnings. Khan traded on that information, and tipped Feinblatt and Yokuty, who traded on behalf of Trivium based on the inside information. Khan also tipped others, including Raj Rajaratnam (“Rajaratnam”), the founder of Galleon Management LP (“Galleon”), a New York-based hedge fund investment adviser. In addition, Khan traded on and tipped Rajaratnam to material nonpublic information she received from Bhalla about Polycom’s first quarter 2006 (“Q1 2006”) earnings. Rajaratnam, in turn, traded on behalf of Galleon based on the inside information he learned from Khan concerning Polycom’s Q4 2005 and Q1 2006 earnings.

3. Khan also traded on, and tipped Feinblatt and Yokuty to, inside information she received from Deep Shah (“Shah”), a Moody’s rating agency analyst, about an impending takeover of Hilton by The Blackstone Group. Feinblatt and Yokuty traded on behalf of Trivium based on the information. Khan passed the Hilton tip to

Rajaratnam as well, and Rajaratnam traded on behalf of Galleon based on the information.

4. Hussain tipped Khan to inside information about Google's second quarter 2007 ("Q2 2007") earnings. Khan traded on this inside information, and passed this inside information along to Feinblatt, Yokuty, and others, including Thomas Hardin, a former Managing Director at New York-based hedge fund investment adviser Lanexa Management, LLC ("Lanexa"). Feinblatt and Yokuty traded on behalf of Trivium based on the information, and Hardin traded on behalf of Lanexa based on the information, and also passed the tip to his friend Gautham Shankar ("Shankar"), a proprietary trader at New York-based broker-dealer Schottenfeld Group LLC ("Schottenfeld"), who traded on the tip. Khan also passed the Google tip to Rajaratnam, who traded on behalf of Galleon based on the information. In addition, Hussain passed the Google tip to hedge fund manager Choo-Beng Lee ("Lee") who, along with his business partner, Ali T. Far ("Far"), caused an entity they controlled, Far & Lee LLC ("Far & Lee"), to trade on the information. Lee also traded in his personal account based on the information.

5. Finally, Khan traded on, and tipped Feinblatt, Yokuty, Hussain, and others to inside information about the impending acquisition of Kronos by Hellman & Friedman ("Hellman"), a private equity firm, that Khan had received from Shah, who first received the information from an insider. Feinblatt and Yokuty traded on behalf of Trivium based on the information. Hussain traded based on the information in an account held by her parents in which she regularly traded.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

6. 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 trading profits or losses avoided from the unlawful insider trading activity set forth in this Complaint, together with prejudgment interest, 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 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 Bhalla from acting as an officer or director 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)]. The Commission seeks any other relief 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

7. 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].

8. 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 in this Complaint occurred within the Southern District of New York. For example, Trivium was based in and had its offices in New York, New York, and Feinblatt and Yokuty worked in New York, New York during the time of the alleged insider trading. Trades based on the insider tips alleged here were made by traders working out of and based in New York, New York. In addition, many of the communications in furtherance of the insider trading alleged here were made from, to, or within New York, New York.

DEFENDANTS

9. **Feinblatt**, age 41, resides in New York, New York. Feinblatt was a co-founder of and, during the relevant period, a principal at Trivium. Feinblatt has held a Series 7 securities license.

10. **Yokuty**, age 37, resides in New York, New York. During the relevant period, Yokuty worked as an analyst at Trivium, where he reported to Feinblatt. Yokuty has held Series 7 and 63 securities licenses.

11. **Trivium**, a Delaware limited liability company, was, during the relevant period, a New York-based hedge fund investment adviser. Trivium was registered with the Commission as an investment adviser until March 31, 2009. During the relevant period, Trivium had approximately \$600 million under management in multiple hedge funds (the “Trivium Funds”). From approximately 2005 until the latter part of 2008, Trivium retained Khan as a consultant.

12. **Bhalla**, age 54, resides in Fremont, California. Bhalla joined Polycom in February 2000, and was a Senior Vice President and General Manager of the company’s Voice Division during the relevant period.

13. **Hussain**, age 25, resides in Fremont, California. In mid-2007, Hussain worked at Market Street Partners, an investor relations consulting firm that did work for Google.

RELEVANT INDIVIDUALS AND ENTITIES

14. **Far & Lee**, a Delaware limited liability company, was formed in July 2007 to operate as a trading entity that was used by Lee and Far before they formed the hedge fund investment adviser Spherix Capital LLC. Far & Lee is now defunct.

15. **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.”

16. **Hardin**, age 33, was a managing director at Lanexa through February 2009. He has held Series 7 and 55 securities licenses.

17. **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 New York Stock Exchange ("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.

18. **Khan**, age 52, resides in Fort Lauderdale, Florida. Khan is an individual investor.

19. **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. Until Kronos was acquired by private equity firm Hellman on June 11, 2007, its stock traded on the Nasdaq under the symbol "KRON."

20. **Lanexa** (f/k/a Camber Global Management), a Delaware limited liability company, is an unregistered New York-based hedge fund investment adviser. As of January 2009, Lanexa claimed to have \$55 million in assets under management.

21. **Lee**, age 54, resides in San Jose, California. Lee was a Managing Partner, portfolio manager, and co-founder of Spherix Capital LLC, an unregistered hedge fund investment adviser. Lee was also a Managing Partner of Far & Lee.

22. **Market Street Partners** is an investor relations consulting firm in San Francisco, California, which provided services to Google during the relevant period.

23. **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."

24. **Rajaratnam**, age 52, resides in New York, New York. Rajaratnam is the founder and a Managing General Partner of Galleon, and, during the relevant period, served as the Portfolio Manager of the Technology Offshore Fund, Technology Partners Fund, Technology MAC Fund, and the Diversified Fund (collectively, 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.

25. **Galleon**, a Delaware limited partnership, is a registered investment adviser based in New York, New York. As of March 2009, Galleon had over \$2.6 billion under management. Galleon was founded in 1997 and registered with the Commission as an investment adviser in January 2006. During the relevant period, Galleon served as the investment adviser for several hedge funds, including the Galleon Tech funds, the Captains funds and the Communications funds.

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

27. **Shankar**, age 36, resides in New Canaan, Connecticut. During the relevant period, Shankar was a registered representative and a proprietary trader at Schottenfeld. Shankar held Series 3, 7, 55, and 63 securities licenses.

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

FACTS

A. Insider Trading in Polycom Securities

29. During the relevant period, Bhalla was a senior Polycom executive with access to confidential information concerning Polycom's earnings.

30. In or around 2003, Khan befriended Bhalla. Some time afterwards, Bhalla, believing that Khan was a successful investor, deposited money into an account and gave Khan authority to trade the account on Bhalla's behalf. Through unprofitable trading, Khan lost Bhalla's money.

31. In late 2005 and 2006, Bhalla provided Khan with inside information concerning Polycom's quarterly earnings with the knowledge that Khan intended to use that inside information to trade in Polycom stock for profit, and with the expectation that Khan would share a portion of Khan's illegal trading profits with Bhalla.

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

32. In late December 2005, Bhalla obtained inside information concerning Polycom's unit sales and revenues for Polycom's Q4 2005. On or before January 10, 2006, Bhalla 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.

33. 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.

34. Khan traded on the basis of the information provided by Bhalla by purchasing Polycom securities in Khan's personal account. On January 10, 2006, Khan purchased 3,000 February \$17.50 Polycom out-of-the-money call option contracts. On January 20, 2006, Khan purchased an additional 500 February \$17.50 call option contracts. Following Polycom's earnings announcement, Khan sold her Polycom call options at varying prices, generating approximately \$330,000 in illicit profits. Bhalla knew that Khan's trades in Polycom based on Bhalla's tips had been profitable, and Bhalla sought to be compensated for them.

35. In addition to trading on the inside information obtained from Bhalla, Khan also passed the tip she received from Bhalla to Feinblatt, Yokuty, and others, including Rajaratnam.

36. In 2005, Khan began working as a consultant for Trivium, providing research on the technology sector for a fee, which, at the time, was approximately \$15,000 per month. On or before January 10, 2006, Khan informed Trivium's principal, Feinblatt, and Trivium's technology analyst, Yokuty, that Khan had an inside source at Polycom and that, based on information Khan had received from that source, the Trivium Funds should have a long position in Polycom going into the January 25, 2006 earnings release.

37. From January 10 through January 25, 2006, Feinblatt, Yokuty, and Trivium, based on Khan's tip, caused the Trivium Funds to purchase approximately 325,000 shares of Polycom, which the Trivium Funds sold after the January 25, 2006 announcement for a profit of over \$1.4 million. After the earnings announcement, Feinblatt thanked Khan for the tip.

38. 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 on the basis of this inside information. 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. 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.

b. Polycom's Q1 2006 Earnings Release – April 19, 2006

39. On or before April 10, 2006, Bhalla learned, through his position at Polycom, of Polycom's Q1 2006 financial results, including that Polycom's revenues for Q1 2006 would beat market expectations.

40. On or about April 10, 2006, Bhalla communicated inside 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.

41. On April 17, 2006, Khan purchased 200 April \$20 Polycom call option contracts on the basis of the information Khan had received from Bhalla, 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.

42. 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

43. Khan obtained inside 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 inside information about Hilton.

44. 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.

45. Immediately after receiving this information, Khan purchased 550 August \$35 Hilton call option contracts. The following morning, Khan purchased 100 July \$35 Hilton call option contracts.

46. 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, the price of Hilton common stock shot up to \$45.39 per share.

47. 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.

48. On July 2, 2007, shortly after receiving the Hilton tip from Shah, Khan also passed the information Khan received from Shah about the Hilton Transaction to Feinblatt and Yokuty at Trivium, telling them that Khan's Moody's source – whom Khan, Feinblatt and Yokuty referred to as “the M guy” – had tipped her that Hilton was being taken private for a price in the mid-\$40s per share and that the deal would be announced the following day. Going into July 2, the Trivium Funds had a short position in Hilton of over 280,000 shares, which they covered within minutes after Khan's

conversations with Shah and a subsequent call from Khan to Trivium's offices. Khan called Yokuty later that afternoon and then called Trivium's offices on the morning of July 3. Minutes after the July 3 call, the Trivium Funds built a substantial long position in Hilton on the basis of Khan's inside information, buying about 525,000 shares, or an amount equal to approximately 15% of Hilton's average daily trading volume for the prior three-month period, in a trading day that ended at 1 p.m. On July 3, 2007, Feinblatt told Khan that he would execute the Trivium Funds' Hilton trades through a brokerage firm that had just issued a research note about a possible private equity deal for Hilton to provide cover for his trading. Consistent with what Feinblatt told Khan, the Trivium Funds executed a portion of its July 3 Hilton purchases through Jefferies & Co. ("Jefferies"), which had recirculated in the early morning hours of July 3 an earlier positive analysis of Hilton. Based on Khan's Hilton tip, Feinblatt, Yokuty, and Trivium caused the Trivium Funds to sell their Hilton position for a profit of approximately \$5.2 million, and they avoided trading losses of approximately \$4.9 million by covering Trivium Funds' short position.

49. Within minutes after the close of trading on July 3, 2007, Trivium emailed Khan notifying her that her annual consulting fee was being increased from \$250,000 to \$350,000.

50. On or about July 2, 2007, Khan also passed Shah's Hilton tip to Rajaratnam, telling 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. 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 was to make investments in the technology sector, rather than the lodging sector -- on the basis of this inside information. The Galleon Tech funds sold their Hilton shares after the July 3 announcement for a profit of over \$4 million.

C. Insider Trading in Google Securities

51. Within about a week of the Hilton tip, Hussain tipped Khan to inside information concerning Google's Q2 2007 results, which were scheduled to be announced after the close of the markets on July 19, 2007. At the time, Hussain worked for Market Street Partners, a consulting firm that performed investor relations work for Google. As a result, Hussain had access to inside information concerning Google's quarterly earnings announcements, including advance copies of such announcements.

52. On or about July 10, 2007, Hussain 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 Hussain, Khan began purchasing put options on the basis of this inside information. Between July 12, 2007 and July 19, 2007, when Google publicly announced its financial results, Khan purchased a total of 566 August \$530 Google put options.

53. 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.

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

55. After Hussain provided Khan with the above information, Hussain told Khan that unless Khan paid Hussain a fee of \$100,000-\$200,000 per quarter, Hussain would cease providing Khan with inside information. Khan declined to agree to this request, and Hussain stopped providing Khan with tips.

56. Hussain also provided Lee with specific information about Google's Q2 2007 disappointing earnings in advance of the public release of that information on July 19, 2007. Hussain is a family friend of Lee, who knew that Hussain was employed at Google's investor relations firm. Lee shared the inside information from Hussain with Lee's business partner, Far, and the two traded based on this information in a joint account they held in the name of Far & Lee. On the morning of July 19, 2007, before the earnings announcement, Lee and Far caused Far & Lee to purchase 200 July \$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.

57. Shortly after receiving the Google tip from Hussain, Khan passed the inside information Khan received from Hussain about Google's Q2 2007 results to Feinblatt and Yokuty at Trivium. Khan explained to Feinblatt and Yokuty that the Google source was an employee of the investor relations firm retained by Google. Based on Khan's Google tip, Feinblatt and Yokuty bought Google put options for the Trivium Funds in the days leading up to the July 19 announcement. Following the July 19 announcement, Feinblatt and Yokuty closed out the Trivium Funds' Google position for profits exceeding \$2.5 million.

58. In addition, Khan, shortly after receiving the Google tip from Hussain, passed the Google tip to Rajaratnam, telling him to short Google because earnings would fall below analysts' expectations. Khan told Rajaratnam that Khan's source for the tip was a consultant for Google who had pre-announcement access to earnings information. After receiving the tip from Khan, Rajaratnam began buying Google put options for the Galleon Tech funds and continued buying them through July 19 on the basis of this inside information. In addition, Rajaratnam communicated with Khan before the markets opened on July 17. Shortly afterwards, 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 took aggressive short positions in Google on the basis of this inside information by purchasing Google put options, selling Google call options and selling short Google's stock. 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 exceeded \$9 million.

59. On or about July 12, 2007, Khan also passed to Hardin the inside information about Google's Q2 2007 results that Khan received from Hussain. Khan told Hardin that Google would miss its quarter, explaining that the information came from Hussain, who worked at Google's investor relations firm and saw Google's quarterly earnings press release before it became public. Just before the market closed on the day of Google's post-close Q2 2007 earnings announcement, Hardin caused Lanexa to sell

short 5,900 Google shares based on this inside information, generating trading profits of approximately \$150,000.

60. On or before July 18, 2007, Hardin passed the inside information Hardin received from Khan about Google's Q2 2007 results to his friend, Shankar, a proprietary trader at Schottenfeld, 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 Google shares and purchased Google put option contracts, generating profits of more than \$50,000.

D. Insider Trading in Kronos Securities

61. Khan also received inside information concerning the acquisition of software company Kronos by private equity firm Hellman in March 2007 (the "Kronos Transaction"). Khan traded on this information and passed it on to others. The Kronos Transaction was made public on March 23, 2007, at market open, when Kronos announced that it would be taken private by Hellman for \$55 per share, a substantial premium to the previously prevailing market price of Kronos' stock.

62. During mid-March 2007, Shah learned that Kronos was on the auction block and about to be acquired. Shah learned this information from a friend who worked at an investment bank involved in financing the acquisition (the "Kronos Source"). The Kronos Source and Shah communicated several times on March 14, 2007, and the Kronos Source relayed specific information to Shah concerning a bid to acquire Kronos. Shah and Khan also communicated several times on March 14, and Shah conveyed the material nonpublic information he had learned about the Kronos Transaction to Khan.

63. 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.

64. Following the March 23, 2007 announcement of the Kronos Transaction, Kronos's 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.

65. Khan traded profitably in Kronos based on the inside information she received from Shah, selling, after the announcement, all of the call options she bought on March 16 for a profit of approximately \$37,000.

66. Shah asked Khan to pay him \$10,000 for the Kronos tip, and Khan, in turn, arranged for one of her tippees, Hardin, to make the payment to Shah.

67. Khan tipped Feinblatt and Yokuty at Trivium to the Kronos Transaction, telling them that she received the information from her Moody's source – "the M guy" – and that the information had originally come from another source at a certain investment bank.

68. Between March 16 and 22, 2007, on the basis of this inside information, Feinblatt and Yokuty caused the Trivium Funds to acquire a large long position in Kronos and, even after engaging in opportunistic profit-taking in the run up ahead of the announcement, held a position of 160,000 Kronos shares going into the announcement. The Trivium Funds sold off their Kronos position in the days following the announcement, making a profit of approximately \$1.8 million.

69. Khan also passed the Kronos tip to Hussain and told her that the information came from an inside source. Khan and Hussain communicated multiple times on March 15 and 16, 2007. On March 16, an account held jointly by Hussain's

parents, and in which Hussain regularly traded, began trading Kronos on the basis of this inside information. The account bought and sold Kronos shares ahead of the announcement, but maintained a 3,000 share position going into the announcement, generating a profit of approximately \$21,000.

70. On or about March 15, 2007, Khan told Hardin that Kronos would be acquired in about a week for a substantial premium, and also told Hardin what she knew about the source of the tip, and that Shah wanted to be paid \$10,000 for the tip. Hardin caused Lanexa to trade in Kronos on the basis of the material nonpublic information that they received from Khan, generating profits of approximately \$547,000. Hardin also personally paid Shah \$10,000 in cash for the Kronos tip.

CLAIMS FOR RELIEF

CLAIM I

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

71. The Commission realleges and incorporates by reference paragraphs 1 through 70, as though fully set forth herein.

72. The information concerning (i) the Polycom January 25, 2006 earnings announcement, (ii) the Polycom April 19, 2006 earnings announcement, (iii) the Hilton Transaction, (iv) the Google July 19, 2007 earnings announcement, and (v) the Kronos Transaction, 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.

73. Each of Bhalla, Shah, Hussain, and the Kronos Source learned during the course of his/her employment the inside information each conveyed, 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.

74. Each of Bhalla, Shah, Hussain, and the Kronos Source tipped inside information to their respective tippee(s) with the expectation of receiving a benefit.

75. Khan and Hardin, as tippees themselves, each tipped their respective tippees inside information, with the expectation of a benefit from doing so, 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. Each of the tippees named as defendants knew, recklessly disregarded, or should have known, that the inside information each received from their respective tippers was disclosed or misappropriated in breach of a fiduciary duty, or similar relationship of trust and confidence.

76. Feinblatt and Yokuty are liable for the trading occurring in the Trivium Funds because each effectuated the trades on behalf of the funds, controlled the funds, and/or unlawfully tipped the inside information to the funds.

77. The unlawful trading done by Feinblatt and Yokuty is attributable to Trivium.

78. By virtue of the foregoing, defendants Feinblatt, Yokuty, Trivium, Bhalla, and Hussain, 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.

79. By virtue of the foregoing, defendants Feinblatt, Yokuty, Trivium, Bhalla and Hussain each, 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 Feinblatt, Yokuty, Trivium and Hussain)

80. The Commission realleges and incorporates by reference paragraphs 1 through 79, as though fully set forth herein.

81. 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, defendants Feinblatt, Yokuty, Trivium and Hussain: (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.

82. By reason of the conduct described above, defendants Feinblatt, Yokuty, Trivium and Hussain each, 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 defendants Feinblatt, Yokuty, Trivium, Bhalla, Hussain, 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 defendants Feinblatt, Yokuty, Trivium, Bhalla, Hussain, 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 defendants Feinblatt, Yokuty, Trivium, Bhalla, and Hussain 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 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 defendants Feinblatt, Yokuty, Trivium, Bhalla, and Hussain 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 defendant Bhalla 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 an officer or director 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)]; and

VI.

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

Dated: New York, New York
January 10, 2011

George S. Canellos
Regional Director
Attorney for Plaintiff
SECURITIES AND EXCHANGE
COMMISSION
New York Regional Office
3 World Financial Center, Suite 400
New York, New York 10281-1022
(212) 336-1020

Of Counsel:

David Rosenfeld (RosenfeldD@sec.gov)
Sanjay Wadhwa (WadhwaS@sec.gov)
Valerie A. Szczepanik (SzczepanikV@sec.gov)
Kevin McGrath (McGrathK@sec.gov)
Jason E. Friedman (FriedmanJ@sec.gov)
John Henderson* (HendersonJ@sec.gov)
* *not admitted in the S.D.N.Y.*