

Counsel of Record:  
Daniel M. Hawke  
Elaine C. Greenberg  
G. Jeffrey Boujoukos  
Scott A. Thompson  
Michael J. Rinaldi (000362006)  
Colleen K. Lynch  
David W. Snyder  
Securities and Exchange Commission  
Philadelphia Regional Office  
701 Market Street, Suite 2000  
Philadelphia, PA 19106  
Telephone: (215) 597-3100  
Facsimile: (215) 597-2740

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

KENNETH T. ROBINSON,

Defendant.

Case No.

**COMPLAINT FOR VIOLATIONS OF  
THE FEDERAL SECURITIES LAWS**

Plaintiff Securities and Exchange Commission (the "Commission"), 701 Market Street, Suite 2000, Philadelphia, Pennsylvania 19106, alleges as follows against defendant Kenneth T. Robinson, whose last known address is 160 E. Beech Street, Long Beach, New York 11561:

**SUMMARY**

1. This case concerns a longstanding serial insider trading ring that made over \$32 million in illegal profits. The scheme involved three participants: Matthew H. Kluger ("Kluger"), the source, a lawyer who over the course of several years repeatedly stole material, nonpublic information about pending mergers and acquisitions from the computer system of his former employer, Wilson Sonsini Goodrich & Rosati ("Wilson Sonsini"), a national firm that serves as legal adviser to many companies considering strategic alternatives; defendant Kenneth

T. Robinson (“Robinson”), who passed along the information (and himself traded in two instances); and Garrett D. Bauer (“Bauer”), the trader.

2. From at least December 2005 through March 2011, Kluger was employed at Wilson Sonsini as a corporate associate, with a focus on mergers and acquisitions. Beginning in or around April 2006, Kluger performed searches on Wilson Sonsini’s computer network to identify documents establishing that a client of the firm was about to participate in a merger or acquisition. Once he identified material, nonpublic information about the impending transactions, Kluger tipped Robinson, who passed the material, nonpublic information along to Bauer, using public telephones or prepaid disposable mobile telephones to avoid detection. Bauer then placed trades for himself, and on behalf of, and for the benefit of, Kluger and Robinson on the basis of the material, nonpublic information. Once the merger or acquisition was announced, Bauer sold the stock, keeping the majority of the proceeds for himself, and passed a portion of the profits, in cash, to Robinson, who distributed a share of the profits to Kluger.

3. In two instances, Robinson placed trades himself based on the material, nonpublic information that he received from Kluger. In those instances, he passed a portion of the profits to Kluger.

4. Kluger, Robinson, and Bauer deliberately structured their scheme to avoid detection so that Kluger could share in the proceeds of the insider trading without fear of discovery for trading on information he obtained in the course of his employment and so that Bauer and Robinson could profit without being connected to a source with access to inside information.

5. Despite their efforts at concealment, in mid-March 2011, Kluger, Robinson, and Bauer became concerned that the scheme would soon be uncovered by law enforcement. At that time they destroyed mobile telephones, computers, and other records that linked them to the insider trading scheme.

6. As a direct result of receiving material, nonpublic information from Robinson that originated from Kluger, Bauer traded in advance of the public announcement of at least nine (9) pending mergers and acquisitions involving companies that were advised by Wilson Sonsini. Bauer's trades generated over \$30 million in illegal profits. Kluger, Robinson, and Bauer shared the profits from the insider trading in advance of these nine public announcements. Robinson and Kluger each received approximately \$342,500 as their share of the insider trading profits, most of which they received in cash.

7. Robinson profited by \$646,629 in the two instances where he placed trades himself based on material, nonpublic information tipped from Kluger. Robinson gave Kluger approximately \$160,000 in cash as his share of the profits from the trading in these two instances. Overall, when combined with the profits he obtained from Bauer's trading, as a result of this scheme, Robinson profited by \$829,129.

8. By knowingly engaging in the conduct described in this Complaint, Robinson violated and, unless enjoined and restrained, will continue to violate Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) & 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5 & 240.14e-3].

#### **JURISDICTION AND VENUE**

9. The Commission brings this action pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] to enjoin such acts, practices, and courses of business, and to obtain

disgorgement, prejudgment interest, and such other and further relief as the Court may deem just and appropriate.

10. This Court has jurisdiction over this action pursuant to Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa].

11. Venue in this District is proper pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, and courses of business constituting the violations of the federal securities laws alleged herein occurred within the District of New Jersey.

### **DEFENDANT**

12. Kenneth T. Robinson, age 46, is a resident of Long Beach, New York. From February 1992 to March 1995, Robinson worked at a registered broker-dealer in New York, New York. During a portion of that time, Robinson worked with Bauer. From March 1995 to July 1996, Robinson was a mortgage broker in New York, New York. From September 1991 to January 1992, Robinson was a real estate agent in New York, New York. From December 1987 to September 1991, Robinson was an account administrator in New York, New York. During that time, Robinson and Kluger were co-workers. Robinson was criminally charged by the United States Attorney's Office for the District of New Jersey for his role in the scheme described herein, and is currently released on bail.

### **RELATED PERSONS**

13. Matthew H. Kluger, age 51, currently resides in Oakton, Virginia. Kluger graduated from New York University School of Law in 1995 and is licensed to practice law in the State of New York and the District of Columbia. Kluger had his license to practice law in the State of New Jersey administratively revoked for failing to make certain required payments, effective September 27, 2010. From 1994 to 1998, Kluger was first a summer associate, and

then a corporate associate, at a major international law firm based in New York. From 1998 to 2001, Kluger was a corporate associate at another major international law firm based in New York. From 2001 to 2004, Kluger continued to work as an attorney, including at a New Jersey law firm. Next, Kluger briefly became Associate General Counsel at an automotive group, before returning to private practice in late 2005. Beginning on December 5, 2005, and until approximately February 2011, Kluger was a corporate associate at Wilson Sonsini concentrating primarily on mergers and acquisitions. The Commission charged Kluger with violations of Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b) & 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5 & 240.14e-3], based on his conduct in the scheme described herein, in a civil complaint filed April 6, 2011, in this Court. Kluger was also criminally charged by the United States Attorney's Office for the District of New Jersey for his role in the scheme described herein, and is currently released on bail.

14. Garrett D. Bauer, age 44, currently resides in New York, New York. He is self-employed. From October 1991 to January 1994, Bauer was employed at a registered broker-dealer. During a portion of this time, Bauer and Robinson were co-workers. From April 2001 through August 16, 2010, Bauer was associated with several registered broker-dealers. The Commission charged Bauer with violations of Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b) & 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5 & 240.14e-3], based on the conduct in the scheme described herein, in a civil complaint filed April 6, 2011, in this Court. Bauer was also criminally charged by the United States Attorney's Office for the District of New Jersey for his role in the scheme described herein, and is currently released on bail.

**FACTS**

**A. Background of Kluger, Robinson, and Bauer's Relationship and the Origins of the Insider Trading Scheme**

15. Robinson and Kluger have known each other since at least 1987, and they worked together from 1987 to 1991.

16. Robinson and Bauer have known each other since at least 1992, and they worked together from 1992 to 1994.

17. In or about 1992, Kluger enrolled at New York University School of Law.

18. From 1994 to 2001, Kluger was first a summer associate, and then an associate at two major law firms, both of which are based in New York. Kluger was in the corporate department at both firms and specialized in mergers and acquisitions.

19. While a summer associate at the first law firm, Kluger discovered that he had access to material, nonpublic information about firm clients' impending mergers and acquisitions through the firm's computer network.

20. Kluger and Robinson devised a plan to profit from the information and to evade detection while doing so: Kluger would access information about impending mergers and acquisitions for clients that his law firm employers were advising, and then he would pass to Robinson the material, nonpublic information.

21. Kluger and Robinson planned to enlist a third person to place trades on behalf of Kluger and Robinson, and for their benefit, in advance of the impending merger and acquisition announcements. Robinson convinced Bauer, his former co-worker, to place the trades. Robinson told Bauer about the scheme, Kluger's role in it, and the need to have Bauer place trades on behalf of Robinson and Kluger to conceal the scheme. Robinson also told Bauer that he could trade on the information for his own benefit. Bauer agreed to participate in the scheme.

22. During this time, Bauer and Robinson met in Atlantic City, New Jersey, with the understanding that gambling could provide a cover story for the expected cash disbursements Bauer would pay Kluger and Robinson as their share of the insider trading profits. The conspirators did so to insulate themselves from any future inquiries about Bauer's repeated cash withdrawals.

23. The scheme continued while Kluger was an associate at the New York-based law firms.

**B. Kluger Accessed Material, Nonpublic Information During the Course of His Employment at Wilson Sonsini**

24. After a brief period of time as an in-house counsel for an automotive group, in December 2005, Kluger returned to private practice as a corporate associate in Wilson Sonsini's Washington, D.C., office.

25. Wilson Sonsini is a law firm that advertises itself as a nationally recognized leader in mergers and acquisitions. Wilson Sonsini has eight offices in the United States and three overseas.

26. As with his two former law firm employers, Kluger's position at the firm presented him with access to electronic documents containing material, nonpublic information concerning impending mergers and acquisitions involving Wilson Sonsini's clients.

27. Wilson Sonsini owes a fiduciary duty of confidentiality to, among others, its clients, including the obligation to maintain the confidentiality of information obtained by, or provided to, the firm in connection with engagements.

28. Kluger, as an employee of Wilson Sonsini with access to confidential electronic and other files, owed a fiduciary duty, or an obligation arising from a similar relationship of trust

and confidence to his employer, to keep such information confidential. Kluger knew he was required to do so.

29. Kluger knew that he was not permitted to trade on the basis of the material, nonpublic client-related information he accessed in the course of his employment and could not provide others with this information.

30. Despite this, Kluger, Robinson, and Bauer resumed their insider trading scheme within four months of Kluger's arrival at Wilson Sonsini.

31. Since at least April 2006, Kluger misappropriated and disclosed Wilson Sonsini's material, nonpublic client information to reap personal benefit and to benefit Robinson and Bauer in at least eleven (11) instances. In each of the eleven instances, Wilson Sonsini advised one party to the transaction, which provided Kluger with access to the nonpublic information.

32. Kluger accessed material, nonpublic information through the firm's internal document management system. Kluger examined the titles of the documents stored on the system to determine whether a merger and acquisition deal was imminent. Kluger looked for board resolutions, press releases, and merger agreements because the titles of these documents revealed that specific companies were involved in impending mergers and acquisitions. Kluger often did not open the electronic documents stored on Wilson Sonsini's computer system. He believed that doing so would leave audit trails revealing that he had accessed the documents and possibly expose the scheme.



33. The transactions in which Kluger misappropriated material, nonpublic information are summarized in the following chart:

<u>Target &amp; Acquirer</u>	<u>Public Announcement Date</u>	<u>Target's Share Price Before</u>	<u>Target's Share Price After</u>	<u>Share Price Increase</u>	<u>Percent Increase in Share Price</u>
Advanced Digital Info. Corp.'s (acquired by Quantum Corp.)	5/2/2006	\$ 8.27	\$11.87	\$3.60	43.53%
Acxiom Corp. (acquired by multiple entities)	5/17/2007	\$23.67	\$27.95	\$4.28	18.08%
Palm, Inc. (strategic recapitalization plan with Elevation Partners, Inc.)	6/4/2007	\$16.09	\$17.57	\$1.48	9.20%
3Com Corp. (proposed acquisition by Bain Capital LLC)	9/28/2007	\$3.68	\$ 4.94	\$1.26	34.24%
Visual Sciences (acquired by Omniture, Inc.)	10/25/2007	\$16.72	\$18.69	\$1.97	11.78%
Ansoft Corp (acquired by Ansys, Inc.)	3/31/2008	\$23.42	\$30.52	\$7.10	30.32%
Sun Microsystems, Inc. (acquired by Oracle Corp.)	4/20/2009	\$6.69	\$ 9.15	\$2.46	36.77%
Omniture, Inc. (acquired by tender offer by Adobe Systems, Inc.)	9/15/2009	\$17.33	\$21.88	\$4.56	26.29%
3Com Corp. (acquired by Hewlett-Packard)	11/11/2009	\$5.69	\$7.46	\$1.77	31.11%
McAfee, Inc. (acquired by Intel Corp.)	8/19/2010	\$29.93	\$47.01	\$17.08	57.07%
Zoran Corp. (acquired by CSR plc)	2/20/2011	\$9.32	\$10.74	\$1.42	15.24%

34. In each instance, when Kluger accessed and then misappropriated and disclosed confidential client information, for his and others' personal benefit, Kluger breached his duty of loyalty and confidentiality to his employer.

**C. Kluger Tipped Material, Nonpublic Information to Robinson with the Knowledge and Intent that it Would be Used to Trade Illegally**

35. In each of the eleven (11) instances where he misappropriated confidential client information from his employer, Kluger tipped Robinson this material, nonpublic information with the knowledge and intent that this information would be used for insider trading.

36. In at least nine (9) of these instances, Robinson tipped Bauer the misappropriated material, nonpublic information that Kluger gave him, knowing that Bauer would then trade on the basis of that information. The following chart summarizes Bauer's trading on the basis of material, nonpublic information:

<b><u>Target Issuer</u></b>	<b><u>Shares Purchased by Bauer</u></b>	<b><u>Range of Purchase Dates</u></b>	<b><u>Announcement Date</u></b>
Advanced Digital Info. Corp. (acquired by Quantum Corp.)	477,760	4/12/2006 – 4/28/2006	5/2/2006
Acxiom Corp. (acquired by multiple entities)	407,150	5/2/2007 – 5/10/2007	5/17/2007
Palm, Inc. (strategic recapitalization plan with Elevation Partners LP, which acquired 25% of Palm's stock)	400,000 (stock)  3,229 (June \$15.00 call options)	5/22/2007 – 5/31/2007	6/4/2007
3Com Corp. (proposed acquisition by Bain Capital LLC)	1,646,113	9/26/2007 – 9/27/2007	9/28/2007
Visual Sciences (acquired by Omniture, Inc.)	598,102	10/18/2007 – 10/25/2007	10/25/2007
Ansoft Corp. (acquired by Ansys, Inc.)	513,532	2/25/2008 – 3/27/2008	3/31/2008
Sun Microsystems, Inc. (acquired by Oracle Corp.)	4,489,375	4/17/2009 – 4/20/2009	4/20/2009
Omniture, Inc. (tender offer by Adobe Systems, Inc.)	1,280,307	8/24/2009 – 9/9/2009	9/15/2009
Zoran Corp. (acquired by CSR plc)	1,461,056	1/24/2011 – 2/17/2011	2/20/2011

37. In at least two (2) of the eleven (11) instances, Robinson kept the material, nonpublic information received from Kluger for himself and did not pass it to Bauer. In those instances, he traded for himself, and on behalf of, and for the benefit of Kluger. Those two instances are summarized in the following chart:

<u>Target Issuer</u>	<u>Number of Shares Purchased by Robinson</u>	<u>Range of Purchase Dates</u>	<u>Announcement Date</u>
3Com Corp. (acquired by Hewlett-Packard Co.)	65,000	10/26/2009 – 11/5/2009	11/11/2009
McAfee, Inc. (acquired by Intel Corp.)	32,000	7/28/2010 – 8/17/2010	8/19/2010

**D. Bauer and Robinson Traded on the Basis of the Material, Nonpublic Information Kluger Passed to Them**

38. Bauer used his own money to place trades for himself, and for the benefit of, Kluger and Robinson. For each deal, Bauer alone decided how many shares he wanted to purchase for himself. Robinson and Kluger would discuss how many shares each wanted Bauer to buy on their behalf and for their benefit. When Robinson passed the material, nonpublic information to Bauer, he would also tell Bauer how many shares to buy on behalf of, and for the benefit of, himself and Kluger. Bauer would then place the trades.

39. Since 2006, Bauer used five (5) accounts to place trades (“the Bauer Accounts”) based on material, nonpublic information obtained from Kluger. Four of the accounts are held in Bauer’s name. The fifth account is not held in Bauer’s name, but, upon information and belief, Bauer exercised control over trades in Advanced Digital Information Corporation, Acxiom Corporation, Palm, Inc., 3Com Corporation, Visual Services, and Ansoft Corporation that were placed in that account. Certain of these accounts cleared trades through a company with

computer servers located in New Jersey. In addition, most of the trades in the Bauer Accounts were executed on the Nasdaq, which has computer servers located in New Jersey.

40. Since 2006, Bauer placed trades in the securities of nine (9) target issuers shortly before the public announcements of their mergers and acquisitions. Wilson Sonsini was legal adviser to one party in each of the nine transactions. The trades were made in the Bauer Accounts.

41. Bauer's trading generated at least \$30 million in profits trading on the basis of the material, nonpublic information that he received regarding the nine (9) transactions.

42. Bauer closed out of all his positions in the securities purchased in advance of the announcements of the nine (9) transactions within days of the public announcements of the deals. Bauer used some of the profits made on his illegal transactions to give Robinson a share of the proceeds. Bauer made the in-person transfers to Robinson in cash, typically using funds he obtained from Automated Teller Machine ("ATM") withdrawals. After receiving the cash from Bauer, Robinson split the profits with Kluger. On several occasions, Kluger drove from Virginia to New York in order to receive his cash in person from Robinson.

43. For each of these nine (9) transactions, Wilson Sonsini and Kluger had possession of material, nonpublic information relating to the transaction prior to the trades placed by Bauer.

44. With regard to the Adobe/Omniture transaction, substantial steps to complete the tender offer had been taken by the time Bauer began to acquire shares of Omniture. By August 24, 2009, Bauer's first purchase, Adobe and Omniture had executed mutual nondisclosure agreements, Adobe had delivered a non-binding letter of interest to purchase Omniture for \$20 per share in cash, Omniture had engaged Wilson Sonsini and an investment bank to act as advisors, and Adobe was conducting due diligence on Omniture.

45. In late 2009, Robinson placed trades in two of his personal brokerage accounts based on the material, nonpublic information he received from Kluger shortly before the public announcements of two mergers and acquisitions. Wilson Sonsini was legal adviser to one party in each transaction. The two transactions are:

<u>Target Issuer</u>	<u>Date of Announcement</u>	<u>Robinson's Profits</u>
3Com Corp. (acquired by Hewlett-Packard Co.)	11/11/2009	\$152,629
McAfee, Inc. (acquired by Intel Corp.)	8/19/2010	\$494,000
	<b>TOTAL:</b>	<b>\$646,629</b>

46. After each of the above Wilson Sonsini-advised deals was announced, Robinson sold his securities. He then provided a portion of the proceeds to Kluger in cash. In connection with trades Bauer made in advance of the nine public announcements, Bauer distributed approximately \$685,000 of profits in cash to Robinson to be shared evenly between Robinson and Kluger, and Robinson distributed to Kluger his share. Of the approximately \$646,629 in profits Robinson earned trading in advance of the announcements of two other transactions, Robinson distributed \$160,000 in cash to Kluger.

47. As a result, Robinson profited by at least \$829,129 from his and Bauer's trading gains.

48. In approximately March 2011, Kluger left Wilson Sonsini. Immediately thereafter, the scheme came to an end, because Kluger no longer had access to material, nonpublic information about impending mergers and acquisitions of Wilson Sonsini's clients.

**E. Kluger, Robinson, and Bauer Plotted to Conceal their Fraudulent Scheme**

49. Kluger, Robinson, and Bauer carefully designed the scheme to pass material, nonpublic information to Bauer so he could trade while avoiding detection.

50. Kluger, Robinson, and Bauer also formulated procedures by which they could minimize or eliminate records of communications, and the transfers of funds between the members of the scheme.

51. For example, when Kluger, Robinson and Bauer originally hatched their plan in the mid-1990s, Bauer and Robinson met in Atlantic City, New Jersey, using gambling as a cover story to explain Bauer's cash withdrawals that were to be used to distribute the illegal profits to Robinson and Kluger.

52. Throughout the scheme, in an attempt to make tracing their communications difficult, if not impossible, Kluger and Robinson communicated with each other using public telephones and prepaid disposable mobile telephones.

53. Robinson and Bauer also took steps to avoid detection in communicating about the scheme. Specifically, they agreed not to discuss the impending mergers and acquisitions of Wilson Sonsini's clients in e-mails, and they, too, used only prepaid disposable mobile telephones to communicate about the impending mergers and acquisitions of Wilson Sonsini clients.

54. All three participants purchased their disposable mobile telephones with cash in order to ensure that there would be no record of the purchases.

55. In addition, Robinson took steps to ensure that Kluger's and Bauer's prepaid disposable mobile telephone numbers were not discovered. For example, Robinson saved only two telephone numbers in his disposable telephone – Bauer's and Kluger's disposable mobile telephone numbers.

56. The trio also changed disposable prepaid mobile telephones on several occasions during the scheme, each time destroying the previous telephone and purchasing new telephones with new telephone numbers.

57. In mid-March 2011, Kluger, Robinson, and Bauer became concerned that the scheme had been exposed and, at that time, took additional steps to destroy any records of their communications and other activity that could demonstrate their involvement in the illegal insider trading scheme.

58. Kluger told Robinson in mid-March 2011 that he destroyed and then threw away his prepaid disposable mobile telephone, his hard drive, and an iPhone he used to check the stock quotes of the companies about which he tipped.

59. Bauer told Robinson that he also destroyed the disposable mobile telephone he had been using, threw the pieces in separate trash cans at a McDonald's and then purchased a new prepaid disposable mobile telephone.

60. When Bauer learned in March 2011 that Robinson had yet to distribute the \$175,000 in cash that Bauer had given to him as proceeds from the insider trading in the Zoran/CSR transaction, he told Robinson to burn the \$175,000 because Bauer's fingerprints were on the money.

61. Kluger and Bauer also took steps to attempt to ensure that none of the members of the scheme would expose the scheme to law enforcement authorities. In one telephone call on or about March 18, 2011, Bauer told Robinson, "There is a good chance they're gonna eventually catch on, but if we all say nothing about each other, that's the only thing we can do, and that's the only way people can get caught. Because they have nothing until someone says something."

62. In another telephone call with Robinson, Kluger stated that the transfers of money out of the accounts were not sufficient for the criminal authorities to take the case to a jury without evidence of telephone contact. Kluger said, “They don’t like to go to court without phone calls, without a trail, without a – this happened at this time, that happened at – I mean look at all these cases.... They don’t have any of that here.” He further emphasized that he would not cooperate if approached by law enforcement because “they don’t give the source the good deal.”

63. Kluger, Robinson, and Bauer also took steps to conceal their communications and other activities during the fraudulent scheme. Their destruction of evidence and attempt to conceal the actual scheme from being disclosed demonstrate that Kluger, Robinson, and Bauer understood that their actions were illegal.

**F. Robinson Breached a Derivative Duty, Assumed as a Tippee, to Maintain the Confidentiality of the Material, Nonpublic Information Obtained from Kluger**

64. In each instance of insider trading, Kluger knew or was reckless in not knowing that the information that he misappropriated from Wilson Sonsini was material and nonpublic and that he was given access to that information with the expectation that he owed, and would abide by, a fiduciary duty or similar duty of trust and confidence.

65. By passing material, nonpublic information to Robinson, Kluger breached a duty to Wilson Sonsini to keep confidential material, nonpublic information about its clients.

66. The steps that Kluger took to hide his misappropriation of Wilson Sonsini’s client information are strong evidence that he knew his actions were in breach of his fiduciary or other similar duty of trust and confidence.

67. In each instance, when Kluger tipped Robinson, it created a derivative duty in Robinson to keep confidential the same material, nonpublic information about Wilson Sonsini’s clients.



68. Robinson breached the fiduciary duty he inherited from Kluger when he tipped the material, nonpublic information to Bauer, with the intent that he trade, and with the expectation of receiving a benefit, and when he made his own trades on the basis of the material, nonpublic information, at a time when he knew or should have known that the information obtained from Kluger was tipped in breach of a fiduciary duty.

69. Given that the parties conspired from the outset for Kluger to misappropriate material, nonpublic information regarding impending mergers and acquisitions from his employer, Robinson knew or should have known that Kluger had access to material, nonpublic information, that Kluger was under a duty to keep it confidential, that Kluger's disclosure of the information to Robinson was in violation of that duty, and that he should not trade on the basis of the information, or tip it to Bauer for trading.

70. For these same reasons, Robinson knew or should have known Kluger was breaching his duty to Wilson Sonsini because of, among other reasons, the complexity surrounding the transfer of the material, nonpublic information – from Kluger to Robinson to Bauer – and the use of anonymous disposable telephones were for the sole purpose of hiding any contact between Bauer, as the trader, and Kluger, as the source of the material, nonpublic information.

71. Similarly, because Robinson knew the material, nonpublic information about the impending Omniture tender offer came from Kluger, who worked for the legal advisor to Omniture, Robinson also knew or had reason to know that the information he received, either directly or indirectly, about the pending Omniture merger was material and nonpublic and that he was prohibited from tipping Bauer or otherwise causing the purchase or sale of the security to be sought by the tender offer.

72. The additional fact that Robinson was used as a middleman to convey the material, nonpublic information and then to pass back the cash proceeds of the insider trading profits demonstrates that Robinson knew or should have known that he should not be trading on the information or passing it to Bauer for trading.

### **CLAIMS FOR RELIEF**

#### **FIRST CLAIM**

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

73. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1 through 72, inclusive, as if they were fully set forth herein.

74. At the time of each illegal trade identified herein, the misappropriated information was nonpublic, held by Wilson Sonsini as confidential information related to client representations.

75. In each instance, the misappropriated information was material – it would be important to a reasonable investor in making his or her investment decision, and, indeed, it was important to Kluger, when misappropriating the information, and to Robinson, when trading, and deciding to pass the information to Bauer for trading. There is a substantial likelihood that the disclosure of the misappropriated information would have been viewed by a reasonable investor as having significantly altered the total mix of information available to investors.

76. At all times relevant to this Complaint, Robinson acted knowingly and/or recklessly.

77. Defendant Robinson, by engaging in the conduct described above, from at least December 2005 through March 2011, knowingly or recklessly, in connection with the purchase

or sale of securities, directly or indirectly, by use the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

- a. employed devices, schemes or artifices to defraud; and/or
- b. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security.

78. By engaging in the foregoing conduct Robinson violated, and unless enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder.

## **SECOND CLAIM**

### **Violations of Section 14(e) of the Exchange Act and Rule 14e-3 Thereunder**

79. The Commission re-alleges and incorporates by reference each and every allegation in paragraphs 1 through 78, inclusive, as if they were fully set forth herein.

80. Wilson Sonsini was the legal adviser to Omniture in connection with Adobe's tender offer for the securities of Omniture.

81. By August 24, 2009, the date on which Bauer began his illegal trading in Omniture securities, one or more substantial steps had been taken to commence the tender offer for Omniture securities.

82. Kluger, as a lawyer at Wilson Sonsini, knew or should have known that the information held by Wilson Sonsini regarding the Omniture tender offer had been acquired, directly or indirectly, from the offering entities, the target entities, and/or their advisers or representatives, and that such information was material and nonpublic. Under the law, Kluger was required to abstain from communicating this information to Robinson when it was

reasonably foreseeable that Robinson would communicate this information to Bauer who would then use the information to unlawfully trade in Omniture securities.

83. When Kluger tipped Robinson about the pending tender offer involving Omniture, Kluger was in possession of material, nonpublic information regarding the tender offer. When Robinson tipped Bauer about the pending tender offer involving Omniture, he was in possession of the same material, nonpublic information.

84. Because Robinson knew that the material, nonpublic information about the Omniture tender came from Kluger, who worked for the legal adviser to Omniture, Robinson knew or had reason to know that the information he received, directly or indirectly, about the pending merger was material and nonpublic and he was prohibited from causing the purchase or sale of the security to be sought by the tender offer.

85. By reason of the foregoing, Robinson violated, and unless enjoined will continue to violate, Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

#### **PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that the Court issue enter a Final Judgment:

#### **I.**

Permanently restraining and enjoining Robinson and his agents, servants, employees, attorneys, and all persons in active contact or participation with him who receive actual notice of the injunction by personal service or otherwise, from violating, directly or indirectly, 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] and Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3];

**II.**

Ordering Robinson to disgorge all unlawful trading profits and other ill-gotten gains received as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon; and

**III.**

Granting such other and further relief as this Court may deem just, equitable, and necessary.

Respectfully submitted,

BY:   
Michael J. Rinaldi (000362006)  
Attorney for Plaintiff  
SECURITIES AND EXCHANGE  
COMMISSION  
Philadelphia Regional Office  
701 Market Street, Suite 2000  
Philadelphia, PA 19106  
Telephone: (215) 597-3100  
Facsimile: (215) 597-2740  
RinaldiM@sec.gov

Of Counsel:

Daniel M. Hawke  
Elaine C. Greenberg  
G. Jeffrey Boujoukos  
Scott A. Thompson  
Colleen K. Lynch  
David W. Snyder

Date: April 25, 2012

**Certification**

Pursuant to Local Rule 11.2, I certify that the matter in controversy alleged in the foregoing Complaint is not the subject of any other action pending in any court, or of any pending arbitration or administrative proceeding, other than the related case of SEC v. Kluger et al., Civil Action No. 2:11-01936 (KSH-PS), currently pending in this Court against defendants Matthew H. Kluger and Garrett D. Bauer, and the criminal matters pending against Kluger (2:11cr858), Bauer (2:11cr842), and Kenneth Robinson (2:11cr223).

By: s/Michael J. Rinaldi  
Michael J. Rinaldi  
Attorney for Plaintiff  
Securities and Exchange Commission  
701 Market Street, Suite 2000  
Philadelphia, PA 19106

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

KENNETH T. ROBINSON,

Defendant.

Case No.

**DESIGNATION OF AGENT FOR SERVICE**

Pursuant to Local Rule 101.1(f), because the Securities and Exchange Commission (the “Commission”) does not have an office in this district, the United States Attorney for the District of New Jersey is hereby designated as eligible as an alternative to the Commission to receive service of all notices or papers in the above captioned action. Therefore, service upon the United States Attorney or its authorized designee, James Clark, Chief, Civil Division, United States Attorney’s Office for the District of New Jersey, 970 Broad Street, 7th Floor, Newark, NJ 07102 shall constitute service up on the Commission for purposes of this action.

By: s/Michael J. Rinaldi  
Michael J. Rinaldi  
Attorney for Plaintiff  
Securities and Exchange Commission  
701 Market Street, Suite 2000  
Philadelphia, PA 19106