14K8RAJ1 1 UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK 1 2 -----X 2 3 UNITED STATES OF AMERICA, 3 4 09 CR 1184 (RJH) v. 4 5 RAJ RAJARATNAM, 5 6 Defendant. 6 7 -----x 7 8 New York, N.Y. 8 April 20, 2011 9 9:35 a.m. 9 10 10 Before: 11 11 HON. RICHARD J. HOLWELL 12 12 District Judge 13 13 14 APPEARANCES 14 PREET BHARARA 15 15 United States Attorney for the 16 Southern District of New York 16 JONATHAN R. STREETER 17 REED M. BRODSKY 17 ANDREW MICHAELSON 18 Assistant United States Attorneys 18 19 AKIN GUMP STRAUSS HAUER & FELD LLP 19 Attorneys for Defendant 20 JOHN M. DOWD 20 TERENCE J. LYNAM MICHAEL STARR 21 22 22 ALSO PRESENT: B.J. KANG, FBI 23 24 25 SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ1 Summation - Mr. Brodsky (Trial resumed; jury present) 1 2 THE COURT: Good morning, ladies and gentlemen. 3 We are going to have three closing arguments. First 4 the government, Mr. Brodsky, will start and give a closing 5 argument on behalf of the government. Then Mr. Dowd will present the closing argument on behalf of defendant. And then 6 7 Mr. Streeter for the government will have an opportunity to 8 make a rebuttal argument. So we will have three arguments all 9 together. And we will go into tomorrow probably for these 10 arguments. It will take some time because it has been a long 11 case. 12 We will start with Mr. Brodsky. 13 MR. BRODSKY: Thank you, your Honor. 14 Corrupting his friends and employees to gain access to 15 secret information to get an illegal advantage over ordinary 16 investors in the stock mark market, because of money, pressure, 17 and to use the defendant's own words, "I wanted the recorded conversations because of a conquest." That's what the evidence 18 19 showed. That's what the defendant did. 20 Members of the jury, when this trial began, we told 21 you the evidence would prove beyond a reasonable doubt that the 22 defendant used stolen business information to make tens of 23 millions of dollars in illegal profits, and that the defendant 24 corrupted well connected friends and employees to get access to 25 secret information, and that the defendant illegally traded, SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ1 Summation - Mr. Brodsky 1 based on that secret information, in order to make money. 2 The evidence is now in and you know the evidence 3 overwhelmingly demonstrated beyond a reasonable doubt that the 4 defendant intentionally, knowingly and repeatedly conspired 5 with others to get nonpublic information from insiders at public companies and then traded based on that secret 6 7 information. 8 You know from this trial that getting nonpublic 9 information from company executives and insiders was very 10 valuable to the defendant in the stock market. It meant that 11 the defendant knew tomorrow's news today. And that meant big 12 money for his funds and himself. 13 Knowing from an insider that a public company is about 14 to be acquired enabled him to buy stock in that public company 15 before the deal was announced to the public, when the average 16 ordinary investor didn't know and couldn't find out. 17 Knowing from an insider that a public company was 18 going to exceed or fall short of expectations that everyone 19 else expected the company to report for the quarter enabled the 20 defendant to trade based on information that he actually knew 21 from an insider, when the average ordinary investor didn't know 22 and couldn't find out. 23 Knowing from an insider that the public company was 24 about to report a corporate event that was significant enabled 25 the defendant to trade knowing what was going to actually SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

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1	happen, when the average ordinary investor didn't know and
2	couldn't find out.
3	You know that the defendant used a corrupt network of
4	insiders to gain access to the nonpublic information that was
5	being discussed behind closed doors. You know these insiders
6	were strictly prohibited from revealing these corporate secrets
7	to the defendant. Witness after witness from the companies
8	took that stand and told you how the company strictly
9	prohibited their employees, their executives from disclosing
10	this secret important information, material nonpublic
11	information, to outsiders. And you heard the defendant in his
12	own words ask the insiders for this information, and you heard
13	the insiders repeatedly, again and again and again, providing
14	it to him.
15	Recordings like Anil Kumar telling the defendant that
16	AMD had just shaken hands on a deal that is going to be
17	announced weeks later.
18	Recordings like Rajiv Goel telling the defendant that
19	the Intel board of directors had just approved a billion dollar
20	investment in Clearwire.
21	Recordings like Adam Smith calling up the defendant,
22	getting on the phone and telling him that they just received
23	another illegal tip from Kamal, this one relating to the stock
24	called Vishay.
25	Recordings like Danielle Chiesi telling the defendant
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Summation - Mr. Brodsky 14K8RAJ1 that her insider at Akamai had just told her that Akamai was 1 2 going to guide down, and then the defendant, after Akamai 3 guides down, calling her up to thank her for that information. 4 Recordings like the defendant telling employees how he 5 traded based on tips from a board member of Goldman Sachs. 6 And you heard the defendant committing his crimes time 7 and time again in his own words. Every time the defendant got 8 secret information from Anil Kumar, he committed a crime. 9 Every time he got information from Rajiv Goel that was secret 10 information about Intel, he was committing a crime. By 11 stealing the nonpublic information from these firms and 12 corporations, the defendant committed the crime of insider 13 trading repeatedly. 14 You also heard the defendant in his own words scheming 15 with some of his partners in crime to cover his tracks to avoid 16 getting caught, actions that showed the defendant knew what he 17 was doing was not only wrong, but illegal. 18 Recordings like the defendant who directed two of his 19 employees to create a cover e-mail trail to cover up the fact 20 that Kumar had just tipped them on yet another stock. 21 Recordings like the defendant telling a partner in 22 crime, with whom he exchanged inside information, one way to 23 cover up their tracks was to buy and sell, buy and sell, to 24 create a false appearance that the trading wasn't based on 25 inside information. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ1 1 Recordings like the defendant and his brother plotting 2 to corrupt another McKinsey partner in the same way the 3 defendant had corrupted Kumar. 4 The tapes were devastating evidence of the defendant's 5 crimes in real time, and as you have seen, they alone are powerful evidence that the defendant is guilty of all the 6 7 crimes. 8 You also heard from two of the insiders who described 9 how they breached their duties to their employers, and they 10 disclosed corporate secrets to the defendant knowing he was 11 going to trade based on that information. 12 One of those insiders you heard from was the McKinsey 13 consultant Kumar, who told you he illegally tipped the 14 defendant about AMD's strategic plans, about AMD's acquisition 15 of ATI, and a number of other corporate events. 16 Another was the Intel executive Rajiv Goel, who told 17 you he breached his duties to Intel when he was disclosing 18 Intel's billion dollar investment in Clearwire and the details 19 relating to that deal, and he also disclosed Intel's quarterly 20 earnings in April of 2007. 21 You heard from a third who didn't take the witness 22 stand who wasn't present for the trial. You heard from a 23 Goldman Sachs board member over a recorded conversation, who 24 was caught on tape, providing inside information over the phone 25 and whom Rajaratnam later told other employees had given him SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14K8RAJ1 tips about yet to be announced events relating to Goldman 1 2 Sachs. 3 You also heard from one of his trusted former 4 employees Adam Smith, who described how he obtained inside 5 information from the investment banker Kamal Ahmed and then 6 shared that information with the defendant, and he also 7 described how the defendant told him how to cover his tracks 8 with cover e-mails, with buying and selling, and by not putting things in writing. 9 10 The defendant's insider trading schemes helped him pad 11 his profits in the funds that he was managing. And by 12 increasing these profits, he made more money. And these 13 schemes also helped Galleon become more successful, and they 14 kept the defendant at the top, in what clearly became a game to 15 be the best in a highly competitive industry, to conquer the 16 stock market at the expense of the law and every ordinary 17 investor. 18 We submit the evidence presented in this case -- the 19 recordings, the electronic trail of evidence, the corroborated 20 testimony of each of the cooperating witnesses, and the 21 insiders who breached their duties disclosing information to 22 the defendant -- leads to one and only one conclusion: That 23 the defendant is guilty of all the charges in the indictment. 24 Analysts at Galleon may have been doing research, and 25 some employees at Galleon were just doing their job, but the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ1 defendant stood above all of that, and he did it, and he 1 2 cheated, and he did it over and over again. 3 During the summation I am going to explain to you why 4 the evidence presented in this case leads to that unshakeable 5 conclusion. 6 In the summation, I would like to accomplish a few 7 things. 8 First, I want to review the overwhelming evidence of 9 Rajaratnam's multiple schemes to obtain and then trade on 10 inside information, captured on the recorded conversations, 11 proven by the electronic evidence, and described by the 12 cooperating witnesses. All of this evidence demonstrated in a 13 clear and powerful way that the defendant engaged in multiple 14 insider trading schemes, one with Anil Kumar, one with Rajiv 15 Goel, one with some Galleon employees, one with Danielle 16 Chiesi, and one with Roomy Khan. Five schemes. I will be 17 going through each of those schemes. I can't get to all the 18 evidence we presented relating to those schemes or we would be 19 here for days, but what I will do is I will hit the highlights 20 for each of those schemes and show how the evidence we 21 presented and admitted in this court overwhelmingly proved each 22 of those schemes. 23 Second, I want to talk about how the evidence showed 24 the defendant knew what he was doing was wrong and used various 25 mechanisms to try to cover up his crimes.

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14K8RAJ1 Summation - Mr. Brodsky 1 Third, I want to talk about how the information that the defendant got from his corporate spies -- the Kumars, Goel, 2 Gupta, and others -- was far superior, far more reliable, far 3 4 more accurate than the rumors and speculation that was rampant 5 in the media and the press and the news articles and 6 conflicting analyst reports about every stock, which the 7 defense relies on for this flawed notion that the inside 8 information the defendant got from these insiders was already 9 public. 10 And finally, I want to talk a little bit about how the 11 evidence demonstrated the secret information that the defendant 12 got from his inside sources would be important to a reasonable 13 investor in determining whether or not to buy or sell stock. 14 Let's talk first about the defendant's scheme with 15 Anil Kumar. What did the evidence show about how this scheme 16 between the defendant and Kumar got started? 17 The evidence showed it got started gradually. The 18 defendant Kumar became friends. The defendant was running 19 Galleon at the time and Kumar was a senior partner at the 20 worldwide consulting firm of McKinsey. In 2002, Kumar tried to 21 get the defendant interested in hiring McKinsey for its 22 services, but Rajaratnam wasn't interested. What Rajaratnam 23 wanted was access to Kumar's secrets, the kind of information 24 that was closely guarded, the kind of information not available 25 to the public, although Kumar didn't know it from the outset. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8raj1 1 Rajaratnam said he paid Kumar \$500,000 a year for 2 Kumar's insights. Why so much money? Because the defendant 3 wanted more than just general insights that you could look up 4 on the Internet, or that you could have one of your analysts 5 look for in publicly available sources. What the defendant 6 wanted was material nonpublic information that Kumar was 7 learning at McKinsey from McKinsey's clients. McKinsey naturally didn't allow these kinds of 8 9 consulting arrangements. Kumar wasn't allowed to be paid on 10 the side by a hedge fund that was go going to be trading stocks 11 based on Kumar's information. But the defendant agreed to help 12 Kumar conceal the payments to McKinsey from McKinsey. And that 13 fit perfectly within the defendant's plan. If McKinsey found 14 out about the arrangement, then Kumar wouldn't be able to pass 15 him those business secrets. So Rajaratnam suggested wiring the 16 money offshore in an account in someone's name other than Anil 17 Kumar. And then he suggested that the money get wired back 18 into Galleon in the name of someone other than Kumar, this time 19 Kumar's housekeeper Manju Das. And that's what happened. 20 You see here what happened. This is a display that 21 explains it. The defendant was wiring money to Anil Kumar in 22 the name other than Anil Kumar offshore to Pecos Trading. Then 23 money came right back in a round-trip fashion, back into 24 Galleon, to be invested in a name other than Anil Kumar again, 25 Manju Das. It wasn't very long before the money started going SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14K8RAJ1 to Kumar that the defendant started pressing him for inside 1 2 information. 3 Now, does it make sense that this scheme didn't begin 4 with a written document setting forth the illegal agreement 5 between the defendant and Kumar? Of course it does. Your common sense tells you that's not the way the real world works. 6 7 Had the defendant proposed that he get illegal secret 8 information from Kumar, with Kumar breaching his duties, Kumar 9 never would have agreed to it at the outset. But having received a large amount of money from the defendant, Kumar felt 10 11 obligated to give the defendant what he wanted. 12 Your common sense tells you that illegal agreements 13 don't start off with two people sitting down around the table 14 and entering into a written or oral pact about committing a 15 crime, and spelling out details like, I will give you inside 16 information in breach of my duty relating to AMD, and in return 17 you pay me \$125,000 a quarter. That's not the reality. It's 18 rare for two people to make an explicit agreement to violate 19 the law. 20 Your common sense tells you that the defendant's money 21 corrupted Kumar, and once he took that money, and it was a lot 22 of money, Kumar felt obligated to answer the defendant's 23 questions asking for secret information. If you receive a lot 24 of money from someone for providing insights, you're going to 25 want to answer their questions. They are paying for answers.

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14K8RAJ1 Summation - Mr. Brodsky And when those questions started coming to Kumar for secret information, Kumar had a choice and he made it. He committed a crime. He started giving the answers, he started providing secret information in breach of his duties. And once that happened, their criminal understanding, their criminal agreement began.

7 What is the significance of the complexity of these 8 round-trip payments from Galleon to offshore to a different 9 name back to Galleon in the name of Manju Das? It tells you 10 right away that the defendant knew what he was doing was wrong. 11 He knew Kumar was violating McKinsey's policies. And he was 12 willing to go through those machinations and use those phony 13 account names to make sure Kumar got paid for providing 14 corporate secrets. Wiring money offshore to someone in 15 someone's name is one thing. Wiring money offshore to get money to somebody, in an account not in their name, knowing 16 17 that it's not in their name purposefully, in order to evade 18 that employer's policies and procedures, that's quite another 19 thing. It's a telltale sign that the defendant knew Kumar was 20 prohibited from providing these corporate secrets, that the 21 defendant was going to do whatever was necessary to get the 22 money in Kumar's pockets so Kumar would start providing him 23 with material nonpublic information about quarterly earnings, 24 about acquisitions, and about corporate events.

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How do you know the defendant engaged in a scheme with SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ1 1 Kumar to get these corporate secrets for the purposes of trading based on them? You have heard the most powerful 2 3 evidence of the defendant's quilt. His own voice on multiple 4 recorded conversations with Kumar asking for information and 5 then getting inside information from Kumar. On these recorded 6 conversations, you have heard the defendant engaging in his 7 scheme in real time. These calls have stripped away the veil 8 of legitimacy surrounding his trades based on Kumar's tips, and 9 they have exposed his crimes to the light of day. These 10 recordings alone lead to the unshakeable conclusion that he is 11 guilty as charged of engaging in an illegal scheme with Kumar 12 to get and then trade on inside information. 13 Let's go to the tapes. These tapes aren't snippets of

13 Let's go to the tapes. These tapes aren't shippets of 14 conversations. What are they? They are devastating proof of 15 the defendant's guilt.

16 Government Exhibit 506T. You heard this conversation 17 between Kumar and the defendant. On March 24, 2008, this was 18 shortly after the wire began on the defendant's cell phone. 19 Kumar had called the defendant from Tokyo, and he tells him 20 immediately about a corporate secret regarding a McKinsey 21 client, and then the defendant begins to ask him about a 22 confidential investment of a processor company and the timing 23 of the public announcement of that investment.

24 What did this conversation show before we actually get 25 to parts of the conversation? It showed that Kumar was SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ1 revealing secrets from his job, that the defendant was asking 1 questions about secrets relating to Kumar's clients, and there 2 is no sense of surprise in their voices. It's obviously not 3 4 the first time Kumar has shared secrets. It's obviously not 5 the first time the defendant has asked for them. This was just 6 business as usual between Kumar and the defendant; Kumar 7 revealing corporate secrets and the defendant asking questions 8 about them. It's also additional evidence that the defendant knew 9 10 Kumar was revealing confidential information. How do you know 11 that? You know that from the very call itself. On that call, 12 Kumar tells him that one of his clients is going to buy a 13 computer business. He says that on line 3 there on page 2 of 14 the transcript. And at the very end you see Kumar on line 17 15 telling Rajaratnam directly, "We're doing some confidential 16 work." 17 You have it right there on tape, Kumar clearly telling 18 the defendant he knows about this because it's confidential

18 the defendant he knows about this because it's confidential 19 work that Kumar is working on for a McKinsey client. This 20 isn't speculation. This isn't rumor. This is someone who 21 actually knows, who is in the body of the client and the body 22 of the company, to use Kumar's words, who knows what is going 23 on.

24 Now, later the defendant asks if everything is OK with 25 the processor company, and what he is talking about with the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ1 processor company is AMD. And what does Kumar do? He tells 1 the defendant nonpublic information about quarterly earnings. 2 3 The defendant is asking about what is going on at AMD. And you 4 see here Kumar responds, there are 11 to 15 percent reduction 5 in revenues at AMD. Kumar knows about this because AMD is one 6 of his clients and he is learning this secret. And as you have 7 learned through this trial, through all the company witnesses, it's widely known among Wall Street, certainly among 8 9 professionals, that current quarterly earnings are secret. 10 They are not released to the public until after the quarter 11 closes, weeks later, when they are announced to the public in a 12 big press release and a conference call with analysts. And 13 here is the defendant asking Kumar about the earnings for the 14 current quarter and Kumar disclosing it in breach of his 15 duties.

16 Then the defendant asks about that AMD investment. 17 What becomes here is eventually the Mubadala investment in AMD. 18 And Kumar tells him the investment will proceed, but we are not 19 sure what is happening, but it's proceeding.

We can go to the next slide. Rajaratnam then asks him, "You think it will be done with the announcement?" And Kumar tells him it's not very soon, it could take two months, it's not like weeks. And the defendant responds, "Oh, my god, right, right, right."

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This is the defendant learning a corporate secret, SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ1 material nonpublic information about the timing of a potential 1 investment in AMD. While there may be rumors or speculation 2 3 out there, the defendant is getting hard information from 4 somebody who actually knows. The timing of a deal of course is 5 critically confidential, as we will talk about later. 6 Let's go to another wire call between Kumar and the 7 defendant. It's Government Exhibit 523T. You heard on this one it was May 2, 2008. You heard during this conversation 8 9 Kumar revealing that there was a term sheet due the next day for Spansion. Now, you know from this trial that a term sheet 10 11 basically means it's one of the first steps that a company may 12 be acquired. The investment bank is working on the deal, they 13 create a term sheet, the term sheet sets out the proposed terms to acquire the company. And there is a term sheet for Spansion 14 15 about the potential acquisition of Spansion. That is material 16 nonpublic information until the announcement is made. 17 Let's go to part of the transcript where the defendant 18 asks Kumar, What's going on? Kumar is telling him there is a 19 term sheet due on the 3rd of May, which is I quess tomorrow. 20 If we go to the next line, Rajaratnam asks him on this call, 21 based on knowing that there is going to be a term sheet and Spansion might be acquired, do you think we should buy some 22 23 Spansion for other funds? Kumar says, Let me see what the offer comes in as tomorrow; there are two companies making bids 24

for it. So on this very call Kumar is tipping him with secret SOUTHERN DISTRICT REPORTERS, P.C.

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14K8RAJ1 Summation - Mr. Brodsky information, material nonpublic information, and the defendant 1 2 is asking if he should buy right away. You know from this call 3 this is not the kind of information available to an ordinary 4 investor. 5 Now, the government always bears the burden to prove the defendant is guilty beyond a reasonable doubt. But the 6 defense put on a case, and they claimed every tip that the 7 8 defendant got from insiders was already public. I will talk 9 about later why that makes absolutely no sense in this case, 10 and why that has been proven false, but the defense didn't 11 offer up any single speculative article about the potential 12 acquisition of Spansion during this time. 13 How do you know that the defendant thought this Kumar 14 tip about Spansion was confidential and important? Well, he 15 asks him right on the call should he start buying Spansion. 16 And you know from Rajaratnam's own words to his own employees, minutes later, after he gets off with Kumar and he gets this 17 18 tip, he talks to Chellam and Panu. 19 Before I discuss the call, you remember Mr. Chellam 20 and Mr. Panu. Mr. Chellam was the former Xilinx CFO. Mr. Panu 21 was the former @Road CEO. And you know from the evidence 22 introduced at this trial that Mr. Chellam had tipped the 23 defendant about material nonpublic information relating to 24 Xilinx's earnings, when he was an executive at Xilinx, and that 25 Mr. Panu tipped the defendant about the acquisition of @Road SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ1 Summation - Mr. Brodsky before joining Galleon. Both joined Galleon, and this call 1 that we are about to go through, in this call the defendant 2 3 tells Chellam and Panu about Kumar's tips, and the defendant's 4 statements show that he knew the information was confidential, 5 he knew it was important, and he knew that it was Kumar's tip 6 that was the basis for why they were buying Spansion, not for 7 any other reason, and here on this call he was trying to cover 8 his tracks and create a phony written record before they bought 9 Spansion stock. 10 Let's go through this call. During this call, he 11 tells them at the outset, he tells Chellam and Panu, he asks 12 them if they know who Anil Kumar is, and they both say they do. 13 And he tells them that he is getting information from someone 14 from Reliance. 15 Let's go to the next slide. And the defendant says, 16 "One thing we know, this is very confidential." He says that 17 right up front. That's in the defendant's own words. And he 18 says, "Somebody is going to put a term sheet for Spansion," and 19 says "but Spansion is a three dollar stock, right." 20 Let's go to the next slide. The defendant says, "I 21 haven't bought any yet. I'm going to. I asked him" -- meaning 22 Kumar -- "if I should buy it." 23 And he said, "You know, between the term sheet and the 24 negotiations, everything is going to be done in a month and we 25 can buy, you know?" SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ1 Summation - Mr. Brodsky What did the defendant mean by that? What he meant 1 was that after a term sheet, they had a little bit of time, as 2 you heard from several of the witnesses, there is a little bit 3 4 of time before the acquisition actually takes place, so there 5 is time for the defendant to buy stock based on Kumar's tips. 6 And then the defendant instructs his employees to make sure we 7 keep these conversations just privileged to the three of us. 8 And this next part is critical. He instructs them to 9 create a cover e-mail trail. Let's go through that. You will 10 see, why does he do it? What does your common sense tell you 11 about why, after he got a tip from Kumar about the potential 12 acquisition of Spansion, and planning to buy stock in Spansion, 13 he is then planning to create a cover e-mail trail. Let's go 14 through it and then we will answer that question. 15 Let's put up the next slide. What the defendant says 16 to his employees, "The best way to do these things is to say, 17 you know, I will send you an e-mail, saying, you know, have you 18 guys thought of Spansion, the stock looks cheap." 19 Now, you know the defendant is not thinking of buying 20 Spansion because the stock looks cheap. He just got the tip 21 from Kumar that Spansion might be acquired. And the reason why 22 he is interested in buying it is based on that the tip, not 23 because of anything about the stock looking cheap. He wants to send an e-mail to basically create this cover trail, to find 24 25 some other third reason on paper as to why he is buying the SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ1 Summation - Mr. Brodsky 1 stock. 2 Let's go to the next slide. And the defendant 3 continues, he says, "And you send an e-mail back saying, I will 4 get Langley to do some work or something like that." 5 Now, keeping that slide up there for a moment, who is 6 Langley? Langley, as you learned from the trial, was a research analyst at Galleon at the time. And what the 7 8 defendant is telling Chellam and Panu here, the reason why this 9 is so important is it's proof in the defendant's own words that 10 at times he used his research analysts to create a phony 11 back-up documentation, so he could later point to those 12 documents if government regulators or securities regulators 13 ever asked him about why he was making those trades. There is no research to be done here. He got the tip from Kumar. He 14 15 wants to buy Spansion. He has a little time before it's going 16 to be taken out. He doesn't need Langley to go out and do 17 research on Spansion because he already knows why he wants to 18 buy it. 19 What is Chellam's response? Chellam says, "Yeah, perfect." Panu says, "Yeah." They agree. Does that sound 20 like, these responses, the first time Chellam and Panu have 21 22 engaged in this kind of illegal conduct with the defendant? Of 23 course not. 24 And you know from the past evidence that I just talked 25 about that Chellam and Panu had been providing, before they SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ1 Summation - Mr. Brodsky joined Galleon, they had provided tips to the defendant about 1 their respective companies. Why did they do that? Their money 2 3 was invested in Galleon at the time, and continued to be 4 invested when they Galleon employees, but before they became 5 Galleon employees, their money was there, and so their motive 6 was giving Rajaratnam tips from their own companies so that 7 their own money would grow in value. 8 Let's go to the next slide. The defendant continues 9 with the e-mail trail that he wants to create. He says 10 something like, I'll send you an e-mail saying there is a 11 basket of semiconductors out there, like Lattice, Spansion and 12 Atmel, and he says, see what you think. Then he directs them 13 to say, you know, Atmel and Spansion look good. 14 Then the next words he uses, he tells you directly 15 that he is doing it to create a phony paper trail. He says, 16 "You know, so that we just protect ourselves." What are they 17 protecting themselves from? They are protecting themselves 18 from regulators and people from the government asking them why 19 they're buying the stock of Spansion before it gets taken out. 20 Now, Spansion never actually ends up getting taken out, but 21 this is devastating evidence of the way the defendant obtained 22 inside information and then tried to cover his tracks. 23 What does Chellam respond? Chellam responds and says, 24 They are going to do it, to have a corporate record Chellam 25 says. And the defendant then says, "Yeah, we just have an SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ1 Summation - Mr. Brodsky e-mail trail." The defendant's own words, "an e-mail trail." 1 2 In two simple words, by the use of e-mail trail, he 3 demonstrated he knew Kumar's information was secret and that 4 they needed to make sure they had some documentation to point 5 to as some other reason to buy the stock other than the 6 information coming from Kumar. 7 Focus on this tape recording. There is no burden on the defendant, but they put on a case. And when Mr. Dowd gets 8 9 up here to explain the defense in their case, listen to see 10 whether they have an explanation for this back and forth, 11 particularly the language that we just went through about an 12 e-mail trail knowing the tip came from Kumar. There is no 13 other rational explanation for this call, other than that the 14 defendant and his Galleon confidantes have been caught on tape 15 creating a phony cover story. There is nothing in there about 16 changing strategy, there is no mention of investors, and there 17 is no evidence that Galleon created any records for investors. 18 They had their own Rick Schutte on the stand 19 testifying, and they didn't ask him once if they create 20 documents for investors or have paper files for trades for 21 investors. Why didn't they ask him that? I submit to you the answer is, it's just plainly not true. If they were creating a 22 23 true corporate record, why wouldn't the defendant write what 24 the truth was, which is I got a tip from Anil Kumar, who works 25 at McKinsey, I am paying him a lot of money for these tips, and

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Summation - Mr. Brodsky 14K8RAJ1 I know Kumar is getting the information from clients. You know 1 2 why. They are not creating a corporate record of truth. They 3 are creating here an alibi. 4 What other evidence showed the defendant was getting 5 inside information from Kumar in violation of Kumar's duties of 6 confidentiality? 7 You will remember that in the summer to the fall of 8 2008, Kumar was working for AMD on this possible multi-billion 9 dollar investment by Mubadala. And as before, based on Kumar's 10 arrangement with the defendant to disclose inside information 11 to him, Kumar passed along secret information about 12 developments in the deal to the defendant before it was 13 publicly announced on October 7, 2008. And once again the 14 recordings in 2008 captured the defendant's criminal 15 partnership with Kumar in action. They showed that not only 16 that Kumar was providing secret information about the deal to 17 the defendant, but the defendant was buying millions of shares 18 of AMD stock based on those tips. The defendant even talked 19 about his purchases based on Kumar's information on the calls. 20 Let's first talk about 553TK. This is a recording on 21 August 15, 2008 between Anil Kumar and the defendant. And this 22 is the call in which Kumar tells him that they have shaken 23 hands, that AMD and Mubadala, which is investing billions of 24 dollars, 6 to 8 billion dollars in AMD, agreed in principle to 25 a deal. Let's play this call from page 1 to page 3, line 42. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ1 Summation - Mr. Brodsky 1 (Audiotape played) 2 MR. BRODSKY: You heard in the defendant's own words 3 Kumar giving him secret information and the defendant asking 4 questions about it. Business as usual between these two, Kumar 5 disclosing secrets about his client AMD and the defendant 6 asking questions. The questions he was asking was about the timing of the deal, the timing of when the announcement would 7 8 be made. Why did the defendant ask that? Because the timing 9 was critical for a trader. If you know the timing of when an 10 announcement will be made, you can plan and figure out when to 11 buy the stock and buy it at the expense and at the advantage of 12 all other ordinary investors who don't have this information. 13 And you heard during that call the defendant asked 14 Kumar to find out -- or he asked him if he knew what is the 15 current quarterly earnings for AMD? Secret information again, 16 and Kumar responds he doesn't know, but he can find out for 17 him. And then later in the call you actually heard the 18 defendant bringing up Spansion again, to find out if there was 19 any new development in Spansion, to find out if he should be 20 buying Spansion based on Kumar's secret knowledge and 21 confidential information. 22 This is proof in the defendant's own words that he was 23 buying AMD based on Kumar's information, not based on anything 24 else. On the call itself, the defendant says, how much should 25 we buy, should I buy a billion? And he talks about it with SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ1 Summation - Mr. Brodsky 1 Kumar. 2 Now, there is yet another recording a few hours later 3 between the defendant and his brother Rengan. That's 4 Government Exhibit 559. And I am not going to play all the 5 calls, obviously, during this summation, but during your 6 deliberations, you can ask for any recorded conversation, and 7 if you want to hear any of those recorded conversations, you 8 can ask for them and get them. 9 Now, 559T, during this call, which took place the same 10 day, the defendant tells Rengan he just heard about the 11 handshake deal on AMD, and he says to Rengan, his brother, 12 "That AMD had a handshake with the Arabs." And Rengan asks 13 him, "With who?" The defendant says, "The Arabs to put six billion dollars." And there's the proof right there that he is 14 15 buying based on Kumar's tip: "I am buying some, I bought," 16 meaning he has bought AMD shares based on Kumar's information. 17 And then he says, "I am buying 250 for you." I am buying 18 250,000 shares for you. And Rengan's response of course is 19 thank you. 20 Now, you know there are two reasons that is secret 21 information from Kumar. You hear Kumar tell that to the 22 defendant and you hear on this call that the defendant is 23 buying based on that information. 24 Let's look at the stock chart, Government Exhibit 22, 25 and let's look at how many shares he bought after this call. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ1 1 If you look at this chart, before this call he had a million shares on August 14. The call takes place on August 15, and by 2 the end of August 15, by the end of the day, after Kumar told 3 4 him they have shaken hands, he had 4 million shares of stock in 5 AMD. And within three days, by August 18, by the end of the 6 week, he had 11 million shares of stock in AMD. That's based 7 on Kumar's tip. 8 In Government Exhibit 594TR, this was another call on 9 August 27, 2008, where the defendant is talking with Chiesi, 10 Danielle Chiesi, about buying and selling AMD stock in order to 11 show a pattern of trading in case there is an investigation. I 12 will talk about this call a little bit later, but that call 13 shows you at this time, you see on part of the transcript, 14 Chiesi asks the defendant, after they talk about how they got 15 information from Kumar, that they have shaken hands, Chiesi 16 says, "Do you think that I should be showing a pattern of 17 trading in AMD?" The defendant says, "I think you should buy 18 and sell and buy and sell, you know." 19 They are talking about that because Chiesi is worried 20 about an investigation, because they are sharing inside 21 information and exchanging that with each other, and they are 22 worried, if there is a investigation, they need to protect 23 themselves. Why else would he advise Chiesi to buy and sell, 24 buy and sell? The only rational explanation is he wanted to 25 make sure that he didn't get caught. This is a devastating

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Summation - Mr. Brodsky 14K8RAJ1 1 piece of evidence right from the defendant's own mouth. 2 Now, again the government bears the burden of proof, 3 and we have met it in this case. Listen to see whether Mr. 4 Dowd has an explanation for the buy and sell, buy and sell, the 5 advice being given on these recorded conversations to cover up 6 what trading the defendant is doing. 7 And then, finally, there is the September 11, 2008 8 call between the defendant and Kumar, when Kumar tells him the 9 timing of the public announcement almost a month before it 10 takes place. This is Government Exhibit 616T. Kumar tells the 11 defendant that the deal is on track and they are moving the 12 announcement date to the first week of October. 13 Before I get to that, what did the defendant do? You 14 see the defendant reduced his position once he learned that the 15 deal was being pushed out. In Government Exhibit 22, he learns 16 from that call that the deal is going to be delayed till the 17 first week of October, and because of that he gets on the phone 18 with Horowitz, you heard that conversation, he tells Horowitz 19 in a call that the deal has been pushed out, and he decides to 20 sell some of his stock based on that, and he tells Horowitz in 21 that call that they are going to get the heads-up so they can 22 buy millions of additional shares when they have a heads-up 23 when the deal is actually going to take place. 24 So what happened next? There is a call on September 25 23, 2008 with Chiesi. We will take a quick look at this call SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ1 now and come back to it, but on this call, Government Exhibit 1 625TR, the defendant tells Chiesi, because he found out the 2 3 deal was not going to take place until October, first he 4 thought it was September, the deal has been pushed out, that's 5 why they are delaying -- that's why Rajaratnam sells some of the stock and he waits to buy it back. 6 7 What happens next? You know what happens next. Is 8 that he actually gets the exact timing of the deal. He gets it 9 from Kumar that the deal was going to be on October 7. And 10 there is a phone call that shows he gets the information. He 11 is talking to Chiesi, and he learns from Chiesi that the deal 12 was going to be -- he had learned from Kumar that the deal was 13 going to be October 7, and he tells Chiesi during this call the 14 deal is going to be announced on October 7. 15 Let's listen to that call. It's an important call. 16 You will see once again from the conversation -- you heard 17 during the trial how they are very concerned about an 18 investigation and the steps they are going to take to avoid 19 being investigated. Let's play 641T. 20 (Audiotape played) 21 MR. BRODSKY: On that very call, the defendant tells 22 Chiesi the date of the announcement, and he is correct, because 23 he learned it from Kumar. On that very call you hear the 24 defendant and Chiesi talk about what they are going to do if 25 there is an investigation, or have an excuse as to what to do SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ1 Summation - Mr. Brodsky 1 if an investigation comes up. Chiesi brings up the fact she is 2 worried about investigations, and the defendant advises her on 3 that very call what she should do is buy a million shares and 4 then sell 500,000. And they talk about using a secure phone 5 because they are concerned if the authorities are going to find 6 out what they are doing.

7 They know on this call what they are doing is wrong. 8 They know on this call that what they are doing is illegal. 9 They know on this call that the defendant obtained illegal 10 information from Kumar, Chiesi obtained illegal source from her 11 source, which we will talk about later today, and they are 12 talking about the steps they are going to take to protect 13 themselves from that investigation.

14 Now, why would buying a million shares and then 15 selling 500,000 shares, why does the buy/sell method help protect the defendant if there is an investigation? The reason 16 17 is because if after the announcement the authorities come in 18 and they question him about what he knew, and he says he based 19 it on public information, speculation, hard research, and he 20 never mentions Kumar because he knows that's illegal, what he 21 does is he will point to the buy sell. He will say, if you 22 know that a company is going to be acquired, you would never 23 sell stock in a company before the announcement. If you know 24 October 7 is the announcement date, and you buy up millions of 25 shares, and you know that date is coming, you would never sell SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ1 1 any shares before the announcement because you want to benefit from the premium, the bump up in the stock price. And by 2 buying some and then selling some, you point to that trading 3 4 and you say, I couldn't have known about the inside information 5 or I never would have sold the stock. 6 If you look at what he actually does, the defendant 7 does, he actually has practiced what he has preached. If we 8 put up Government Exhibit 22, right before the announcement, 9 these are 25 million shares he is holding before the 10 announcement. So this part right here, this bump up, this one 11 week before, within a week, he buys several hundred thousand 12 shares, the defendant, and then he sells them. 13 We will see that again in some of the other 14 acquisitions. But the defendant is practicing what he is 15 preaching, and he would point to that trading and say, why in 16 the world would I sell some shares before the announcement if I had inside information? And the reason is, you know, because 17 18 this recorded conversation has lifted the veil over that 19 trading. He did it to protect himself from an investigation. 20 Now, the size of the defendant's position alone tells 21 you that he knew the announcement was coming and that days 22 before the deal was announced he had over hundred million 23 dollars worth of AMD stock. 24 Now, the defense asserts that the defendant lost money 25 on the AMD tips from Kumar. Yes, the defendant definitely lost SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ1 money from Kumar's tips on AMD. Now, he would have lost a lot less if he had sold on the first day instead of holding it for a long period of time, for his own reasons. We know why he lost money on his illegal tips. Not because the deal didn't happen. Kumar's tips were right. His tips were accurate. His tips were secret. His tips were material. His tips were nonpublic information. But the reason why he lost money was the reason why millions of people lost money in the stock market. It just so happened that AMD announced the deal at a time of one of the greatest financial collapses in American history. (Continued on next page) SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky MR. BRODSKY: That does not mean the defendant didn't 1 get illegal tips, and more to the point, losing money isn't a 2 3 defense to insider trading. You don't need to profit from 4 insider trading to be guilty of the crime of insider trading, 5 and the evidence is overwhelming of the proof that the 6 defendant and Kumar conspired with each other. 7 Now what other recordings are there to show the 8 defendant knew he was getting insider information from Kumar? 9 There's the recording in early October 2008 when Kumar tells 10 the defendant that eBay is going to do a massive layoff on 11 Monday, and Kumar learns about it from his work. Remember that document that Kumar had received from work, it had 12 13 "confidential" in capital letters with three exclamation 14 points? He learned it from an e-mail at work, it was 15 confidential information from one of McKinsey's clients, eBay. 16 And Kumar immediately picks up the phone on October 3, 2008, 17 early in the morning and he calls the defendant. This is 18 Government Exhibit 647. And this tape once again shows how 19 commonplace it was for these two, for Kumar to disclose secret 20 information and for Rajaratnam to then take the information to 21 trade on. 22 Right after the defendant gets the tip from Kumar that 23 eBay is going to do a massive layoff on October 3, which is bad 24 news, it was early in the morning, around seven something in 25 the morning, Rajaratnam then shorts the position. He knows SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 eBay stock is going to go down, so he shorts the position, 1 which is betting the stock is going to go down and he shorts it 2 3 on October 3, 2008. And we introduce the records showing what 4 time did he short the position? He shorted it very early in 5 the morning, at 9:34 a.m. And when eBay announced the layoffs, the defendant made over \$800,000. That's Government Exhibit 6 7 25.

8 Now, through cross-examination and his expert witness 9 the defendant's apparent defense is that there was news out 10 there talking about possible layoffs coming to eBay. There are 11 four reasons why this makes absolutely no sense, despite the 12 fact the defendant is caught on tape. First, there's no 13 evidence the defendant saw that Bloomberg News report dated September 27, 2008. It's not a Galleon document. It doesn't 14 15 come from Galleon's files. But if you look at that, there's no 16 evidence -- that's September 27 -- that anybody saw it at 17 Galleon.

18 Second, the wire call tells you the defendant didn't 19 see or rely on this article. When you listen to that call, how 20 did the defendant respond when Kumar told him there was going 21 to be massive layoffs at eBay? Did he say, "Anil, I already knew about it, I read it in Bloomberg, it's public 22 23 information"? Absolutely not. What he responded and said on that call was, "They're going to do what?" And then after 24 25 Kumar told him there were going to be massive layoffs, within SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 hours he's trading on that stock and he's shorting. 1 2 The third -- how else do you know? The third reason. The defendant didn't short eBay after that article on 3 4 September 27, on the 28th, on the 29th, on the 30th, on 5 October 1, on October 2. He only did it after Kumar's call, 6 because only Kumar's call, only Kumar's information was solid information. And in fact, what did the defendant do after the 7 September 27, 2008 call? What he actually did was he covered 8 9 some of his previous short position. He had an early short 10 position in early September 2008 on eBay and after that 11 Bloomberg article saying bad news is going to happen, he 12 actually started buying shares of eBay stock, the opposite of 13 what you would do if you were looking at that article. 14 Now, their defense here doesn't really make any sense 15 because they portray the defendant, who Mr. Schutte, this 16 professional money manager, being paid millions of dollars to 17 run a fund based on expert analysis, and yet at the same time 18 they suggest that somehow he's trading on this one-paragraph 19 Bloomberg News account on September 27, which is the opposite 20 of how he trades. And in this Bloomberg account, it relied on

this focus report and focus didn't say where they got the information. And remember, I asked Mr. Schutte, what is focus? Mr. Schutte, who described the rigorous Galleon process of research, he didn't even know what a focus was. So the notion that any professional money manager who didn't even know what SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 focus was would rely on this Bloomberg article to try to trade 1 2 is just absurd. You know the reason why he traded eBay. You heard it 3 4 from Mr. Kumar himself. You know the reason why from the 5 trading records, from the recorded conversation and from the 6 evidence of the case. 7 Now, in addition to all of that, how else do you know 8 the defendant engaged in an insider trading scheme with Anil 9 Kumar? Because Mr. Kumar took the stand and gave you a 10 firsthand account of how the defendant knowingly, intentionally 11 and brazenly asked him for secret information and paid him for 12 it. Kumar described in detail how he received over \$2 million 13 from the defendant in exchange for providing these corporate 14 secrets. He told you about the convoluted steps that he went 15 through to try to paper trail it and cover up the fact that he 16 was violating McKinsey policy, about the round-trip wire 17 payments into offshore accounts not in his name and about the 18 payments coming back in the name of his housekeeper to Galleon. 19 His account is completely corroborated by the recorded 20 conversations, by the e-mails, other documents showing that 21 Kumar was getting the secret information as he was passing it 22 to the defendant. The wire calls, of course, showed that he 23 contacted the defendant after getting the secret information. 24 The trading records corroborated Kumar's account that the 25 defendant was trading based on Kumar's secret information and SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 1 Kumar's testimony was also corroborated by all the wire 2 payments to Kumar's offshore account. 3 Now, you've heard two very different versions of the 4 defendant's relationship with Kumar, and it's going to be up to 5 you to assess Kumar's credibility. And in thinking about this 6 question, think about how Kumar's testimony fits together with 7 all the other evidence in the case; the recorded conversations 8 with the defendant, the recorded conversations between the 9 defendant and other people at Galleon about Kumar's tips, and 10 the recorded conversations about the defendant describing the 11 steps he took to conceal that he was trading based on Kumar's 12 tips. And in considering Kumar's testimony, use your common 13 sense, the common sense that you bring with you into this 14 courtroom that's used in your everyday lives. 15 For example, Kumar testified that he illegally tipped 16 the defendant repeatedly about secret information that Kumar 17 learned from inside the corporate offices of AMD in 2006 18 regarding AMD's acquisition of ATI, before any public 19 speculation and long before AMD's public announcement of its 20 acquisition of ATI. Now, this account that Kumar said fits 21 completely with the evidence. 22 If we put up the ATI stock chart. This shows the 23 defendant's trading from January 1, 2006 through July 28, 2006 24 in ATI. How is Kumar's account corroborated? First, you have 25 the internal e-mails of McKinsey that shows that Kumar obtained SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 1 the secret information from the transaction for months because Kumar was part of that inner circle at AMD who was learning 2 3 about all the developments in the negotiations. And in that 4 role as he learned the developments, he told them to the 5 defendant. And the e-mails will show and corroborate this 6 account. 7 So the first one is Government Exhibit 815. We're 8 putting up here the first, which is February 5, 2006, that 9 early call, an early e-mail in which Kumar gets on February 5, 10 2006 that the CEO feels he could get to a deal by the end of 11 March. That's the ATI CEO who feels that the deal could be 12 done by the end of March. 13 What are you seeing the defendant doing learning that 14 ATI might be acquired by the end of March? You see his trading 15 here and he's ramping up his trading before the end of March. 16 Towards the end of March, he owns 3 million shares, because 17 he's expecting the deal might take place. 18 Government Exhibit 822. It's an April 10, 2006 e-mail 19 to Kumar, and it's about how ATI seems definitely interested 20 and it appears to be now a matter of price. Now, he now knows 21 that it's going to continue, and so he continues to hold his 22 stock position and he increases his stock position once again

23 in ATI. 24 Government Exhibit 826. It's a May 24, 2006 e-mail to 25 Kumar regarding the initial offer of \$20, representing a SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 20 percent premium and the defendant's position now really 1 starts to climb, as you note the rampup in stock of ATI. He 2 3 learns this from Kumar who told you about how he told the 4 defendant of each of the developments as he learned about it, 5 and here the defendant's trading is consistent with that. He 6 ramps up and now buys over 4 million shares of stock. 7 Government Exhibit 828, May 17, 2006. There's an 8 e-mail to Kumar, it's called GoBig update, and in this e-mail

e-mail to Kumar, it's called GoBig update, and in this e-mail
an AMD executive thinks that \$24 per share for ATI stock is
likely to compromise and expects it to be done reasonably soon.
And you see that update goes from Kumar to the defendant, and
he begins to increase his position once again in owning ATI
stock.

14 Then there's the next e-mail, Government Exhibit 836. 15 On July 5, 2006, Kumar gets an e-mail and Kumar actually sends 16 this e-mail and says July 24 is action week. This is an e-mail 17 exchange within McKinsey and discussing with other McKinsey 18 partners the developments in AMD's acquisition of ATI, and at 19 this point on July 5, 2006 the defendant then learns from 20 Kumar, because Kumar is learning it within McKinsey, that the 21 deal is going to be announced July 24, the week of July 24. 22

Look at the defendant's trading. The defendant ramps up his position, buying more and more ATI stock knowing exactly when the deal is going to be announced, and then -- and this is important -- and then, if you look here, right before the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 defendant knows the deal is going to be announced, because he 1 knows the exact timing as he has an insider at McKinsey who is 2 3 telling him this information, he buys several hundred thousand 4 shares and then sells, right before he knows the deal is going 5 to be announced, once again buying and selling. 6 And why does he do that? You know why he does it, 7 because he advises Chiesi to do it. When you have inside 8 information and you want to throw off the authorities and you 9 want to make sure you have a false excuse to point to when the 10 authorities come asking as to why you're trading, you say, "Why 11 in the world would I sell my stock before the announcement? 12 Nobody would do that." Well, the defendant knows that and does 13 this as a method to throw off the regulators. But he's been 14 caught on tape as to that method and now it's corroborative 15 evidence that Kumar getting this information was passing it 16 along to the defendant and the defendant was acting on it. And 17 you can see that through e-mail after e-mail. 18 So all these trading records show and corroborate the 19 information Kumar was providing, was providing to the 20 defendant. 21 How else do you know? A third reason you know is 22 these same trading records show that the defendant had by

these same trading records show that the defendant had by May 30, 2006 \$74 million worth of ATI stock before there were any news articles or analysts speculating about the deal. Look at that enormous position in ATI stock, before there were news SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky 1 articles even speculating about it. Fourth, you see the buy and sell? That is 2 3 corroborative evidence that he was buying and selling right 4 before the announcement to throw off the regulators, and after 5 the announcement, you remember what Kumar said on the stand? 6 The defendant told him words to the effect, Anil, you're a 7 hero. A hero for giving him inside information about the AMD 8 deal. A hero for making him money at the expense of the 9 ordinary, average investor who didn't have access to an insider 10 in the corporate offices of AMD providing him with detailed 11 information about what's happening on a deal that's not out and 12 generally available to the public. A hero for keeping the 13 defendant's profits up that year. 14 And finally, you have the e-mail from Kumar to the 15 defendant at the end of the year with two words only - Manju 16 Das. That's Government Exhibit 761. That e-mail fully 17 corroborated Kumar's account that at the end of the year the 18 defendant was so happy with the money that he made based on 19 Kumar's ATI tips, he wanted Kumar to send him a reminder e-mail 20 of the name of the account where Rajaratnam should send a 21 million dollar bonus to him for these tips and Kumar sent him 22 the two word e-mail, Manju Das. Kumar didn't want to or have 23 to say anything else, and this e-mail is about getting paid a million-dollar bonus for giving the defendant illegal tips on 24 25 the ATI transaction. SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky Now, the defense for the ATI trading seems to be, 1 2 based on the defense case, that there was chatter in the public 3 about it and the trading was based on Adam Smith's analysis at 4 the time. There are a lot of problems with that story, the 5 biggest hole being there was no real public chatter or 6 speculation prior to May 2006. ATI was mentioned as one of 7 five, ten, twelve possible acquisition targets, in analyst 8 reports buried pages beneath when they talk about lots of 9 companies possibly being the subject of acquisition talks. The 10 reason why there's no real public speculation about this is 11 because there wasn't even a real rumor about it before May 31, 12 2006 when the defendant has a \$7 million dollars position, is 13 because in the industry it didn't make sense. It didn't make 14 sense AMD was going to acquire ATI. And remember when Kumar 15 told the defendant, the defendant couldn't believe it that ATI 16 would be acquired in a deal. 17 Now, as far as relying on Smith's analysis, you heard

Smith's testimony. He had two torpedoes in the water, to use his expression. He had one torpedo in the water about his own analysis of ATI's earnings and the second torpedo was the illegal tip from Kamal Ahmed. You know the defendant had at least two illegal torpedoes in the water. He had Kumar's illegal tips coming time after time giving updates and Smith's information from Kamal Ahmed.

25

Now, I expect the Court will instruct you that the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 defendant uses the information, the material non-public 1 information, if it's a factor in his decision to buy and sell 2 3 the stock. It need not be the defendant's only consideration 4 and it's very difficult for material information to lay idle in 5 the human brain. Here you know that the defendant used Kumar's 6 illegal tips to make his trades and used some of Smith's 7 information from Kamal Ahmed to make his trades. This 8 information, this material non-public information did not lie 9 idle in the defendant's brain when he was making these trades 10 on ATI stock. 11 So to summarize the conspiracy between Kumar and the 12 defendant: You have recorded conversations where Kumar is 13 providing the defendant with inside information about AMD, 14 Spansion and eBay. Now, there are a bunch of other stocks that 15 Kumar testified he tipped him on. I can't get to everything. 16 There's documents showing the round-trip transfers of money to 17 Kumar using the phony account names and then back into Galleon 18 using the name of Kumar's housekeeper, Manju Das. There are 19 the contemporaneous e-mails and documents showing Kumar 20 receiving the material non-public information from McKinsey and 21 then passing it along to the defendant, you heard that through 22 his testimony and the defendant's trading consistent with the 23 receipt of those e-mails, and then there's the trading records. 24 All of this evidence demonstrates in an overwhelming way the 25 defendant is guilty with conspiring with Kumar to trade on SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ2 Summation - Mr. Brodsky inside information and he actually traded ATI stock during that 1 2 time period based on Kumar's inside information. 3 Let's talk now about the scheme with Rajiv Goel. What 4 did the evidence show about the background of the defendant's 5 scheme with Rajiv Goel? You remember Mr. Goel, they both --6 Mr. Goel graduated from Wharton with the defendant. They went 7 to business school together and they weren't close for many 8 years and then they became closer when Mr. Goel moved back to 9 the United States, joined Intel in roughly 2000, 2001. He rose 10 to become an executive there in Intel treasury, and during that 11 time they became very close friends. And Goel clearly felt 12 indebted to the defendant, and wanted to help him out by 13 breaching his duties and giving him secret information. 14 Now, why was that? The defendant had loaned Mr. Goel 15 100,000 in 2005. And Goel never repaid him. And then the 16 defendant gave Goel a gift of \$500,000 in 2006, that's the 17 money that got sent to the Swiss account that Mr. Goel opened 18 up. 19 At the same time that he was giving him all this 20 money, you remember the testimony and you saw the Charles 21 Schwab documents showing that the defendant was trading in 22 Mr. Goel's Charles Schwab account and between 2005 and 2009 he 23 had made over \$700,000 for Mr. Goel in a Charles Schwab 24 account. So Goel believed the defendant was generous, but at 25

the same time that money and their friendship gave Mr. Goel SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 more than enough incentive to violate Intel's confidentiality 1 policies and provide the defendant with secret information for 2 3 trading purposes. 4 Now, I expect that you'll hear from Judge Holwell that 5 he'll instruct you that to violate the insider trading laws the 6 insider must receive some kind of benefit in exchange for disclosing the secret information. And you'll hear that a gift 7 out of friendship from the insider is enough to show there was 8 9 a benefit to the insider for breaching his duty of 10 confidentiality. In other words, an insider receives a benefit 11 if he gives a gift of information out of friendship to someone 12 so that person can trade on the information. 13 Now, how do you know the defendant engaged in a scheme 14 with Goel to get and then trade based on inside information? 15 Once again, the best evidence of the scheme, the most powerful 16 evidence of the scheme, are once again the wiretaps. In March 17 of 2008, Mr. Goel had access to inside information about 18 Clearwire's proposal to combine its Spectrum with Sprint, that 19 Intel was going to invest a billion dollars in the deal and 20 that other companies would contribute as well and there would 21 be a total of 3.5 billion and a split equity stake, so they 22 each had an equity stake in the deal. 23 The tapes unmistakably show Goel was providing the 24 defendant with material non-public information about Clearwire, 25 including the following: The amount of money that Intel was SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 going to contribute, the billion dollars; Intel's ownership 1 percentage of 10 percent, the percentage of ownership of the 2 3 other parties to the deal, the names of the other participants 4 to the deal. Now, remember, BestBuy kept being bandied about 5 everywhere. You saw every speculation about who might be 6 involved. BestBuy was involved in every speculation about who might be involved. BestBuy was never involved in that deal. 7 8 You heard that from Mr. Viswanathan. If anybody bought stock 9 based on that rumor, they would have lost a ton of money based 10 on that, because BestBuy was never involved. 11 Intel's board approval was another thing. Mr. Goel 12 told Mr. Rajaratnam that Intel had approved, Intel's board 13 approved the billion-dollar investment and the possible timing 14 of the announcement of the deal. 15 Let's again go to the tapes. If we go to 502T, page 16 2, you hear in this part of the call in 502T, which was a call 17 that took place on March 19, 2008, Goel told the defendant he 18 was going to meet with Sriram Viswanathan and you heard him 19 testify, and he was going to meet with him the following day to 20 find out more about the Clearwire deal with Sprint. 21 Go to page 3. Goel then tells the defendant there's an Intel board meeting later that day, and he's clearly telling 22 23 the defendant is board is going to consider the Intel investment for the new Clearwire company. At the end of the 24 25 call, Rajaratnam thanked Goel for the information. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 Let's go to 503T. It's a call the next day between 1 2 Goel and the defendant, it's March 20, 2008, it's at night and 3 you heard Mr. Goel and the defendant discuss the information 4 Goel had provided to the defendant relating to the deal. That 5 wasn't captured on the wire, but you know which call it was, 6 and Government Exhibit 7, which is one of the summary charts in 7 evidence, there's a call between Mr. Goel at about 5:00 or so 8 on March 20 and Mr. Rajaratnam. And during that call, that's 9 when Goel describes the details that he was able to learn about 10 the transaction from inside Intel, details that Mr. Viswanathan 11 told you were critically confidential, were important, and were 12 non-public. 13 And then during the call, 503T, Goel tells Rajaratnam 14 it's evident they're talking about the information Goel had 15 told Rajaratnam about the details of what he heard from 16 Mr. Viswanathan. At the beginning of the call Goel tells him, 17 if we go to the next slide, "So did you digest the information 18 I gave you?" He's talking about the information, the inside 19 information he had given him earlier that day. 20 Let's go to the next slide. Rajaratnam is 21 acknowledging, and you put a billion, 1.6 billion. Remember this? The billion dollars, Mr. Goel explained, was of course 22 23 the Intel putting in a billion dollars into the deal. The 24 extra \$600 million was information that was previously 25 acknowledged and publicly disclosed by Intel, but the SOUTHERN DISTRICT REPORTERS, P.C.

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14KFRAJ2 Summation - Mr. Brodsky \$1 billion was secret information that was not disclosed that 1 2 was non-public. 3 Then the defendant says, "You get 10 percent of the 4 new entity, right?" That was the 10 percent Goel told him 5 about, that was Intel's 10 percent of the deal in exchange for 6 putting in \$1 billion. That gave the defendant an enormous 7 advantage over every ordinary investor who didn't have these 8 equity splits, who didn't know this information, because it 9 wasn't public. Let's go to the next slide. 10 And then you can see as they continue, Goel told him 11 the public will own 16 percent of the eventual entity, McCaw 12 will own 5 percent and we will own, we, meaning Intel, will own 13 10 percent. These are equity splits, equity splits meaning 14 equity or ownership in the new company and these were the 15 percentage splits or ownership splits of that new entity. All 16 non-public information, not rumored, not where you can find 17 anywhere, from somebody who actually knows. And why does 18 Mr. Goel know? Because Mr. Viswanathan told you, Mr. Goel was 19 a part of Intel Capital and part of his job was to oversee and 20 review some of these deals and provide financial advice 21 relating to these deals and Mr. Viswanathan talked to Mr. Goel 22 about the deal. 23 Let's continue. Another part of the call, Mr. Goel 24 tells him about the collar that was going to be put in place. 25 It was 17 to \$20 he told Mr. Rajaratnam. It actually turned SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky out to be 17 to \$23. Let's continue. 1 2 And the defendant basically summarizes here that the 3 new entity will have \$3.5 billion in cash. That's the new cash 4 coming in to Clearwire, that's the \$1 billion from Intel and 5 the 2.5 billion from other parties. This was all information 6 Goel was getting. Goel wasn't guessing about this information. 7 Goel was getting hard-nosed facts from inside the company from 8 Viswanathan and he was passing that information on to the 9 defendant. 10 Let's go to Government Exhibit 504T. This is a few 11 minutes later. You remember the call got cut off and then a 12 few minutes later they call each other back and during this 13 conversation, if we go to the next slide, Goel tells him on 14 March 20 at night, yesterday our board approved this deal. 15 Intel's board of directors approved the deal. 16 Now, you know from the testimony of people, repeatedly 17 from companies that that kind of information is unquestionably 18 material non-public information; what's taking place in a board 19 meeting before it's being announced and information about an 20 investment that a company is going to make, an enormous 21 billion-dollar investment is material non-public information 22 before the company officially announces. 23 Now, Viswanathan was very clear about that. And 24 Mr. Goel was very clear about that, about violating the duty to 25 Intel in disclosing this information. This wasn't chitchat. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 The mere existence of a deal in progress was a secret Goel 1 wasn't allowed to confirm and here Goel was giving far more 2 than that. He's giving title, chapter and verse to the 3 4 defendant. Goel basically is becoming his corporate spy, his 5 insider at Intel disclosing these secrets. 6 Now, how do you know the defendant traded based on 7 Goel's information? You know it for a lot of reasons. I can't get through all of them, but there are three big ones. First, 8 9 you know because defendant is spending a lot of time with Goel 10 on the phone relating to this, talking about the details and 11 doing the math. If this wasn't important information, he 12 wouldn't be doing any of that. Second, you know because the 13 first available trading day after Goel tells him about the 14 details of the deal on March 20, 2008, the first next available 15 trading day is not the next day, March 21, because the market 16 was closed for Good Friday. Instead, it was the following 17 Monday, March 24. And what happens? Not surprisingly, 12 18 minutes after the markets opened on March 24, the defendant 19 bought over 100,000 shares of Clearwire stock, that would be 20 Exhibit 8. He bought on March 24, the first available day, 21 over 100,000 shares of stock at twelve minutes after the market 22 opened, and on the next day he bought more shares. 23 And, finally, how else do you know? How else do you

24 know this was secret information? How else do you know it was 25 important to the defendant? How else do you know that the SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky defendant made trades based on it and not anything else? The 1 reason you know is because there was a call after the Wall 2 3 Street Journal issued an article, there was a call talking 4 about speculation about the deal, there was a call between the 5 defendant and his brother. And in that call is devastating 6 evidence, clear as day, that the defendant purchased the 7 Clearwire shares based on Goel's information and they're upset 8 during this call. Remember, they're both upset. Why are they upset? Because the article came out and they couldn't get 9 10 enough stock in based on Goel's information before the article 11 came out. 12 Now, let's go to part of the trip, this is Government

12 Exhibit 509T. Rengan is upset and they talk about, and some 14 not-so-nice language about how they're very upset that it hit 15 the Wall Street Journal and they call it the Clearwire stock. 16 You know what's very interesting about this? They actually 17 disclose in this call, they actually disclose how much they 18 know based on Goel's information that nobody else even knows.

19 Let's go to the next slide. Rengan says, "they're 20 short on details." Why is the Wall Street Journal short on 21 details? The Wall Street Journal doesn't know that Intel's 22 board approved the deal. Rajaratnam does from Goel. The Wall 23 Street Journal doesn't know the equity splits and that's 24 actually something Rengan says, "they don't have the equity 25 split." Equity split is incredibly important. That tells you 26 SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky 1 how much each is investing in the deal and the percentage of ownership. That's the basis on which you can make a trade, as 2 3 to how much the company is going to be valued. Wall Street 4 Journal doesn't have any of that. But they do. 5 How do you know? The wire shows that he got it from 6 Goel. Here's the critical admission right after that. Rengan 7 says, "I don't know how much you got in today, but I think it's going to rip tomorrow." And you know that on March 24 and 8 9 March 25 before this article came out in the Wall Street 10 Journal speculating about the deal, but not really having the 11 equity split details, not having Intel's board approval that 12 they think the stock is going to go up as a result of 13 speculation on this article and Rengan wants to know how much 14 did you get in, did you get in enough stock so we could make a 15 lot of money? That tells you they were trading on Goel's 16 information and not from any speculation out there. 17 Now, during the opening, the defense claimed, and we 18 can put up the slide, defense opened and said in early March, 19 remember the announcement date and, again, this is the defense 20 opening. The defendant doesn't have any burden, they don't 21 have to prove any facts, but they put on a case and the 22 government always embraces and bears its burden and in this 23 case we met our burden. Defense counsel said in opening, in 24 early March -- remember the announcement date was May -- in 25 early March 2008 Intel Capital itself held a public conference

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14KFRAJ2 Summation - Mr. Brodsky 1 for investors and announced its interest in making an 2 investment in the Clearwire joint venture at an analyst 3 conference attended by Galleon and many other hedge funds and 4 investors and analysts who worked for Raj attended the 5 conference, Goel did not attend or participate in the 6 conference. Transcript 91 line 7 to 15. 7 You heard Mr. Viswanathan. He's the one who spoke at 8 the conference. He was on the witness stand. Mr. Lynam 9 questioned him repeatedly. There was no disclosure at the 10 analyst conference of the joint venture with Clearwire. There 11 was no disclosure of that. Mr. Viswanathan told you that. We 12 can take that down. 13 Also, you saw some documents that defense suggests in 14 their case that one of the reasons why, through Mr. Schutte, 15 they point to Mr. Rengan's trip to Washington, D.C. with a 16 Galleon analyst as evidence there was work being done on 17 Clearwire. There's two reasons why we know that trip to 18 Washington, D.C. had nothing to do with the trades on March 24 19 and March 25. You know it from the phone calls, you know it 20 from Rengan's calls with Rajaratnam and you know it from the 21 calls from Goel to the defendant, but you also know it from the 22 documents the defense introduced, which is that the trades took 23 place before the trip down to D.C. Let's even assume that 24 Galleon had some analysis based on the Clearwire deal that 25 didn't come from Goel. If the inside information, and I expect SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 you'll hear this during the instructions, if the inside 1 information from Goel was a factor in the defendant's decision 2 3 to buy Clearwire stock, then he used the information. And from 4 the tapes alone we know that's true. 5 Now, how else do you know the defendant engaged in 6 insider trading, in the insider trading scheme with Goel? You know because Goel told you and his testimony is corroborated by 7 8 the wire calls, the phone records, the timing of his calls with 9 the defendant and in the subsequent trades, and here once again 10 you heard two very different versions, night and day these 11 versions, of the events relating to Goel and Mr. Rajaratnam. 12 But in considering Mr. Goel's testimony think about his 13 testimony and how it fits with all the other evidence in the 14 case. 15 Let's take Mr. Goel's April 2007, the quarterly 16 earnings information that he learned from Mr. Lenke and let's 17 go through that as an example. Mr. Goel testified he tipped 18 the defendant in April 2007 about Intel's quarterly earnings. 19 He learned it, he said, from Mr. Lenke. Intel's guarterly 20 earnings for any current quarter, as you know from witness 21 after witness, is kept in very secret hands and the hands of very few people. Normally Mr. Goel didn't have access to that 22 23 information, but this particular quarter he was able to get it 24 from Mr. Lenke. And Mr. Lenke testified he gave to it 25 Mr. Goel. Mr. Goel testified first he got the revenue and the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 gross margins and he kept contacting Mr. Lenke for more 1 information. On Monday April 9 he was at Intel. Then he took 2 3 a trip to the east coast, and we were able to have the 4 telephone records showing Goel's contact with Mr. Lenke during 5 that period of time. 6 Before Intel announced its earnings Goel got an update 7 from Lenke about Intel's outlook. He got an update before the 8 weekend on April 13, then he got a subsequent update on Monday, 9 April 16. And Goel remembered on April 16 calling desperately, 10 remember his testimony? He called desperately to try to reach 11 out to Mr. Rajaratnam, because he knew the information changed 12 from the first time he gave him a tip and it was in the 13 opposite direction. So he wanted to get him the news. 14 And Mr. Rajaratnam, Mr. Goel testified, was in the 15 Caribbean, and he told Mr. Rajaratnam about the update in the outlook. Now, that account fits squarely with the evidence in 16 17 eight important ways. First, Mr. Lenke's testimony was 18 completely consistent. Mr. Lenke took that stand and he 19 disclosed, he said, he testified, he disclosed the non-public 20 quarterly earnings to Goel before Intel announced it to the 21 public. He said, Lenke said this, that he talked to him 22 several times, he kept updating him and he testified that on 23 the day before the earnings were announced on April 16, 2007 he 24 remembered talking to Goel in that conference room and telling 25 him the details of the business outlook and the financial SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 1 numbers that Intel was going to report and then he said he told him, "You're now an insider, Mr. Goel." And he told him that 2 because he knew he was revealing this very secret, very 3 4 material, very non-public information and part of his job was 5 to keep it within a very small circle. 6 Second, let's put up Government Exhibit 2. The 7 telephone records show that Goel called Lenke when Goel was 8 traveling on the east coast, which completely corroborates 9 Goel's account of what happens. There were multiple calls back 10 and forth between Goel starting on Tuesday, April 10 all the 11 way through the Saturday, April 14. Why? Because Goel was on 12 the east coast, remember, and he was talking on his cell phone 13 with Mr. Lenke and Mr. Lenke was updating him as to what was 14 going on. 15 Third, Mr. Lenke first learned about the bad revenue 16 results on Monday, April 9. You saw some of the documents 17 relating to that. Mr. Goel was at Intel that day. He hadn't 18 yet traveled. You know that from his credit card records and 19 you know that from his testimony. And he learned from 20 Mr. Lenke the information about the revenue results not being 21 good because, remember, he testified he learned about revenue 22 and gross margin initially. 23 Fourth, April 9, 2007 the telephone and instant 24 messages show that after Lenke got the information that the 25 revenues were going to be significantly worse and told Goel,

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Summation - Mr. Brodsky 14KFRAJ2 Goel had five to ten -- there was testimony that Goel had five 1 to ten conversations on April 9, 2007 with Mr. Lenke -- Goel 2 3 called Mr. Rajaratnam from 10:15 in the morning to 10:18 in the 4 morning on April 9, and 64 minutes later, Mr. Rajaratnam then 5 shorts Intel. Shorting again, expecting bad news, bad news 6 being the revenues. So Goel got the information from Lenke, 7 passed it along to the defendant and the defendant 64 minutes 8 later is making that short position of 1 million shares based 9 on Goel's tip. 10 Fifth. Let's go to the next slide. April 13. Lenke 11 then receives some good news. This is Lenke's testimony. He

got some good news on gross margins. It was a very important driver, remember he said, of the company, gross margins drove the stock of the company. He got some very good news that he was going to get the final numbers coming on Monday. Goel got this information from Lenke on Friday, April 13, 2007.

17 Let's put up the next slide. Goel calls Lenke and 18 your know he got the information. Lenke testifies he gave it 19 to Goel, and you have phone records showing Goel called Lenke 20 on from 3:11 to 3:21 p.m. What happens next? 3:21 p.m., as 21 soon as Goel gets off the phone with Lenke, what does he do? 22 That tells you everything right there. Goel called the 23 defendant. He didn't waste a second, not a second. He called 24 him immediately because he wanted to get him the news. What 25 was the news? Things are looking a little bit better, things SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky aren't so bad. I told you it was bad before, but things are 1 2 getting a little bit better. That's a three-minute call with 3 Rajaratnam. 4 How do you know the defendant then placed a trade 5 based on that information that Goel got from Lenke? Watch what 6 happens next. Five minutes later the defendant covers part of 7 his short position. Five minutes after getting off the phone 8 from Goel. Seconds after Goel gets off the phone from Lenke 9 receiving the somewhat positive news. The timing is incredibly 10 tight. It completely corroborates the account of Mr. Goel, it 11 completely corroborates the account of Mr. Lenke and it's not a 12 coincidence. It's compelling evidence that the defendant, what 13 Mr. Goel learned from Mr. Lenke passed along to the defendant 14 and the defendant acted on it. 15 Now, sixth, remember, Mr. Lenke testified he updated 16 Goel with the details on Monday, April 16. That's when he got 17 the great news, right? Mr. Lenke is sitting there in his 18 office he got the great news, one week later, revenues were 19 looking bad, but the great news is gross margin for the year, 20 the business outlook is going to be very good, and he knows --21 Mr. Lenke, you heard from his testimony that so goes gross 22 margin in the business outlook, so goes Intel's stock price. 23 Gross margin prediction for the future, the business outlook 24 goes up, Intel's stock price goes up. Gross margin for the 25 future goes down, if the prediction goes down, the stock price SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 drops. So this is good news and Mr. Lenke passes it to Goel in 1 2 that conference room. And what do the telephone records show? 3 Let's go to Government Exhibit 2, the summary chart. They 4 corroborate completely Mr. Goel's testimony. Remember, he was 5 desperately trying to get ahold of the defendant? Because this 6 was now great news which was opposite of what he told him the 7 week earlier and he wanted to get the news to him, so he called 8 him at work, didn't get him, called him on his cell, didn't get 9 him, called him at work, didn't get him. The defendant then 10 starts calling him twice, they overlap at 12:50 p.m. One is 11 calling the other because Mr. Goel repeatedly is calling the 12 defendant's cell phone. And at 12:50 p.m. they connect for 13 three minutes. 14 Goel tells him the news. Intel stock is going to go 15 up. What does he tell him? He tells him gross revenue 16 business outlook for the year is going to be good. And at 1:44 p.m. while Mr. Rajaratnam is on the beach in the 17 18 Caribbean, he calls his trader Horowitz at 1:44 p.m. And what 19 happens next? Immediately the defendant switches his position, 20 he covers the rest of his stock and he buys millions of shares, 21 I believe over 2 million shares. We'll get to that in a

22 moment.

How do you know Goel is telling the truth about the fact that the defendant was in the Caribbean? You know from the defendant's own phone records. Let's put that up. If we SOUTHERN DISTRICT REPORTERS, P.C. (212) 805 0200

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Summation - Mr. Brodsky 14KFRAJ2 can blow that up a little bit. From the defendant's own phone 1 records they reflect that he's in the Caribbean on April 15, 2 3 which is the Sunday, and April 16, the Monday, 2007. So the 4 defendant was in the Caribbean as reflected in the phone 5 records. Now, seven, let's put up the slide on April 16, 2007, 6 52 minutes after Goel tracks the defendant down and talks to him from 12:50 to 12:53, 52 minutes later the defendant buys 7 8 Intel stock. He orders it from the Caribbean. 9 Now, this is a complete reversal of position. That 10 day he buys 500,000 shares and the next day he buys 1.5 million 11 shares and he reversed his position from going short on a dime 12 because of one reason. Because Goel got the information from 13 Lenke and Goel passed it to the defendant. 14 Eighth, what does the Intel press release show? The 15 Intel press release shows positive outlook for the year 2007, 16 which was good news for Intel and the stock went up, and you 17 know as a result of Goel's tips the defendant within one week 18 made over \$2 million in profits. A few phone calls, maybe, 19 conservatively at most 30 minutes' worth of the defendant's 20 time and the defendant made over \$2 million for his fund. Now, 21 that may be an easy way to make money. Maybe that's the easy 22 way to do it. You have an insider at a public company who 23 tells you the inside information before the company reports it 24 to the rest of the world. But it's not legal. And it's 25 cheating. And it's cheating every ordinary investor who SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 1 doesn't have access to that information. Now, let's compare that story which fits with all the 2 evidence, the trading records, the phone records, the testimony 3 4 of Goel, the testimony of Lenke, the testimony of all the 5 witnesses. Let's compare that story with the defense story. 6 Now, the defense story begins that on Monday April 9, AMD 7 apparently reports that it's going to do badly and AMD's 8 earnings are going to be doing badly. Now, you saw conflicting 9 reports about what was going to happen with Intel. You didn't 10 see any internal Galleon research about this and there were 11 conflicting reports about whether Intel was going to do well or 12 badly for April 9. 13 Then the story gets really convoluted and contradicts 14 completely the position for shorting AMD. It goes like this: 15 According to the defense case, on April 13, the Investor 16 Business Daily writes a news article. Now, the Investor 17 Business Daily comes out with a news article on Friday, 18 April 13. This is the defense story, by the way. It gets a 19 little bit complicated, so try to stay with me. Friday 20 April 13 the Business Investor Daily comes out with an article. 21 Now, the Business Investor Daily based it on a report by a guy 22 maimed Hans Mosesman. Hans Mosesman is saying basically I 23 think there's going to be some good things happening. What's 24 the trouble with this story? Hans Mosesman actually issues the 25 report on April 9, so let's look at that. And the defendant is SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 1 trading opposite of the Hans Mosesman report. Right? What's the other problem with the story? Hans 2 3 Mosesman is saying I think good things are going to happen with 4 Intel because of the Centrino. Great. The Centrino. But the 5 news about the Centrino is old. By the time of April 9 the 6 news had already come out that the Santa Rosa Centrino was going to come out in May. So it's even more complicated. 7 8 Let's put that up. You see how Intel issues some press 9 releases on the Centrino. Intel actually issues a press 10 release, the first one on March 16, 2007. Do you see any 11 trading by Mr. Rajaratnam? Now, this was probably discussed at 12 the morning meetings, according to Mr. Schutte, as all events 13 are discussed at the morning meetings, but there's absolutely 14 no trading by the defendant on March 16 or anywhere near 15 March 16, 2007 when Intel talks about the Centrino Santa Rosa 16 is going to be coming out in May. 17 Then there's another press release by Intel, if that 18 weren't enough, on April 4, 2007, five days before this

Mosesman report and there's absolutely no trading by the defendant. He wasn't trading based on the Mosesman report. He wasn't trading based on the Investor Business Daily relying on the Mosesman report of a week earlier, he wasn't trading on any of these Intel press releases. He was trading, as you know from the phone records and trading records and the testimony, he was trading on illegal tips from Mr. Goel.

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Summation - Mr. Brodsky 14KFRAJ2 Let's go to April 16. On April 16, the defense case 1 2 is, on April 16 some Beijing Intel investor conference is 3 taking place, basically announcing that some new product was 4 going to come out. Halfway around the world, the defendant is 5 in the Caribbean. There's an investor conference being held in 6 Beijing on April 16, and the defense story is he's trading on 7 some new product that is being announced when there's 8 absolutely no research at Galleon talking about it. 9 Now, the analyst at the time who was covering Intel 10 was Nadeem Janmohamed, and you know from the evidence the 11 defendant didn't think very much of that analyst. Does it make 12 any sense the defendant was sitting in the Caribbean on 13

April 16, 2007 and trading this on a Beijing conference going on halfway around the world about some new product that was about to come out when there's absolutely no internal Galleon research? Or does it make more sense Lenke tipped Goel and Goel provided the information to the defendant and the defendant traded on it?

19 Let's put that up. You got the call on April 9, 2007 20 from Goel to Raj Rajaratnam, and Goel had information that 21 Intel was going to have bad earnings. What does Mr. Rajaratnam 22 do? He shorts the position. Friday April 13, you have the 23 call exactly to the second between Goel and Lenke and then Goel 24 to Mr. Rajaratnam and within an hour Mr. Rajaratnam covering 25 part of his short position because the news is not so bad. And 20 SOUTHERN DISTRICT REPORTERS, P.C.

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14KFRAJ2 Summation - Mr. Brodsky 1 then on April 16 you got the call from Goel to Mr. Rajaratnam 2 finding him in the Caribbean and within an hour Mr. Rajaratnam 3 reversing position buying 500,000 shares and then 1.5 million 4 the next day. Which story is more consistent with the trading 5 records, the phone records and all the other evidence of the case? It's clear Mr. Goel tipped Mr. Rajaratnam. It's clear 6 7 he's the one who gave him the inside information about the 8 Intel quarterly earnings. And it's clear that's why the 9 defendant traded. 10 Now, let's move off a little bit from Intel and talk a 11 little bit about People Support. 12 THE COURT: If this is a good place to break, Mr. 13 Brodsky, we'll take our morning break. 14 MR. BRODSKY: Thank you, your Honor. 15 (Recess) 16 (In open court; jury not present) 17 THE COURT: Mr. Dowd, do you want a sidebar? 18 MR. DOWD: Yes, please. 19 (Continued on next page) 20 21 22 23 24 25 SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky 1 (At the side bar) [REDACTED] 1 (In open court; jury present) 2 THE COURT: Mr. Brodsky, would you continue? 3 MR. BRODSKY: Thank you, your Honor. 4 What did the evidence show about the defendant's 5 trading in People Support stock in Mr. Goel's Charles Schwab 6 account? The defendant traded People Support in Mr. Goel's 7 Charles Schwab brokerage account, logging on, putting in 8 Mr. Goel's password, putting in Mr. Goel's identification based 9 on material non-public information that the defendant learned 10 from his Galleon designee on the board of directors of People 11 Support. Galleon had a designee on the board, as you know, 12 because Galleon had bought up a lot of People Support stock and 13 at some point there was a negotiation and agreement reached 14 between People Support and Galleon, which Galleon was allowed 15 and permitted to have a board member on People Support's board 16 of directors. And in exchange galleon was not allowed to 17 continue to purchase shares in People Support. 18 Now, they reached this agreement and there's nothing 19 wrong with Galleon owning a large amount of stock in a company. 20 Nothing wrong with that. And there's nothing wrong with Galleon having a member on People Support's board of directors. 21 22 But what the defendant was not allowed to do, what's clear is 23 he wasn't allowed to take advantage of the material non-public 24 information, the secret information that his designee on the

board of People Support was learning while sitting on that

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Summation - Mr. Brodsky 14KFRAJ2 board. The CEO Lance Rosenzweig testified, and it is very 1 clear that what you learn on the board about a potential 2 3 acquisition is material non-public information. It was 4 information that the public didn't know about, it was 5 information that wasn't available to the public, and it was 6 very significant to the company. Leakage or disclosure by a 7 board member on the People Support board of directors to 8 someone else regarding the acquisition of the company clearly 9 was not permitted.testified that if he got the information 10 because he had a Galleon designee on the board couldn't trade 11 in the stock and he couldn't provide to other people to trade. 12 And once again the defendant acted as if the rules didn't apply 13 to him. In June and July of 2008 you know that People Support 14 was in discussions with the Ruias family about the Ruias, 15 through their conglomerate either called the SR Group or Aegis was interested in acquiring People Support. So in June and 16 17 July of 2008 there were serious negotiations between People 18 Support and the Ruias family for the Ruias family to acquire 19 People Support. You remember this document, it's Government 20 Exhibit 1106, and this document was dated June 30, 2008 and it 21 was from People Support to Krish Panu. Krish Panu was the 22 Galleon designee. He was the employee if you remember who Mr. 23 Rajaratnam brought to Galleon and he was on that phone call 24 about the e-mail trail creating the e-mail trail. Panu 25 receives this on June 30 of 2008, and it attaches a Credit SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 Suisse presentation of the Ruias offer outlining the details of 1 it. That's Government Exhibit 1107R. Let's put that up. 2 3 Let's go to page 1, you remember on page 1 it just had the 4 presentation on the first page of Credit Suisse giving a 5 presentation to the board regarding the Ruias offer. And it 6 was called project Easter, because as you know from this trial, 7 the information is so secret that even within the investment 8 banks, even at companies, they used code names to desperately 9 describe the deals to describe a company, why did they do that? 10 You heard why they do it. Just in case they had the document 11 out in public or just in case somebody loses the document. 12 Just in case somebody is overlooking their shoulder, they can't 13 identify who the company is. That's how secret it is. So they 14 use these code names and this code name was project Easter. 15 And so that's June 30 of 2008. Let's skip to page 17.

Now, Peter Phan testified that the defendant, he got the information because he had a Galleon designee on the board, he couldn't trade in the stock and he couldn't provide it to other people to trade. Yet once again, the defendant acted as if the rules didn't apply to him.

21 We know in June and July of 2008 that People Support 22 was in discussions with the Ruias family about the Ruias 23 through their conglomerate either called the Essar Group or 24 Aegis was interested in acquiring PeopleSupport. So in June 25 and July of 2008 there were serious negotiations between 26 SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14KFRAJ2 PeopleSupport and the Ruias family for the Ruias family to 1 acquire PeopleSupport. You remember this document, it's 2 3 Government Exhibit 1106, and this document was dated June 30, 4 2008 and it was from PeopleSupport to Krish Panu. Krish Panu 5 was the Galleon designee. He was the employee if you remember who Mr. Rajaratnam brought to Galleon and he was on that phone 6 7 call about the e-mail trail creating the e-mail trail. Panu 8 receives this on June 30 of 2008, and it attaches a Credit 9 Suisse presentation of the Ruias offer outlining the details of 10 it. That's Government Exhibit 1107R. Let's put that up. 11 Let's go to page 1. You remember on page 1 it just had the 12 presentation on the first page of Credit Suisse giving a 13 presentation to the board regarding the Ruias offer. And it 14 was called Project Easter, because as you know from this trial, 15 the information is so secret that even within the investment 16 banks, even at companies, they used code names to describe the 17 deals, to describe a company. Why did they do that? You heard 18 why they do it. Just in case they had the document out in 19 public or just in case somebody loses the document. Just in 20 case somebody is overlooking their shoulder, they can't identify who the company is. That's how secret it is. So they 21 22 use these code names and this code name was Project Easter. 23 And so that's June 30 of 2008. Let's skip to page 17. 24 On June 30 of 2008, Mr. Panu is getting the 25 information about what E's offer overture is, E is the Essar SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ2 Group, that was the code name for Essar Group. E's overture to 1 P, that would be People Support and this was general 2 3 description of the offer as of June 30, 2008. Then if we go to 4 page 19, you remember this described how the Ruias family, if 5 we can blow up Key Management, the Ruias family is the ones 6 controlling Essar Group, the ones controlling Aegis, who were making this offer. It's clear Panu was getting updates about 7 8 the acquisition by the Essar Group, by the Ruias family through 9 this board meeting and conversations with Mr. Rosenzweig and 10 you saw that through the minutes we introduced in June 2008 and 11 in July 2008, the board was constantly meeting and they were 12 receiving updates about the negotiations between the Ruias 13 family and People Support and Mr. Panu was getting all of these 14 updates. And you heard Mr. Rosenzweig testify that this 15 information the discussions with the Ruias family were secret 16 and Mr. Rajaratnam could not trade using any of that 17 information. 18 Now, the evidence shows, however, that he did just 19 that. He purchased People Support stock in Mr. Goel's Charles 20 Schwab account on July 2, 2008, long after, at least a month 21 after the serious discussions and negotiations began between 22 the Ruias family and People Support on the acquisition of 23 People Support. And then he did it again on July 28, 2008.

24 Now, there doesn't seem to be any serious dispute that 25 Mr. Rajaratnam is the one who actually purchased the People SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14KFRAJ2 Support stock in Mr. Goel's account and there doesn't seem to 1 be any serious dispute that Mr. Rajaratnam and nobody at 2 3 Galleon was allowed to buy People Support stock at Galleon. So 4 right there and then Mr. Rajaratnam is doing something he's not 5 supposed to be doing. Now, how do you know he purchased those 6 shares in Mr. Goel's account based on inside information? You know it because Mr. Goel told you first he told him that; 7 8 Mr. Goel said Mr. Rajaratnam had told him he was buying the 9 stock in July of 2008, based on the Ruias family making an 10 acquisition of People Support, and he told you that prior to 11 July 30 of 2008, that wire call. Now, we'll get to the wire 12 call in a second.

13 You know this is true because on the wire call, which 14 we'll display in one moment, Mr. Rajaratnam tells Goel that on 15 July 30 of 2008 the Ruias family is making a firm bid for 16 \$12.25 for People Support stock. And if you look at that call 17 and you listen to that call, you'll remember that it wasn't a 18 surprise, it wasn't like Goel didn't understand what he was 19 talking about. Goel understood completely what he was talking 20 about, because they had talked about it before that call, 21 before that call took place is when Mr. Rajaratnam had 22 purchased the shares and before that call took place is when 23 Mr. Rajaratnam knew the Ruias were going to make the 24 acquisition of People Support and the basis for his trades. 25 Now, let's go and look at the tape. This is July 30, SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ2 1 2008, six days before People Support issues its public 2 announcement that it's going to be acquired by the Ruias 3 family. 539T, let's go to the next page. This was a part of 4 the transcript, part of the call 539T in which Rajaratnam said, 5 "So the Ruias made a firm bid now." That's how it begins. Now 6 you know from the very beginning when a conversation occurs if 7 one party says, "Oh, so the Ruias made a firm bid now," that 8 was not the start of their conversation about how the Ruias 9 were going to acquire People Support. They talked about it 10 long before this and you know that from the very call itself. 11 Otherwise it doesn't make sense. 12 And Mr. Goel doesn't respond, "Oh, so, who are the 13 Ruias? What are they doing? What are you talking about? Does 14 this relate to People Support? I don't understand." He 15 understands completely because before this call they talked

about it, and they talked about how Mr. Rajaratnam traded in
Mr. Goel's account based on this information.
And Mr. Rajaratnam says "at 12.25," and Mr. Goel

19 doesn't respond, "I don't know what you're talking about.
20 1225? Is it 1225 per share? What are you talking about? Does
21 this relate to some other stock?" He knows exactly what he's
22 talking about, because they had talked about it before. Mr.
23 Goel says, "Oh, wonderful, wonderful. Thanks."

- 24 25

And Mr. Rajaratnam says, "Not bad, huh?" And Mr. Goel says, "Very good, very good. Thanks." SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ2 Summation - Mr. Brodsky What's that the thanks for? That's for thanks for placing a 1 2 Galleon TCM trade in my brokerage account because you have 3 inside information that the Ruias family is going to take over 4 People Support and when that happens at 12.25 per share, the 5 stock is going to rise and you're going to make some money for 6 me in my brokerage account. And that's exactly what happens. 7 Now, this is clearly confidential information. Both 8 Mr. Rosenzweig and Mr. Khan testified that this was clearly 9 confidential information. This is the exact amount, the dollar 10 amount of People Support being acquired per share, 12.25. So 11 you know from this very call that the defendant is getting 12 updates from Mr. Panu about what's happening in the deal. 13 If we go to Government Exhibit 1117. This was the 14 announcement six days later on August 4, 2008 in which People 15 Support says Essar Services is going to acquire it through 16 Aegis, the subsidiary, this is the Ruias family, and it's 12.25 17 per share. That's exactly six days earlier Mr. Rajaratnam 18 disclosing the firm bid. But Mr. Rajaratnam knows because he's 19 getting the information from Mr. Panu and he's getting the 20 updates and making trades in Mr. Goel's account based on that. 21 Now, there's no other rational explanation for this 22 conversation. Again, the government bears the burden, and we 23 embrace the burden of proving the defendant is guilty beyond a 24 reasonable doubt and we've proven it. But through 25 cross-examination Mr. Rajaratnam's counsel seemed to suggest SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ2 Summation - Mr. Brodsky that the Ruias family had not made a firm bid to buy People Support until after Mr. Rajaratnam had actually purchased the shares in Goel's brokerage account, and therefore Mr. Rajaratnam's purchases were not based on inside information. That argument makes absolutely no sense. First, it concedes, as is patently obvious and clear from the recorded conversation, that the defendant knew material non-public information that the Ruias were going to acquire People Support. There's not a speck, not a speck of public speculation or rumor or anything out there that the Ruias family is going to take over People Support. (Continued next page) SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ3 Summation - Mr. Brodsky 1 MR. BRODSKY: Second, whether or not the Ruias made a 2 firm bid prior to the purchases in Goel's account is besides the point. You know the PeopleSupport board was meeting 3 4 throughout June and July of 2008. You know from that June 30, 5 2008 presentation by Credit Suisse that the Ruia family had actually made a 13 to 14 dollar offer initially in that 6 presentation. And you know that on July 2, 2008, Mr. 7 8 Rajaratnam starts purchasing PeopleSupport stock in Mr. Goel's 9 account. 10 Now, Mr. Rajaratnam made those trades knowing that the 11 Ruias were in serious discussions to acquire PeopleSupport and 12 that was material nonpublic information, that he could not 13 trade on the basis of that, putting aside the fact that he 14 couldn't trade anyway based on his agreement with 15 PeopleSupport. 16 Now, here Mr. Rajaratnam breached the duty to 17 PeopleSupport. He is getting these updates from his designee 18 on the board that PeopleSupport is in serious advanced 19 discussions that the Ruias are going to acquire it, and he is 20 purchasing the shares in Goel's account. And after the public 21 announcement, based on those trades, he makes Goel \$100,000. 22 Now, a little more than a month later he does it 23 again. PeopleSupport issues a press release before the market 24 opens stating the Ruias wanted to delay the closing of the 25 transaction.

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5230 14K8RAJ3 Summation - Mr. Brodsky 1 Let's put up Government Exhibit 1120. 2 Now, that was bad news. If you remember, it sent the 3 stock spiraling down over \$2.50 a share. Why did it do that? 4 This was a very tense time in the market. This is the biggest 5 financial collapse taking place in history since the Great 6 Depression in the United States in the late 30s. And here we 7 are, a company issues a press release saying they are going to 8 delay the closing of the transaction and people in the public 9 are nervous about that. There is a delay of the transaction at 10 a time of financial crisis. That's a signal to the market from 11 this press release that this transaction may not occur. And 12 the market panics and clearly the stock spirals down. That's 13 the morning of October 7. That was very bad news. 14 Then if we put up Government Exhibit 120, you see how 15 the stock dropped on this news. But during that same day, the 16 defendant learned PeopleSupport was working out a deal with the 17 Ruias to speed up the closing and to make the announcement 18 about it after the market closed. 19 Let's put up Government Exhibit 17. And you will see 20 a call at 12:27 p.m., between Krish Panu and Galleon for 10

a call at 12:27 p.m., between Krish Panu and Galleon for 10
minutes. That's 12:27 p.m. on that day, Panu is calling
Galleon's New York office and he is talking to Raj Rajaratnam.
And he is telling him, because Panu knows, because Panu is on
PeopleSupport's board, he is telling him the deal is actually
going to close, something that's not generally available in the
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Summation - Mr. Brodsky 14K8RAJ3 marketplace. And he is telling him they are going to issue a 1 press release later in the day, they are working out the 2 3 arrangements, things look good, and what happens? You know 4 that within an hour, a little bit more than an hour, at 1:42 5 p.m. on October 7, 2008, Rajaratnam calls Goel, and you know 6 exactly what he had done. Rajaratnam learned that the 7 transaction was going to take place, that the market reaction 8 was going to bounce back because a press release was going to 9 be issued and the press release was going to say things are 10 better again, the transaction will close. 11 Let's go to the tape and take a look at what he says.

He tells Goel during this tape that, "We know because one of our guys is on the board." How can Mr. Rajaratnam be more clear as to where he is getting the information from that PeopleSupport is going to come out with good news after the bad news? You couldn't get more clearer than that. "We know because one of our guys is on the board."

18 Then he says, "We know they are going to put \$41 19 million in escrow." Now, they eventually don't put \$41 million 20 in escrow, but why is that number important? You heard 21 Mr. Rosenzweig testify they were talking about an escrow, and 22 they were talking about that ballpark amount of money. How 23 does Mr. Rajaratnam know that? He knows that because he got 24 that update from Panu. That's a detail that he learned from 25 Panu about how the deal was going, and that's material SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ3 Summation - Mr. Brodsky nonpublic information that he knows the deal is going to get 1 2 completed. 3 Now, he says, "It's a \$250 million deal, right?" That 4 was public information. That had been disclosed on October 4, 5 2008. But while no escrow was eventually required, you know 6 from that alone, that Panu was updating the defendant about the 7 secret talks on closing the transaction. 8 Let's go to the next page of this call. The defendant 9 says, "I know they are going to close before October 31 so I 10 can't buy any more because I own 25 percent of the company." 11 Let's take that first line. "I know they are going to close 12 before October 31." Well, that's something that the market 13 didn't know. The price was dropping because the market wasn't 14 sure they were going to close by October 31. But the 15 defendant, because he has got a guy on the board, he knows they 16 are going to close by October 31, and so what does he say? He 17 can't buy. He is acknowledging right there he can't buy 18 PeopleSupport stock, in the open through Galleon, but he could 19 secretly do it by going into Goel's Charles Schwab account, 20 typing in Goel's name and password, and buying it for Goel to 21 give Goel the benefit of the inside information. And that's 22 exactly what he does. 23 Let's look at the next slide. He says to Goel, "I 24 thought it was an opportunity for me to buy for you, right?" 25 Why did he think it was an opportunity for him to buy for Goel?

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Summation - Mr. Brodsky 14K8RAJ3 He thought it was an opportunity to buy because it was 1 guaranteed to make money. Why was it guaranteed to make money? 2 3 Because unlike everybody else in the marketplace, he had access 4 to a quy on the board of directors who was telling him what was 5 going on in those secret meetings and what was taking place 6 inside the board. And unlike everybody else in the marketplace, who was nervous about the financial collapse and 7 8 worried about what was going to happen to PeopleSupport not 9 being acquired, Mr. Rajaratnam wasn't worried at all because he 10 thought it was an opportunity to buy for Goel and make a 11 guaranteed amount of money. And that's exactly what happened. 12 Now, you know the information was actually secret 13 because right after the market closed, after he purchased 14 shares from Mr. Goel in that account during that call, right 15 after the market closed, the stock bounced right back. 16 Let's put up Government Exhibit 1121. After the 17 market closed, PeopleSupport then issued this press release, 18 calming the markets. This press release, after the market 19 closed on October 7, after Mr. Rajaratnam had purchased the 20 shares in Goel's account, calmed the markets because it said, 21 basically, closing is going to get done. We have worked out details. The transaction will get done. The stock price then 22 23 bounces back the very next day. And because of that -- let's 24 take a look at Government Exhibit 19 -- what does the defendant 25 make in Mr. Goel's account in a matter of minutes by logging on SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ3 to Mr. Goel's account? Nearly \$50,000 in a matter of minutes, 1 because he had an insider on the board of directors, unlike 2 3 anybody else, who was telling him what was going on, and he 4 made a guaranteed \$50,000 for his friend in minutes. 5 Now, why did Mr. Rajaratnam make these illegal trades 6 in PeopleSupport for Goel? You know he had done it before, 7 right? You know he had done it with Hilton in 2007, which we 8 will get to a little bit later. You know he had done it with 9 @Road when he got tipped by his friend who was the CEO of 10 @Road. So he had done this before in Mr. Goel's account, and 11 you know from 2005 to 2009 he had made him over \$700,000 in 12 Mr. Goel's Charles Schwab account. Why did he do it? Why did 13 he take this inside information and make those trades in his 14 friend's account? Because Goel was a friend, undoubtedly, and 15 because he wanted Goel to return the favor. He wanted Goel to 16 continue to provide him with inside information. By this point 17 Goel had provided him with good inside information on Clearwire 18 and good inside information about Intel's quarterly earnings 19 from Mr. Lenke, and that was a source who can continue to 20 provide him with good inside information. 21 Now, you know what happened eventually, right? You

heard Mr. Goel testify about it. Mr. Rajaratnam kept asking for inside information. And then at one point he berated him, he got angry with Mr. Goel, and he yelled at him for not getting access to the inside information, for not returning the SOUTHERN DISTRICT REPORTERS, P.C.

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	14K8RAJ3 Summation - Mr. Brodsky
1	favor. Mr. Goel testified he was very hurt by that. By that
2	point that was the relationship. Mr. Rajaratnam expected Goel
3	to get him inside information.
4	Now, to summarize the conspiracy between Mr. Goel and
5	Mr. Rajaratnam, you have the wire calls, where Goel gives the
6	defendant inside information about Clearwire. You have the
7	testimony of Sriram Viswanathan. You have the testimony of
8	Alex Lenke. You have phone records and trading records
9	corroborating everything Mr. Goel testified about. You have
10	the wire calls about PeopleSupport. You have the documents
11	reflecting Panu had the inside information. And you have the
12	trading records and the wire call. You know he is guilty of
13	conspiring with Goel to trade based on inside information, and
14	you know it from all of that evidence, and that he actually
15	traded Intel stock based on inside information in April 2007
16	based on inside information from Goel, and the defendant traded
17	Clearwire based on inside information from Mr. Goel on March 24
18	and 25, 2008. And you also know that Mr. Rajaratnam breached
19	his duty to PeopleSupport by taking the inside information from
20	his Galleon designee, and then making those trades and
21	\$150,000, approximately, in Mr. Goel's account.
22	Let's now turn to Mr. Rajaratnam's scheme with other
23	Galleon employees. This is basically the third of the five
24	schemes, and this is basically the conspiracy between the
25	defendant and some of his most trusted employees at Galleon.
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14K8RAJ3 Summation - Mr. Brodsky What is that scheme? The scheme is basically to go out, get 1 inside information, bring it back to Galleon, make trades, and 2 3 get rich together. That's the scheme. And how do you know the 4 defendant entered into this unlawful scheme with other Galleon 5 employees to get the inside information and trade based on it? 6 You know because, once again, you heard the powerful evidence 7 directly from the defendant's own voice and his conversations 8 with other Galleon employees in their own words scheming to get 9 the inside information, getting it, and then covering it up. 10 Let's start with the defendant's brother, Rengan 11 Rajaratnam. He worked at Galleon. And you know he was 12 involved with his brother in getting inside information. There 13 is Government Exhibit 509T from March 21, 2008, where you heard 14 Rengan and the defendant upset because they didn't get enough 15 Clearwire stock in before the Wall Street Journal article 16 speculated about what might happen. That clearly showed you 17 during that conversation that when Goel gave the equity splits 18 information and other inside information about the Clearwire 19 deal to the defendant, the defendant had told Rengan, because 20 Rengan on that call says, the Wall Street Journal doesn't have 21 the equity splits, they don't have all the details we have. 22 Now, that's not all. You also have that tape that we 23 talked about earlier today, Government Exhibit 559, the August 24 15, 2008 tape, in which Kumar tells the defendant AMD and 25 Mubadala have shaken hands. You have on that call -- after SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ3 Kumar tells the defendant, that's Government Exhibit 553, I 1 believe, Government Exhibit 559 is a subsequent call in which 2 3 the defendant tells Rengan exactly what he learned, that they 4 had shaken hands on the deal, and he was buying some AMD stock 5 for Rengan based on that illegal tip. 6 So all of that is great evidence that Rengan was 7 involved in the conspiracy to go out and get inside 8 information, and actually got inside information or exchanged 9 inside information with the defendant, and then he trades based 10 on it. But what are the three very, very important calls that 11 we should talk about? It's 562, 563 and 565. These are three 12 calls between the defendant and his brother, and as plain as 13 day, as blatant as you can get and as brazen as you can get, 14 they talk about trying to get inside information out of the 15 McKinsey consultant, not Mr. Kumar but another person. And 16 that other McKinsey consultant, who was a protege of Mr. Kumar, 17 they talk about the steps Rengan took to corrupt that McKinsey 18 consultant. 19 562T. Let's start with that. This call starts out 20 with Rengan, stating that he just met this young McKinsey 21 consultant, who had just made partner, someone who worked for 22 Kumar. And during that call, Rengan describes how this young 23 McKinsey consultant told him to buy AMD stock and the stock was 24 going to rip. Now, that gave Rengan the view, as he describes

25 in that call, that this consultant just told him on this call

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Summation - Mr. Brodsky 14K8RAJ3 that the stock of AMD is going to go up in value. And that 1 gave Rengan the signal and maybe this person is wrong to 2 3 provide them with inside information. 4 So on the next call that he has 563, we are going to 5 play this call, listen very carefully to this call. This is 6 Rengan calling the defendant back, and listen to how the words 7 between the defendant and his brother about their plot to 8 corrupt this McKinsey consultant. This is an important call. 9 It gives you a real window into what the defendant did with 10 Kumar, and it gives you a real window into his mind set and 11 state of mind about trying to get inside information. 12 (Audiotape played) 13 MR. BRODSKY: What does that exchange tell you? Well, 14 let's go over that. 15 You heard Rengan tell him that there was this McKinsey 16 consultant who worked for Kumar who mentioned AMD and how AMD 17 stock is going to do well. And you heard Mr. Rajaratnam say, 18 "What we want to do is get him. We want to be able to chat 19 with him." Meaning they want to be able to get inside 20 information out of him. How do you know that? Because the 21 very next words Mr. Rajaratnam tells you that. He says to Rengan, "If he is a little dirty." "If he is a little dirty." 22 23 That tells you right there the defendant's mind set. They are 24 going to be able to chat with this McKinsey consultant "if he 25 is a little dirty." What does that mean? It means if the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ3 Summation - Mr. Brodsky 1 consultant is willing to give them inside information, then 2 they are going to have a good relationship with him. 3 Now, how do you know that's true? Because Rengan 4 talks about during the call the problem that the consultant 5 says is all my best ideas are inside information. They actually use those words, "inside information." And there is 6 7 no better proof that that's what the defendant and his brother 8 want. 9 Later in the conversation Rengan said that he jokingly 10 suggested that they hire the consultant's wife to work as a 11 consultant for Galleon. You know why, right? You pay the 12 consultant's wife the money because it won't be in the 13 consultant's name. The same way they were able to pay Kumar in 14 this fictitious account name out in the offshore, they are able 15 to pay this consultant's wife, and therefore cover up the fact 16 that they are paying money to this consultant. 17 Rengan then said, after he said he jokingly suggested 18 it, that the guy was thinking about playing ball. And that 19 pleased them both. Why? Because they were talking about doing 20 what Mr. Rajaratnam did to Kumar, bribing this consultant, 21 through payments to the wife, to get inside information. 22 Now, it's what Smith testified they did with 23 Tomlinson, that they paid this guy Tomlinson from Intel because 24 he was going to give them the quarterly earnings, but Tomlinson 25 didn't get the money in his own name, he got it in some other SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ3 Summation - Mr. Brodsky name called Conexion. Well, this was business as usual. How 1 did the defendant react when Rengan was proposing to do this, 2 3 and when they were talking about whether the consultant is a 4 little dirty? The defendant didn't say, Stop this nonsense, we 5 are not paying people for inside information, we are going to 6 rely on our internal research. That's not what he said. He said on the call, Yeah, OK. 7 8 Now, within the hour, Rengan and the defendant continue their discussion, and let's play this call. It's 9 10 565TR. The backdrop to this call is that Rengan was concerned 11 that Anil Kumar was upset that here they were trying to corrupt 12 and get this McKinsey consultant, who was a protege of Kumar, 13 involved in this dirty business of getting inside information, 14 and Rengan was concerned Anil Kumar was going to get upset by 15 that. 16 (Audiotape played) 17 MR. BRODSKY: You heard on that call Rengan say, "I 18 was just using that as an excuse to pump information out of my 19 friend." Translation: I was trying to get inside information 20 from this McKinsey consultant. And he is concerned whether 21 Kumar was bothered by this. And Mr. Rajaratnam says, no, he 22 wasn't bothered by it. 23 And Mr. Rajaratnam doesn't say in response to Rengan 24 saying this, You shouldn't do that, what are you trying to do? 25 He says, "I understand what you're doing." And of course he

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14K8RAJ3 Summation - Mr. Brodsky 1 understood what Rengan was doing because that's exactly what 2 the defendant had done with Kumar. 3 Now, how could this not be more clear. At the end of 4 the conversation, Rengan says, "Scumbag, everybody is a scum 5 bag." Meaning, to use the defendant's own words in the prior 6 conversation, everybody is dirty, they are willing to give up this inside information. And you hear laughter between the two 7 of them. But this is not a joke. What you heard were the 8 9 defendant and his brother falling victim to greed, and they 10 thought everybody else would as well. 11 Now, there is no other rational explanation for this 12 call. There is nothing about Galleon expert research, news, 13 analysis, or anything like that. This was part of a conspiracy 14 to go out and get inside information, and you heard them 15 plotting to do it on that very call, those three calls. 16 Now, who else was part of this Galleon conspiracy with 17 the defendant? We won't review it again, but Government 18 Exhibit 524TR was that call between the defendant, Chellam and 19 Panu where they talk about that e-mail trail because Kumar had 20 given them that illegal tip of Spansion. And how else do you know there was this Galleon conspiracy? Because of the 21 22 powerful and devastating evidence that Rajaratnam traded 23 Goldman Sachs stock based on inside information. 24 Now, who gave the defendant inside information about 25 Goldman that the defendant then shared with others at Galleon? SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ3 Rajat Gupta, at the pinnacle of power, sitting on one of the 1 most prestigious boards of directors in the world, the board of 2 3 Goldman Sachs. And you know board members have strict duties 4 not to disclose confidential discussions taking place at the 5 board meetings until the company publicly announces it. You 6 heard that from Mr. Blankfein, who is the CEO of Goldman Sachs. You also heard it from Mr. Rosenzweig who is the CEO of 7 8 PeopleSupport.

9 Now, how do you know Mr. Gupta breached his duties and 10 disclosed material nonpublic information to the defendant about 11 Goldman's business? Because you heard him actually do it on a 12 call. In a July 2008 call, between Gupta and Rajaratnam, Gupta 13 didn't hesitate for a moment in telling the defendant about 14 what happened at a Goldman board meeting and about confidential 15 information regarding Goldman's strategic plans. It's 16 Government Exhibit 534TR. Remember, before this call, Goldman 17 Sachs had had a board meeting. This is weeks earlier. And 18 during that board meeting, as Mr. Blankfein explained, they 19 discussed strategic plans. What was Goldman going to do? And 20 one of the strategic plans they discussed was whether Goldman 21 was going to acquire a commercial bank or an insurance company. 22 Now, let's take a look at the transcript of a portion

of the conversation between Mr. Gupta and Mr. Rajaratnam in
 534TR.
 This portion of the transcript of that call, Mr.

This portion of the transcript of that call, Mr. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ3 Rajaratnam says, "There's a rumor that Goldman might look to 1 2 buy a commercial bank. You know? And you know this guy Bob 3 Steele, who was a senior guy at Goldman was under secretary." 4 Mr. Gupta says, "At Wachovia." 5 Mr. Rajaratnam says, "At Paulson and went to Wachovia and they have a large demand." 6 7 So they are talking about this rumor that Goldman might buy a commercial bank. 8 Mr. Rajaratnam then says, and here is the key, he 9 10 asks, "Have you heard anything along that line?" 11 And Mr. Gupta, who is on the board of directors of 12 Goldman Sachs, doesn't hesitate. He doesn't say in response to 13 this question: What are you talking about? You want me to 14 talk about Goldman Sachs board meeting? You want me to reveal 15 confidential information? I am a board member. I can't talk 16 about what Goldman Sachs' strategic plans are. No. What he 17 says in response is, "Yeah. This was a big discussion at the 18 board meeting." 19 Mr. Rajaratnam says, "Uh-hum." 20 Mr. Gupta then goes on to describe some of the 21 discussion, which we will go into. 22 That reaction and that response by Mr. Rajaratnam 23 tells you right there this was business as usual between these 24 two. This wasn't the first time Mr. Gupta was asked about what 25 was going on at Goldman. And this wasn't the first time that SOUTHERN DISTRICT REPORTERS, P.C.

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14K8RAJ3 Summation - Mr. Brodsky Mr. Gupta was disclosing what was going on at Goldman. This is 1 2 Mr. Rajaratnam asking for confirmation of a rumor. And why is 3 he asking for confirmation of a rumor? Because a rumor isn't 4 good enough to trade on. You don't trade on a rumor that 5 Goldman might buy a commercial bank. What you do is you go to the insider, the guy on the board of directors. You don't 6 7 trade based on a Fly on a Wall report that basically says, hey, 8 there's rumors out there Goldman might buy a commercial bank. 9 You trade based on the real fly on the wall, who is in the 10 board room meeting at Goldman, who knows exactly what Goldman 11 is going to do. Rajat Gupta. And that is who Mr. Rajaratnam 12 went to to find out what really is going on. And what you hear 13 is that Mr. Gupta didn't hesitate. And then he started to 14 reveal what the discussion was at the board meeting. Let's go 15 to that. 16 Mr. Gupta says, I would be extremely surprised if 17 there was anything imminent. This is after they talked about 18 whether they are going to acquire Wachovia. There was a 19 discussion that Mr. Gupta says they talked about possibly 20 acquiring AIG, an insurance company. Then, this is the portion

22 nothing imminent.
23 Now, why is that important? Why is it that an
24 insider, a man sitting on the board of Goldman Sachs, telling
25 somebody that this rumor out there about Goldman acquiring
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21

of the transcript on page 4 where Mr. Gupta reveals there is

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Summation - Mr. Brodsky 14K8RAJ3 somebody isn't imminent, why is that important? It's important 1 2 because that is what the CEO told you. Gupta violated his duty 3 right there and then. He was basically confirming a rumor that 4 Goldman was thinking about acquiring a commercial bank, 5 breaching his duty, and number two, he was telling him there is 6 nothing imminent. There is nothing that's going to happen 7 right away. That's information that nobody in the public has access to, except Mr. Rajaratnam by talking to Mr. Gupta. And 8 9 Mr. Blankfein told you Mr. Gupta on this call violated his duty 10 to Goldman Sachs, he breached his duty by disclosing this 11 information. 12 Now, surely, you will hear that Mr. Gupta had a great

reputation, and he accomplished a lot in his life. You don't get on the board of Goldman Sachs if you don't have a great reputation and you haven't accomplished a lot in life. But that doesn't change the fact that Mr. Gupta violated his duty on this call. Having a great reputation doesn't give you a free pass to violate the law. Nobody is above the law, no matter how good their reputation may be.

Now, how else do you know Mr. Gupta violated his duties to Goldman and disclosed material nonpublic information to Mr. Rajaratnam? You know because of the timing of Mr. Gupta's participation in a board meeting in September, and then a call to Mr. Rajaratnam, and then Mr. Rajaratnam placing a trade, and then Mr. Rajaratnam telling people at Galleon the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ3 1 reason he placed the trade was because he got that call from Gupta. Then you fast-forward another month later in October, 2 3 and you have the same thing all over again, the same proof, 4 which is overwhelming. Another call from Gupta to the 5 defendant, the defendant placing a trade, and then the next day 6 the defendant essentially bragging that he had this insider at 7 Goldman on the board of directors giving him this information. So let's go through that and show that evidence. 8 9 Let's take a look at the timing of the calls. 10 Before we do that, I want to back up one step and look 11 at September 22 and September 23. This is Government Exhibit 12 73. The key trade that of course we are all talking about is 13 right here, late in the day, that we will get to in a minute 14 blow by blow. I want to talk about the two trades in Goldman 15 Sachs before that, early in the morning on September 23, and 16 then the prior day September 22, 2008. 17 What do you see? Right here on this trade, September 18 22, 2008, there was a call between Gupta and Mr. Rajaratnam at 19 9:57 a.m. And less than an hour later, Mr. Rajaratnam is 20 buying 100,000 shares of Goldman Sachs stock. 21 Let's go to the next time Mr. Rajaratnam purchases 22 shares in this two day period. At 9:45 a.m., there is a call 23 between Galleon and Gupta. And four minutes later, Mr. Rajaratnam purchases 50,000 shares of Goldman Sachs stock. 24 25 These are not coincidences.

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Summation - Mr. Brodsky 14K8RAJ3 1 Now, let's go to the next one. Let's put up the next 2 slide and the next one after that. On September 23, 2008, you 3 know Mr. Gupta was on the Goldman Sachs board from 3:13 p.m. to 4 3:54 p.m. And you know what happened on that board because you 5 heard it from Mr. Blankfein. This was the board meeting on 6 September 23, and Mr. Blankfein said the board was signing off 7 and approving, at the time of this financial collapse in the United States, they were signing off and approving on great 8 9 news, that Warren Buffett, one of the most famous and 10 well-known and premier investors in history, was going to 11 invest billions of dollars in Goldman Sachs, and it was going 12 to send a signal to the marketplace, if Warren Buffett believed 13 in Goldman Sachs stock, then Goldman Sachs was safe from 14 collapsing. If you remember this time of year, people weren't 15 sure after the Lehman bankruptcy who was going to collapse 16 next. So there was a lot of rampant speculation in the 17 marketplace. Nobody knew what to think. And here you have 18 Buffett investing in Goldman Sachs stock. And that occurs from 19 3:13 to 3:54, the Goldman board approves of the deal, and 20 that's at 3:54, right before the end of the trading day. 21 Right then and there, 16 seconds later, who does 22 Mr. Gupta call? Mr. Rajaratnam. That's not a coincidence. 23 And what happens next? Two minutes later Mr. Rajaratnam buys 24 Goldman Sachs stock. Now, he puts in an order to buy 350,000 25 shares of stock worth \$43 million at that time, 3:58 p.m.

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14K8RAJ3 Summation - Mr. Brodsky That's a huge purchase of \$43 million based on a short call 1 with Mr. Gupta, right after Mr. Gupta got off the call of a 2 board meeting. You know why he was buying the stock. He was 3 4 buying the stock because Mr. Gupta had told him there is going 5 to be great news and Goldman's stock is going to rise, which is 6 exactly what happens. 7 Now, how else do you know this is what happened? Τf 8 this is all you have, you know exactly why Mr. Rajaratnam bought the stock. 16 seconds after Mr. Gupta is getting off 9 10 the board meeting and calling Mr. Rajaratnam based on the prior 11 call, and Mr. Rajaratnam is getting inside information from 12 Mr. Gupta about a board meeting, you know exactly what is going 13 on here. But if that wasn't enough, you actually have a 14 recorded conversation the next day, Government Exhibit 627TR. 15 In this conversation, Government Exhibit 627TR on page 1, Mr. 16 Rajaratnam says, "I got a call at 3:58 saying something good 17 might happen to Goldman." He is admitting to his trader, Ian 18 Horowitz, that he purchased the shares not based on anything 19 other than the fact that he got that call at 3:58 from 20 Mr. Gupta. He says it on the tape and admits it. So you know 21 exactly why he did it. 22 Now, let's talk about the timing of the call and the 23 trade on October 23 to October 24, it 2008. 24 Now, before we get to the next slide, you know on

25 October 23, Mr. Gupta had a call with Mr. Blankfein.

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Summation - Mr. Brodsky 14K8RAJ3 1 Mr. Blankfein testified he did these posting calls, right? That on occasion, when he felt he needed to update the board 2 3 members about significant information that's going on, he tried 4 to keep them posted on what is going on. And he had these 5 board posting calls with various board members on October 23, 6 and one of them was Mr. Gupta. And he had that conversation 7 with Mr. Gupta at 4:17 to 4:50 p.m. And during that call, 8 Mr. Blankfein told him the most significant piece of 9 information happening at Goldman at that time. And what was 10 that? For the first time in Goldman's history -- they hadn't 11 been around for more than 15 years, but for the first time in 12 Goldman's history, which is significant for Goldman, and 13 significant to the public marketplace, Goldman was losing \$2 a 14 share. Goldman had never lost money in a quarter before. And 15 at this point in the quarter they were losing money. And so 16 Mr. Blankfein was updating the board members that it's not 17 looking good for Goldman this quarter, we are losing \$2 a 18 share. And that's the purpose of this posting call. 19 What happens next after this call? At exactly the 20 moment, 23 seconds after getting off the call with 21 Mr. Blankfein, Mr. Gupta calls who else? The defendant. 23 22 seconds later. You know exactly what he was doing. He was 23 updating him about what happened at the Goldman Sachs board 24 meeting. You don't need to listen to that conversation to know

25 what was going on. And if that's all you had, you know exactly

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Summation - Mr. Brodsky 14K8RAJ3 what was taking place, but there is more. 1 How else do you know that Mr. Rajaratnam traded based 2 on this information? Well, this call ends at 5:03 p.m. between 3 4 Mr. Gupta and Mr. Rajaratnam. And the first available time 5 that he trades, when the market opens the next day, 9:31 a.m., 6 one minute after the market opens on October 24, he sells all 7 of his Goldman Sachs stock. That's after Mr. Gupta learned that Goldman Sachs was losing \$2 a share and that's after 8 9 Mr. Gupta tells Mr. Rajaratnam that news. 10 So you know it based on that, but how else do you know 11 it? What is the most powerful evidence that we have that Mr. 12 Rajaratnam learned directly from Mr. Gupta, who was breaching 13 his duty to Goldman, that Goldman Sachs was losing \$2 a share, 14 had zero revenues basically and large asset losses? Let's play 15 the call. It's Government Exhibit 678T. We are only going to 16 play a part of the call from page 2, lines 12 to 38. 17 (Audiotape played) 18 MR. BRODSKY: You hear Mr. Rajaratnam himself admit to 19 one of his fellow Galleon employees, line 14, "I heard 20 yesterday from somebody who is on the board of Goldman 21 Sachs" -- Rajat Gupta. You know that from the phone calls --"that they are going to lose \$2 per share." It's not publicly 22 23 available information. It's information directly from Rajat 24 Gupta, who learned it 23 seconds before he called the defendant 25 from Mr. Blankfein. SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14K8RAJ3 He then says, "The street has them making \$2.50." 1 2 What does that mean? You know from some of the testimony that 3 the street is Wall Street, and that's the consensus, the 4 general average view. The average view on Wall Street is at 5 this time Goldman is doing great, they are making \$2.50 a 6 share. The insider knows that's 100 percent not true. The insider Mr. Blankfein disclosing it to the insider Mr. Gupta, 7 8 Mr. Gupta revealing it to Mr. Rajaratnam, that they are 9 actually losing \$2 a share. So if you're holding Goldman Sachs 10 stock and you're a reasonable investor, of course you would 11 sell Goldman Sachs stock, but the ordinary average investor 12 doesn't have access to Mr. Gupta. So the ordinary average 13 investor who is holding Goldman Sachs stock doesn't know what 14 to do because the street is saying they are going to earn 15 \$2.50. 16 Now, Mr. Rajaratnam then says, "You know, I can get 17 that number, you know, the one they don't report until 18 December." What is the number he is talking about? The 19 quarterly earnings. And how can he get that number? He can 20 get the number from Mr. Gupta. 21 Now, he goes on to say, "They have these huge marks in 22 ICBC and all that stuff, is getting absolutely clobbered, you 23 know." 24 Line 28, Mr. Rajaratnam says, "So what he was telling 25 me was that Goldman" -- let's stop it right there. "What he

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Summation - Mr. Brodsky 14K8RAJ3 was telling me" means what Mr. Gupta was telling him. So what 1 2 Mr. Gupta was telling him was that the quarter is pretty bad. 3 "They have zero revenues." So that's Mr. Gupta telling him 4 they have zero revenues. And what do you know from 5 Mr. Blankfein's testimony? They had zero revenues at this 6 point. 7 Then he goes on to say, "Because their trading 8 revenues are offset by asset losses and to date they have lost 9 \$2 per share." 10 All of that is information, critical, material 11 nonpublic information from Mr. Gupta Mr. Rajaratnam is 12 admitting. 13 Now, there is no other rational explanation for the 14 timing of the calls, the timing of the trades -- the timing of 15 the call between Mr. Gupta and the board, the timing of the 16 call from Mr. Gupta to Mr. Rajaratnam, and the timing of the 17 trade from Mr. Rajaratnam after the conversation with 18 Mr. Gupta. There is no other rational explanation. And then 19 you have the wire calls. So there are no other rational 20 explanations that he got the information from Mr. Gupta. There 21 is no internal Galleon analysis. There is no Fly on the Wall 22 article about a Buffett investment or \$2 per share loss. 23 And Mr. Schutte's testimony about TARP and rumors that 24 Goldman might raise capital just doesn't make sense. Why 25 doesn't it make sense? Well, TARP wasn't the basis. You don't SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ3 order \$43 million of stock based on TARP, when it wasn't clear 1 which banks were going to get the money. Dozens of banks were 2 3 cleared to gain from TARP, including the Bank of America, and 4 Mr. Rajaratnam didn't buy any of those banks. Plus, on the 5 phone call the next day, he didn't say, I am buying Goldman 6 Sachs because of TARP. He said, I am buying Goldman Sachs 7 because I got a call at 3:58, and that call was from Mr. Gupta. 8 As for the capital raise, you saw that Galleon 9 received actual notices on September 22, the day before Mr. 10 Rajaratnam gets the call from Mr. Gupta and then makes the 11 trade, that Goldman expressly states there are not imminent 12 capital raises. So common sense tells you a professional money 13 manager doesn't make a huge bet based on nothing more than 14 rumors about what Goldman is going to do, especially when 15 Goldman is saying we are not raising capital. 16 And on the October trade, it's not because of ICBC. 17 Yes, he mentions in the call ICBC, but he is telling him it's 18 the \$2 per share loss that he learns from the Goldman Sachs 19 board member that's critical. And why doesn't the ICBC story 20 make sense? It doesn't make sense because, although it's not 21 on the defense trading chart -- you won't see it on the defense 22 trading chart in October relating to Goldman Sachs trading, 23 conspicuously absent and it's not there, but three days before 24

he sells all his Goldman Sachs stock on October 24, on October 25 21, 2008, when ICBC stock is a little bit above \$3, but below SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ3 \$4 from that \$5 of Hong Kong money in August of 2008, Mr. 1 Rajaratnam is buying Goldman Sachs stock on October 21, 2008. 2 3 So it's nothing to do with ICBC's calculations, predictions, 4 that Mr. Blankfein himself says you can't tell what Goldman 5 Sachs stock is going to do based on ICBC. 6 And those calls say it all. It's no coincidence that 7 the defendant said he got a call from a Goldman Sachs board 8 member and it lines up perfectly with the trading and the call. 9 Now, moving on from that, how else do you know there 10 were others at Galleon engaged in a conspiracy to trade based 11 on material nonpublic information? You know because of 12 Mr. Smith's testimony, which was corroborated by e-mails, a 13 recorded conversation with the defendant, phone records and 14 trading accounts. Mr. Smith testified that Kamal Ahmed tipped 15 him illegally about three deals. The first was the acquisition 16 of ICST by IDTI, the second was the acquisition of ATI, which 17 we already talked about, and the third was that bake-off with a 18 term sheet on that phone call where Mr. Smith tells Mr. 19 Rajaratnam, Hey, Kamal is giving us another illegal tip. He 20 doesn't use the word illegal, but basically that's the message. 21 Now, you know Smith told the truth about all of that 22 for the following reasons. 23 First, Kamal Ahmed worked on or had access to 24 confidential information about each of those deals in the same 25 office where the deals were taking place. That's not a SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ3 Summation - Mr. Brodsky 1 coincidence. 2 Second, Mr. Smith testified that he learned about the 3 acquisition of ICST by IDTI from Kamal Ahmed about one month 4 before a Morgan Stanley conference in March. 5 Now, Mr. Lynam challenged Mr. Smith repeatedly about 6 when he learned about it, but Mr. Smith consistently and 7 repeatedly testified that he learned about it from Kamal Ahmed 8 about one month before the Morgan Stanley conference. 9 Now, Smith didn't have his February 2005 phone 10 records. He just didn't have those. Who had those? The 11 government didn't have them at the time of Mr. Smith's 12 testimony. But, you know, after Mr. Lynam's cross-examination 13 we got them. 14 Let's put up Government Exhibit 282. April 4, 2011, 15 after Mr. Smith testified, days after Mr. Smith testified, the 16 government gets ahold of Mr. Smith's cell phone records for 17 646-206-2040 for the relevant dates. Now, obviously, Mr. Smith 18 didn't have access to these. And not surprisingly, what do 19 these records show? They show that Mr. Smith and Mr. Ahmed spoke on February 10, 2005 for nine minutes, completely 20 21 corroborating Mr. Smith's testimony as to the timing of when he 22 learned about the deal. 23 Third, the trading records corroborated because when 24 does Mr. Rajaratnam start purchasing ICST? No surprise. The 25 day after this call on February 11, 2005. So we have the call SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ3 Summation - Mr. Brodsky from Smith to Ahmed on the night of February 10. And then when 1 2 does Mr. Rajaratnam start buying ICST that year? The very next 3 That's not a coincidence. day. Fourth, Mr. Smith testified that he e-mailed Mr. 4 5 Rajaratnam updates. Those updates, those eves e-mails are 6 smoking guns. There is no other definition for those e-mails. There is no other better description. They occur throughout 7 8 the time Mr. Rajaratnam is holding his stock. We will show 9 them in a minute. But you see the eyes e-mails one after the 10 other after the other. There were three of them. And they 11 were e-mails from Smith to Rajaratnam telling him, without 12 disclosing what the eyes are, in coded language he is telling 13 him what is going on with the deal. 14 Now, let's put up the next exhibit. These are the 15 eyes e-mails, Government Exhibit 2454, 2455 and 2456. Why are 16 these smoking guns? Why are they such compelling, 17 contemporaneous, corroborative evidence of Smith's testimony? 18 Because you know that you're using the eyes as a code name. 19 You're not mentioning ICST, which stands for one eye, and IDTI, 20 which stands for the second eye. You're using a coded name. 21 And on the first one, on March 9, he says, "I had a 22 chance to update and we are still on track." That's coded 23 language, I spoke to Ahmed, we are still on track. I got an 24 update from him at the Morgan Stanley conference. 25 Then the second one, March 17, 2005, again described SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ3 Summation - Mr. Brodsky as eyes from Smith to Mr. Rajaratnam, "Game on." He mentions another stock ticker because he doesn't care, he doesn't have inside information about that one, but no, he is not going to mention ICST and IDTI, and he is certainly not going to mention Kamal Ahmed's name in this e-mail. "Game on," meaning the deal is going forward.

7 Finally, you have April 21, 2005. "The date is set for May 16." Why is that such a powerful piece of evidence, 8 9 for which there is no other rational explanation other than 10 Mr. Smith is getting inside information from Mr. Kamal Ahmed? 11 Why? Because you have internal Morgan Stanley documents right 12 around that time, right before this e-mail is sent, showing 13 that Mr. Ahmed is receiving information that the deal is going 14 to be announced on May 16. And is there any surprise that this e-mail says the date is set for May 16? How does Mr. Smith 15 16 know that? There is only one way he knows it. He knows it 17 from Kamal Ahmed. And in coded language of the eyes, he is 18 telling the defendant May 16 it's going to be announced.

Now, it shouldn't surprise anybody that right before what is believed to be the announcement date of May 16 -- we have another slide -- Mr. Rajaratnam buys and sells several hundred thousand shares. You see the arrow is right there. So that's days before May 16, Mr. Rajaratnam, no surprise, does what he does when he has inside information. He buys a couple hundred thousand shares and then sells it immediately. Why? SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ3 Because again, later on, if asked by regulators, he would say, 1 2 why would I sell my ICST stock if I thought there was an 3 acquisition? 4 Now, how else do you know? The sixth reason is 5 Mr. Smith testified that Ahmed told him the name of both the 6 acquirer and the company being acquired, ICST and IDTI. And 7 it's no coincidence that what Mr. Rajaratnam did was he went long or purchased shares of the company that was going to be 8 9 acquired. And often when that happens, when there is an 10 acquisition, company A that's acquiring company B, company A's 11 stock that's making the acquisition, their stock goes down; 12 company B's stock that's getting acquired for a premium, their 13 stock goes up. So you buy company B stock ICST, and that's what he did. And you short the stock of the company that's 14 15 going to acquire the other company, and that's exactly what the 16 defendant did. You remember also that Mr. Rajaratnam's trading was so 17 18 strange -- you heard this during some of the testimony on the 19 defense case -- that ICST's CEO actually questioned Mr. 20 Rajaratnam and said, you must have had inside information. 21 Seventh, the defendant asked Mr. Smith to create a 22 cover e-mail to justify the trades. How do you know that

happened? That's corroborated by Mr. Rajaratnam's own words doing the same thing to Mr. Panu and Mr. Chellam after getting that Kumar tip.

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Summation - Mr. Brodsky 14K8RAJ3 And, finally, what is the best evidence that proves 1 2 Mr. Smith told the truth about his illegal tips to Mr. 3 Rajaratnam from Kamal Ahmed? 692T. I am not going to play the 4 call. Again, you can ask for it. It's a recorded conversation 5 between them on May 1, 2008, and it completely corroborates 6 Smith. Let's go to part of the transcript. 7 During this part of the transcript, Mr. Smith gets on 8 the call. It's a call between Mr. Horowitz and Mr. Rajaratnam 9 about some trades they were making, and then Mr. Smith jumps on 10 and he starts whispering to Mr. Rajaratnam, if you remember 11 that call. He was whispering because he didn't want anybody 12 else to hear they are talking about an illegal tip. And Mr. Rajaratnam says, "Adam, how are you?" Mr. Smith says, "Listen, 13 I talked to Kamal last night." And then, line 26, "They bid on 14 15 a deal sheet for Vishay." 16 You don't hear Mr. Rajaratnam say, Kamal who? Bid on 17 who? What are you talking about? Absolutely not. What you 18 hear right here is Mr. Rajaratnam knows exactly who Kamal is, 19 knows he is an investment banker, knows exactly what a deal 20 sheet is. And Mr. Smith goes on to describe, it's private 21 equity, they lost, meaning they didn't get the mandate, they 22 are not going to represent Vishay in selling itself. But Kamal 23 Ahmed discloses to him, the deal looks phenomenal and they have 24 a willing seller, which is Vishay. The problem is, Mr. Smith 25 says, he is not going to be able to get updates. Kamal Ahmed SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ3 1 won't have updates because they are not going to be representing Vishay. That completely corroborates the account 2 3 of Mr. Smith. Mr. Rajaratnam doesn't react, who is Kamal, what 4 are you talking about? 5 And what else corroborates him? The phone records 6 show the night before this conversation Ahmed and Smith spoke 7 for 20 minutes. And the trading records, no surprise, within a 8 week of this call, Mr. Rajaratnam bought 650,000 shares for \$6 9 million worth of Vishay stock. Is that a coincidence? Of 10 course not. 11 Now, finally, what is the other corroboration in 12 Mr. Smith's testimony? The phone and trading records relating 13 to Xilinx completely corroborate Mr. Smith's account. Mr. 14 Smith was talking about how Mr. Rajaratnam would often say, I 15 am going to call Kris and get the update on the Xilinx numbers. 16 And we showed some trading records and phone records reflecting 17 the fact that that actually happened. 18 Were there other people at Galleon involved in the 19 conspiracy? Yes, there were. In addition to Rengan, Chellam, 20 Panu and Smith, Mr. Smith told you about Joe Liu's faxes to the 21 defendant with inside information about certain companies, like 22 Synaptics, and then there was that recorded conversation you 23 heard between Mr. Joe Liu, who is based out in Taiwan in the 24 Galleon office of sorts, and Mr. Rajaratnam. And during that 25 call it completely corroborates what Mr. Smith said Liu SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ3 provided, which was inside information about companies like 1 2 Synaptics. 3 Now, to summarize, you have wire calls again, you have 4 trading records, you have the smoking gun eyes e-mails, phone 5 records, all corroborating the testimony of Mr. Smith, 6 overwhelming evidence the defendant is guilty of conspiring 7 with others at Galleon to trade based on inside information. 8 So let's know turn to the fourth scheme. The fourth 9 of the five schemes is a scheme with Chiesi. 10 Now, what is the background of their relationship? 11 Chiesi was an analyst and a trader at another hedge fund called 12 New Castle Partners, and their relationship was based on the 13 exchange of inside information with one another. You heard 14 from the phone calls that Chiesi had sources at AMD, insiders, 15 IBM and Akamai, who provided her with corporate secrets 16 relating to quarterly earnings and other deals. And you know 17 from the evidence the defendant had multiple inside sources, 18 such as Kumar for example. And they exchanged inside 19 information with each other. 20 What was the proof that they entered into this 21 unlawful scheme? Again, it really starts with phone calls. On July 24 -- let's start with that one -- 2008, Chiesi learns 22 23 from her source at Akamai, an executive named Kieran Taylor, 24 that Akamai was going to guide down and the stock price might 25 fall to \$25. Chiesi called Mr. Rajaratnam to share that SOUTHERN DISTRICT REPORTERS, P.C.

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14K8RAJ3 Summation - Mr. Brodsky information. We will put up the phone records showing when she 1 got the information on July 24th and who she called next, and 2 3 you will see from those records you know exactly what is going 4 on. 5 At 8:41 p.m., Mr. Rajaratnam is talking to Ms. Chiesi that night on July 24, 2008. And for nine minutes they are 6 7 talking. And you see immediately that conversation ends 8 because Mr. Taylor is calling in at 8:52. 9 Now, you know what happened. Ms. Chiesi was on the 10 call with Mr. Rajaratnam, they are talking about information, 11 and all of a sudden Kieran Taylor is calling in, Ms. Chiesi 12 said, I've got to take it, that's my source at Akamai. 13 She takes the call with Mr. Taylor, talks to him for 14 15 minutes, and her first call right after she gets off the 15 phone is to her boss Mr. Kurland at New Castle Partners. So 16 she calls her boss first. And then who does she call 17 immediately after getting off the phone? She calls the 18 defendant, Mr. Rajaratnam. And she talks to him then at that 19 time. 20 Now, after talking to her boss, she immediately calls 21 the defendant, and we will play a portion of this call. You 22 will hear right at the outset Chiesi sharing the information 23 she got from the Akamai executive, and then we will talk about 24 it. 25 (Audiotape played) SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14K8RAJ3 MR. BRODSKY: After getting that call from Kieran 1 2 Taylor, the executive at Akamai, she calls her boss, and then 3 she calls the defendant, and that was the call in which she told the defendant, "I just heard from my quy," the quy Kieran 4 Taylor. "They are going to guide down," she says. And she 5 tells Mr. Rajaratnam, "They could go to 25," \$25 per share. 6 That was material nonpublic information. It was 7 8 information that an executive at Akamai had that wasn't 9 available generally to the public. And how do you know that? 10 From Mr. Rajaratnam's own words, "nobody expects it," he says 11 in that call, "nobody expects it." 12 Now, Mr. Rajaratnam says he is already short the 13 stock. And that's true. He is a little bit short the stock. 14 But after getting this inside information from Ms. Chiesi, who 15 is getting it from her guy at the company, which was much more 16 specific, much more reliable, much more accurate, he then takes 17 a trading position that nearly triples his short position in 18 the stock. 19 During this call, we didn't play it but we can put up 20 a slide, you know J.D. Sherman, Akamai's CFO, said that 21 Akamai's poor results were a surprise and the marketplace 22 didn't expect it. Mr. Rajaratnam was saying, nobody expects 23 it. 24 Then for the next slide, Mr. Rajaratnam advises Chiesi 25 to short the stock, but remain radio silent. Remain radio SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ3 silent. Why does he tell her to keep quiet about this secret 1 information? Because they want to take advantage of the 2 3 ordinary average investor in the marketplace who doesn't have 4 access to this information, remain radio silent and they can 5 benefit and they can make some money. How do you know he 6 traded based on this secret information when he was already a little bit short the stock? How do you know that? 7 8 Let's look at Government Exhibit 42. You see Mr. 9 Rajaratnam is already short the position in Akamai. He has 10 300,000 shares short. After the call, in the next coming days, 11 he shorts from 300,000 to 875,000 shares. His conviction 12 level, as they like to call it at Galleon, just went through 13 the roof because he has got an insider at Akamai telling his 14 partner in crime Chiesi that Akamai is going to guide down. 15 That's an extraordinary increase in the short position how. 16 How else do you know Mr. Rajaratnam traded based on 17 Chiesi's information? How else do you know? Because Mr. 18 Rajaratnam thanked her. Akamai guided down, its stock tanked, 19 and Mr. Rajaratnam thanked her. 20 Let's play that portion of the call. It's Government 21 Exhibit 543T. 22 (Audiotape played) 23 MR. BRODSKY: That's thank you for the inside tip 24 about Akamai guiding down. That's thank you because I tripled

25 my short position right after the call. And that's thank you SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ3 Summation - Mr. Brodsky 1 because I just made millions of dollars by tripling my position 2 after your call. 3 How else do you know he traded based on Chiesi's 4 information? Look at the strikingly similar pattern between 5 Rajaratnam's trading and Chiesi's trading at New Castle right 6 after this tip. 7 Let's put up Government Exhibit 41. It shows Mr. Rajaratnam after that call shorting 200,000, 250,000, 8 9 repeatedly, and then some put options. Again, put options were 10 basically shorts on steroids. They're basically betting the 11 company is going to really go down. And you have it trading 12 from July 25, 29 and 30 shorting the stock. 13 Let's put up Government Exhibit 43. Once again, you 14 have Ms. Chiesi at her place shorting the stock, doing put 15 options during the same period of time, from July 25 through 16 July 30, 2008. 17 And when Akamai's stock price crashed, both of them 18 made millions of dollars. Let's put up Government Exhibit 44 19 and 45, the summary charts, showing Mr. Rajaratnam's Galleon 20 tech fund made over \$5 million and Ms. Chiesi's New Castle Fund 21 made over \$2 million. And the profits here are the profits 22 just from the increase in the short position. They don't 23 include the little shorting that Mr. Rajaratnam did before he 24 got the call from Chiesi. 25 Now, how do you know Chiesi's source, the Akamai

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Summation - Mr. Brodsky 14K8RAJ3 executive, had breached his duty of confidentiality when he 1 disclosed the information to Chiesi? You know because Chiesi 2 3 said, her quy had just told her Akamai was to quide down, and 4 the telephone records corroborate she was speaking to Kieran 5 Taylor right before she called her boss and then the defendant. 6 And what did the evidence show about the benefit to 7 Mr. Taylor by disclosing this to Chiesi? After the call we 8 just reviewed, the FBI obtained court authorization and 9 obtained a wiretap on Chiesi's phones, and there were a couple 10 of calls that reflected the relationship between Chiesi and 11 Taylor, and showed that Taylor received illegal stock tips from 12 Chiesi, and that's why he was motivated to provide her with 13 information, and he also offered her information as a gift. 14 Government Exhibit 698T on September 9, 2008, page 4. 15 Here is Danielle Chiesi, basically a little pay back for Mr. 16 Taylor, now a few months later in September 2008. "I've got a 17 big deal, the Dubai deal, and I've got a lot of different 18 things working, and I think you can get a double on this, and 19 the stock is trading below 6, I got at 10." They are talking 20 about the AMD Mubadala, and she is disclosing to him what she 21 knows, they've got inside information that this is a good stock tip, she gives it to him. And he said, "OK, good, I really 22 23 appreciate that, Dani, thank you so much." 24 So that's a thank you in exchange. I have given you 25 the Akamai tip. This is part of their relationship. She is

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Summation - Mr. Brodsky 14K8RAJ3 1 giving him now in exchange an illegal tip on AMD. 2 Let's go to Government Exhibit 703T, page 3 of the 3 transcript. This is on October 10, 2008. During this call, at 4 the bottom, Mr. Taylor says, "I have a major present for you." 5 Let's go to the next page. They talk about what the 6 present would be. Line 3, Taylor repeats, "I have a major 7 present for you." 8 Then if we highlight line 11, "Information is the 9 present." 10 And Ms. Chiesi, her response on line 17, "Well, that 11 is a great present." 12 And Kieran Taylor goes, "Yeah, I know, I know." 13 Ms. Chiesi then says, "I love you." 14 That's part of their relationship. Mr. Taylor is 15 disclosing information to Ms. Chiesi. Sometimes he got illegal 16 stock tips and sometimes he just gave it to her as a gift. 17 Now, you know in addition there are all those recorded 18 calls showing Chiesi was exchanging inside information about 19 this Mubadala investment in AMD before October 7, 2008, before 20 the announcement. Kumar was tipping Rajaratnam. Rajaratnam 21 was sharing that information with Chiesi. Chiesi was getting information on the deal from Hector Ruiz, who was on the board 22 23 of AMD, and she was sharing that information with Mr. 24 Rajaratnam. And they were exchanging that information with 25 each other. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ3 You remember Government Exhibit 553TK. That was the 1 conversation when Mr. Kumar relayed to Mr. Rajaratnam they have 2 3 shaken hands. Minutes later, 554TR, Rajaratnam calls Chiesi to 4 talk about that investment in AMD, and they exchange inside 5 information. And how do you know they knew they were getting 6 secret information from each other that no one else had access 7 to? Because you heard Mr. Rajaratnam's advice to her. 8 Let's go to that. He basically says, I think the 9 stock could go to \$10, but we need to keep this radio silence. 10 What did he mean? Once again, he meant the announcement of the 11 deal in which Mubadala would invest 6 to 8 billion dollars in 12 AMD, with IBM's technology, could double AMD's stock price. 13 That's what he expected at the time. He thought with this 14 inside information, they expected AMD stock to rise to \$10, and 15 they would make a ton of money. Of course, they ran into the 16 financial collapse, and who could expect the greatest financial 17 collapse since the Great Depression to occur? Nobody. 18 The defendant wanted radio silence because he didn't 19 want this information getting out. 20 Now, there is another example of a call between Mr. 21 Rajaratnam and Ms. Chiesi. That's 594TR. August 27, 2008. 22 Let's put up part of the transcript on page 2, where Ms. Chiesi 23 asks, "Do you think that I should be showing a pattern of 24 trading AMD?" And Mr. Rajaratnam responds, "I think you should 25 buy and sell, buy and sell, you know."

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Summation - Mr. Brodsky 14K8RAJ3 Once again, that's that same pattern. You saw it 1 2 before. Mr. Rajaratnam had been using it since 2006, since the 3 ICST tip. Your common sense tells you they are talking about 4 creating a pattern of buying and selling because they know they 5 have inside information, and they need to manufacture a defense 6 just in case the government starts asking questions. 7 The conversation then goes on and Chiesi says her fear 8 is the stock price is going to go to 30 percent. And Mr. 9 Rajaratnam says, that's an opportunity. Don't be afraid. 10 That's great. And he tells her then, this is why you have to 11 keep it quiet. And she says again, she fears being 12 investigated. And he tells her, I would trade, I would sell 13 250, meaning 250,000, and buy 250,000. That's line 39. Again, buy and sell, buy and sell, that will protect you in case the 14 15 authorities come calling. 16 Then the next slide. The conversation then continues 17 and Ms. Chiesi says, she is not going to do any options because 18 of red flags to regulators that there might be some illegal 19 business going on if you do it right before an acquisition or a 20 major announcement by AMD. 21 Then they go on to discuss, Rajaratnam says, "On 22 Akamai or IBM, anything, be radio silent." What he knew there 23 is that Chiesi was giving him inside information, and he wanted 24 her to be radio silent about it, don't let their secrets out

25 into the marketplace.

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Summation - Mr. Brodsky 14K8RAJ3 Mr. Rajaratnam then goes on to say, in the next line, 1 "Like, you know, I get S-H-I-T on lots of companies, right?" 2 3 What did he mean by that? It meant he got secret information 4 from lots of companies. 5 Now, there is also a later recorded conversation that 6 further proves that Rajaratnam and Chiesi were exchanging 7 inside information. This one is 625TR. It's September 23, 8 2008, and during this one they talk about what their insiders 9 have told them regarding the announcement of the AMD deal. 10 Let me give an example. On page 2, lines 5 through 7. 11 Mr. Rajaratnam says, "Because I found out it's not going to be 12 till October. First I thought September." So there is the 13 defendant giving his information that he learned from Kumar. If we go to page 2, Mr. Rajaratnam goes on to say --14 15 you remember he asked Kumar to find out AMD's quarterly 16 earnings numbers, what's going on with that? This is Mr. 17 Rajaratnam providing the numbers. 18 Let's go to page 3. Mr. Rajaratnam then goes on to 19 provide the numbers. I think actually on this call, Mr. 20 Rajaratnam got the numbers, but I don't think they were from 21 Kumar. He got the numbers from AMD, and he is providing these numbers to Ms. Chiesi. And he is bragging on page 3, lines 41 22 23 to 43, he is the best on AMD now. What does he mean by that? 24 He means that although Chiesi had her source who was on the 25 board of directors of AMD, who was giving her good information, SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ3 Summation - Mr. Brodsky he had better sources, and he could challenge her for getting 1 2 inside information. 3 Then the next slide, they compare notes about who had 4 access to the best secret information regarding AMD, IBM and 5 Akamai. 6 All these conversations show exactly what Rajaratnam had told Kumar about Chiesi. You remember his testimony on 7 8 this point. Kumar had learned from Mr. Rajaratnam that Chiesi 9 and Ruiz had an intimate relationship, and that Mr. Ruiz was 10 disclosing secret information to Chiesi, which Chiesi in turn 11 provided to the defendant. And the defendant told Kumar that 12 Chiesi was able to get AMD's quarterly earnings from Ruiz. In 13 fact, the secret information that Chiesi got from Ruiz was so good and so frequent in 2007 and 2008, Mr. Rajaratnam told 14 15 Kumar that the value of his information, because he was able to 16 get information from AMD because Kumar's client was AMD, the 17 value of Kumar's information was dropping a little bit because 18 Chiesi was able to get similar secret information from her 19 source. 20 So to summarize once again, we have got wire calls, 21 recorded conversations that are powerful evidence of the 22 defendant's guilt. You have got the trading records, you have 23 got the phone records, you have got Kumar's testimony, all of that consistent with each other, with the timing of the trades 24 25 and calls, all proving the defendant is guilty of the

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Summation - Mr. Brodsky 14K8RAJ3 conspiracy with Chiesi, and then you have the actual trading in 1 2 Akamai, the tripling of the short position right after getting the tip from Akamai. 3 4 Let's turn now to the last of the five schemes, Mr. 5 Rajaratnam's scheme --6 MR. BRODSKY: This might be a good time to break. 7 THE COURT: We will adjourn until 2:15. (Jury exits courtroom) 8 9 THE COURT: Mr. Brodsky, do you have an estimate of how much more you think you have? 10 11 MR. BRODSKY: I slowed down a little bit because I got 12 tired. I think if I had to estimate, I would probably say an 13 hour and a half. 14 THE COURT: All right. THE COURT: We will start again at 2:15. 15 16 (Luncheon recess) 17 18 19 20 21 22 23 24 25 SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4 Summation - Mr. Brodsky
AFTERNOON SESSION
2:20 p.m.
THE COURT: Mr. Brodsky, would you continue?
MR. BRODSKY: Thank you, your Honor.
So for the remaining balance of my time, what I would
like to talk about with you is the conspiracy, proof, the
overwhelming proof relating to we went through the
overwhelming proof relating to the first four schemes, the
scheme with Kumar, the scheme with Goel, the scheme with
Galleon and Ruiz, the scheme with Chiesi. Now I'd like to
speak about the scheme between the defendant and Roomy Khan,
then I'd like to talk a little bit about the cooperating
witnesses that you heard, a little bit more about the
techniques that the defendant used throughout his conspiracies
to try to cover up his crimes and then a little bit about
materiality, benefit and non-public information and then
conclude.
So let's turn to the last of the five schemes charged
in the indictment, Mr. Rajaratnam's scheme to exchange inside
information with Roomy Khan. What did the evidence show about
that scheme? What it showed is that Ms. Khan had worked for
Galleon in the past, and then started to trade stocks for her
own personal account. And Ms. Khan, Roomy Khan and
Mr. Rajaratnam communicated about stocks frequently, sending
each other instant messages that they wanted to speak by
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Summation - Mr. Brodsky 14KFRAJ4 telephone. The evidence shows that Roomy Khan tipped 1 Mr. Rajaratnam about three secret events; the acquisition of 2 3 Hilton in July 2007, the disastrous quarterly results of Google 4 in that same month, July 2007, the good news about Polycom's 5 quarterly results in January of 2006. So we'll talk about each 6 of those three. 7 So here, unlike the other four schemes, because this 8 took place in 2006 and 2007, there are no recorded conversations, no wiretaps. But what the evidence that is left 9 10 behind is the trail of electronic communications, the timing of 11 the telephone calls, the trades and the pattern that's 12 reflected in each, and some of the contents of the 13 communications between the defendant and Roomy Khan. 14 So if we put up the slide, what we have here, the next 15 slide, what we have here is with respect to this, Ms. Khan was 16 getting inside information from Deep Shah relating to the 17 acquisition of Hilton; Polycom from an insider, Sunil Bhalla 18 and for Google Shammara Hussein who worked for Google's outside 19 marketing firm, and exchanging that information, providing that 20 information to Mr. Rajaratnam, who was giving her inside 21 information. 22 So we'll go through each of those. I'd like to start 23 first with the acquisition of Hilton. You learned from Peggy 24 Holloway, who works for Moody's, that Moody's learned about the 25 acquisition of Hilton before it was public, before it was SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 announced by Hilton. And that's because Moody's places ratings 1 on, among other things, the debt of publicly traded companies. 2 3 Hilton was one of those companies. So Moody's often learns 4 secret information from companies like Hilton and it's under a 5 clear obligation to keep that information secret. 6 Moody's learned a very exciting and surprising secret on July 2, 2007. At about 2:20 p.m. that day, Ms. Holloway 7 8 testified that she learned from Hilton that Hilton was going to 9 be acquired, and it was going to be at a large premium, at a 10 price much higher than where the price was traded and the deal 11 was going to be announced within 36 hours. This was going to 12 be an extremely quick announcement, from the time Ms. Holloway 13 learned the news. The market closed the next day, on July 3rd, after the market closed on July 3rd. That's what Holloway 14 15 testified to and that's what the phone records showed, that at 16 about 2:20 p.m., Holloway got a call from Hilton. 17 Now, Holloway and her team had to work on the 18 transaction to make it happen fast and Shammara Hussein -- I'm 19 sorry, Shammara Hussein worked with the marketing firm -- Deep 20 Shah worked with Ms. Holloway at Moody's and Deep Shah was 21 pulled into the matter. Deep Shah didn't learn about the 22 acquisition and the timing until the next day. 23 You know from phone records that Deep Shah and Roomy 24

24 Khan had a close relationship. How do you know that? You know 25 because they spoke at least 119 times during the first seven SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 months of the year 2007. That averages to about 17 calls a 1 month. So you know you're talking to somebody 17 times a 2 3 month, that's a person that you have a close relationship with. 4 Within 40 minutes of Ms. Holloway getting off the phone with 5 Hilton, Ms. Holloway speaks to Deep Shah about the acquisition 6 of Hilton, about work that Deep Shah is going to have to do and Deep Shah called Ms. Khan. Let's look at Government Exhibit 7 8 48. That shows that from 2:20 to 2:27 p.m., Ms. Holloway is on 9 the phone with Hilton, that's when she's learning about the 10 acquisition. It's secret. It's not public. It's material. 11 It's important. It's about to be announced after the market 12 closed on July 3rd. 13 Deep Shah then calls Roomy Khan shortly after that, at 14 3:06 p.m., again at 3:10 p.m. and again at 3:14 p.m. Now, how

15 do you know Deep Shah told Ms. Khan about the acquisition of 16 Hilton? You know because Roomy Khan started buying Hilton 17 stock at exactly the same time she's on the phone with Deep 18 Shah at 3:14 p.m. That's not a coincidence. At 3:14 p.m. she's 19 on the phone with Deep Shah, who just learned about this 20 acquisition and that's exactly the same time Roomy Khan is 21 buying options, which again is buying basically purchasing 22 shares on steroids, buying these huge options to make a lot of 23 money if the acquisition is announced. You know from that call 24 based on the timing alone Deep Shah told that information to 25 Ms. Khan. And she didn't just buy, she bought options. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 Now, why was that a good bet? It was a good bet for 1 2 her, because if you know Hilton is going to be acquired and at 3 a significant premium, you're going to make a ton of money once 4 you buy those options. 5 What happened next? Within 40 minutes of learning 6 Hilton was going to be bought out the next day, Ms. Khan called 7 the defendant and she tried to reach him several times. That's again in Government Exhibit 48. She finally reaches him at 8 9 4:02 p.m. after the market closes. What did she tell him? How 10 do you know that she told him to buy Hilton? You know because 11 it's exactly what the defendant did only five minutes after the 12 market opened the next morning, that's Government Exhibit 50. 13 He bought 400,000 shares of Hilton stock at an average price of 14 \$35 a share, or \$14 million worth of stock. Now, call option activity went up after, on July 2nd, 2007 and July 3, 2007 and 15 16 you know why. The call option activity went up because Deep 17 Shah called Roomy Khan and she bought call options and she was 18 tipping her people she was exchanging information with, 19 including the defendant, Rajaratnam. 20 Now, the evidence shows the defendant never bought, 21 never purchased Hilton stock before and that's another way you 22 know that Ms. Khan told Mr. Rajaratnam Hilton was going to be 23 acquired. If you look at Government Exhibit 52. That shows 24 that during that entire year he had never, ever purchased

25 Hilton stock before. He just so happened to purchase it after SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 a call from Roomy Khan, after Roomy Khan purchased it at the 1 same time she's on the phone with Deep Shah. Now, you know 2 3 during cross-examination the defense counsel introduced some 4 trading records of Hilton that year, those 13F SEC filings that 5 showed some purchases in Hilton by Galleon. What we've already 6 demonstrated through the trial is that none of those purchases were by the defendant Rajaratnam. None of them. So those 7 8 documents are completely irrelevant. 9 The defendant's paid expert basically said that 10 Rajaratnam's fund traded at times in non-tech stocks, as if 11 that showed that the defendant's trades in Hilton weren't 12 unusual. But that's not exactly right. We're not suggesting 13 that Mr. Rajaratnam didn't trade non-tech stocks in his tech 14 fund. You know he was trading Goldman Sachs stock quite a bit, 15 and all of those trades are non-tech stocks. So it's not 16 surprising that he was trading Goldman Sachs stock in his tech 17 fund because he was doing that quite frequently. 18 What's surprising here, what's very unusual here, is 19 that he had never traded Hilton stock before, and he only does 20 it, he buys 14 million shares after getting off the phone call 21 with Khan, the first thing available the next morning. That's 22 not a coincidence. How else do you know he was trading, got 23 the information from Ms. Khan, besides we'll talk about the 24 same strikingly similar pattern over and over again for the

25 next two stocks. He didn't just buy for his own book. He also

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14KFRAJ4 Summation - Mr. Brodsky bought for Rajiv Goel in the Charles Schwab account. 1 2 Now, why is that important? It's another piece of 3 evidence that told you he had a guaranteed to win bet. He had 4 the inside information and the guaranteed win to win bet, he 5 decided to give it to Mr. Goel and that's why he traded in 6 Mr. Goel's account, because it was guaranteed to win, and he 7 told Mr. Goel when he went to France, he went on vacation with 8 him in France on that July 4 weekend, that he had made him 9 money on that Hilton Hotels trading in his account. So that's 10 further evidence of the tip. And they made a lot of money 11 within hours of the announcement of the market close. Take a 12 look. Government Exhibits 55, 54 and 56 showed how much money 13 was made in a very short period of time after Deep Shah was 14 talking to Roomy Khan. 15 Let's talk about the Google quarterly earnings that 16 same month. You learned from Joanne Horn, who ran Google's 17 outside marketing firm, who helped prepare Google before the 18 company's earning releases, that in July 2007, same month, 19 before Google released its earnings to the public, Ms. Horn 20 found out that Google was going to break the golden rule, 21 Eric's golden rule at Google. It's called Eric's golden rule because at the time the CEO of Google was Eric Schmidt and the 22 23 golden rule was you always want to release quarterly earnings 24 the next quarter that beats the prior quarter. So if we're in 25 July 2007 we want to announce that we beat earnings in the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 previous quarter that we released in earnings in April of that 1 2 year. So that was Eric's rule. So this were going to shock 3 the marketplace, because they never violated Eric's rule 4 before, and Wall Street was not expecting it. 5 You know from the phone records and the Fed Ex package 6 that Shah and Hussain had a close relationship. The phone 7 records show that Shamarra Hussein who, again, worked at the 8 outside marketing firm for Google, who learned the information 9 spoke to Ms. Shah 150 times at least that year. That's over 20 10 calls a month. So you know if you talk to somebody over 20 11 calls a month, you have a relationship with them that's more 12 than just casual. And the phone records show Ms. Hussein 13 learned Google was going to learn the bad results for the 14 quarter and there was significant contact between Shammara 15 Hussein and Roomy Khan right after learning it. 16 Let's look at Government Exhibit 58, summary chart in 17 evidence, showing that between July 5 and July 12, there were 18 eight calls between them and of those calls several were 19 lengthy, ten minutes each. On July 12 at 9:01 a.m. Hussain and 20 Khan spoke for five minutes, and on that very day, Ms. Khan bet 21 that Google's stock price was going to fall quickly. She 22 bought a hundred put option contracts, basically betting the 23 price of the stock would drop. The next day she called the 24 defendant and that's at July 12, July 13 from 1:17 p.m., they

25 spoke for 22 minutes, from 1:17 p.m. to 1:39 p.m. and this is

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Summation - Mr. Brodsky 14KFRAJ4 significant. At that point, that very point, either Ms. Khan 1 was still on the phone or the call had just ended, at that very 2 point towards the end of the call, Mr. Rajaratnam sent his 3 4 trader, Ian Horowitz, an instant message - sell all the Goog in 5 all accounts, reached my price target. 6 At that point Mr. Rajaratnam reversed his position. 7 Heading into the quarter he was betting at that very moment 8 that Google's stock price was going to go up. He held 135,000 9 shares of Google worth about \$74 million. That was a strong 10 position in favor of Google's earnings going up. Right at the 11 moment of this call with Khan he made 180-degree reversal. He 12 not only sold all that stock, but he then quickly placed a huge 13 bet that the stock would go down. That's not a coincidence. 14 He shorted about \$25 million worth of stock and he also bought 15 some options betting that the stock would go down within a 16 short period. Take a look at Government Exhibit 61. That's a 17 \$100 million swing, right here at the very point that he gets 18 off the phone call with Roomy Khan. Either he's still talking 19 to her or it's at the very end of that conversation. 20 Now, how do you know the defendant didn't trade based 21 on that internal Galleon research and the price target? Well, 22 because for three main reasons: It doesn't fit with the timing 23 of the calls between Ms. Khan and Mr. Rajaratnam.

24 Mr. Rajaratnam didn't sell the Google stock and start to bet it 25 would go down until that very point that he talks to Ms. Khan. SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4 Summation - Mr. Brodsky 1 Second, reaching a price target doesn't mean you sell 2 all your stock, everything you got, \$74 million and you go completely the opposite direction and you short it big for 3 4 25 million. That's not reaching a price target. How do you 5 know that's true? You know that's true because Schutte took 6 the stand and Schutte actually traded Google that quarter, and 7 Schutte, he sold some stock on July 13, but before the earnings 8 were announced by Google, he bought stock. He actually bought 9 Google stock, doing something completely different than the 10 defendant. 11 What other evidence is there that the defendant's 12 trading was based on Khan's tips about Google? You have phone 13 records showing that the defendant and Khan continued to speak 14 from July 16 to July 19, and during that period of time both 15 were trading in the same pattern. They both bet that the stock 16 price of Google would go down and they both bought put options 17 to make that bet. After Google announced its bad results the 18 stock price dropped a lot and Rajaratnam made over \$18 million 19 in profits and losses avoided and Ms. Khan made over \$500,000. 20 And on that very day that Ms. Khan made that money, she then 21 sent that Fed Ex package to Shammara Hussein. When she sent 22 that Fed Ex package -- this is important. When she sends this 23 Fed Ex package, she doesn't put her own name on it. She puts 24 the name Marlene and it's the day after Google's announcement. 25 It's the day after when she's made this \$500,000, and this Fed SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 Ex package arrives for Ms. Shammara Hussein. That's directly 1 2 connected to Hussein's illegal tip to her about Google's bad 3 earnings. 4 How do you know Mr. Rajaratnam traded based on Khan's 5 Google tip and how do you know he knew Khan was getting the 6 information, it was inside information? Take a look at what 7 the defendant himself told Anil Kumar at the time. Let's put 8 that up. This is Mr. Kumar's testimony, page 408 of the 9 transcript. "Rajaratnam told me that Google was going to have 10 a very bad quarter, that he had some special information. He 11 seemed quite excited about knowing that and that they were 12 going to, contrary to sort of popular belief on Wall Street, 13 that he knew they were going to do badly and he said, you know, 14 I'm going to short Google to make money out of it." 15 Now, special information isn't your usual research. 16 Special information isn't your typical analysis. Special 17 information isn't Steven Granoff, who's been there for only two 18 quarters in 2007, just got hired only six months earlier, doing 19 some analysis basically saying Google long-term target \$650. 20 Special information is inside information and he's telling that 21 to Kumar who is providing him with inside information. 22 What else he says is very interesting. He says he 23 knew they were going to do badly. It's not like he said to 24 Kumar I don't know if they're going to do badly, my analysis 25 tells me this, I read it in the newspaper. No, he knew. He SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 knew because he had the inside information from Roomy Khan. 1 That special information was that Google was going to miss 2 3 earnings, and that's what excited the defendant. It wasn't 4 fundamental research. 5 Let's talk about Polycom. It's the same pattern. You 6 learned from Laura Durr that Polycom in January 2006 was going 7 to announce it had record revenues and that its outlook for the 8 year was much better than Wall Street expected. Now, that 9 again was secret information. Sunil Bhalla, corporate 10 executive at Polycom, had access to that information. Now, 11 Bhalla had a duty not to disclose that information, that good news, to anyone, but he did. And he had a financial incentive 12 13 for doing so. He had given Roomy Khan access to his trading 14 account, and by giving her access to his trading account, she 15 was trading in Mr. Bhalla's account making money for him, and 16 by giving him, by Mr. Bhalla breaching his duty and giving 17 Roomy Khan the inside tip that Polycom was going to do record 18 revenues, that was payback for this trading relationship. 19 Now, it's sort of like the defendant trading in 20 Mr. Goel's account and to give him benefits with one slight 21 difference. You saw the paperwork Roomy Khan actually filled 22 out, official forms to get the authority to trade in 23 Mr. Bhalla's account, the difference being Mr. Rajaratnam 24 didn't do that. What he did was he just got Mr. Goel's ID and 25 password and went in there secretly without anybody other than SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4 Summation - Mr. Brodsky Mr. Goel and Mr. Rajaratnam knowing that he was trading in the 1 2 account. So in exchange for using the inside information to 3 make money for Bhalla in his trading account, Khan expected and 4 received inside information from Bhalla about Polycom's 5 quarterly earnings. 6 How do you know the defendant knew this? You know 7 from a very key instant message that Khan sent to Rajaratnam. 8 Government Exhibit 64. If we blow up the first box. On 9 January 9, 2006 Khan sent Rajaratnam an instant message, "Do 10 not buy Polycom until I get guidance. Want to make sure 11 guidance okay." Why is that significant? What does that 12 instant message tell you? Now, you know from all the people 13 who testified, for example, Mr. Lenke, regarding the quarterly 14 earnings process in 2007, public companies typically first 15 learn after the close of the quarter, they first learn about 16 revenues and some gross margins and then they learn about business outlook. It's one of the last things they learn about 17 18 before they know what the company is going to report publicly. 19 And business outlook is critically important. It's one of the 20 key drivers of company stock. They report business outlook 21 looks good, again, the stock price goes up. They report 22 business outlook looks bad, stock price goes down. And here's 23 Roomy Khan telling him, don't buy Polycom. Ms. Khan, a trader 24 who used to work at Galleon, telling Mr. Rajaratnam with all 25 his research available to him, do not buy Polycom until she SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ4 gets the guidance. She's going to get the guidance, and she's 1 going to get the guidance because she has an insider, Bhalla, 2 at the company, and guidance is a number people are not 3 4 supposed to get. By that very statement alone, it shows that 5 he knew she was going to be able to get specific guidance, 6 non-public information. And he listened. Mr. Rajaratnam 7 didn't buy Polycom until she got the guidance. What happened? Bhalla got the guidance on January 9, 8 9 the internal records reflect that, and it was good news, and 10 Khan started trading on January 10. And then Khan tipped the 11 defendant. 12 Let's look at Government Exhibit 64. You know that 13 because on January 12, 2006, three minutes after Khan contacted 14 him by instant message -- maybe we can blow those up -- at 10:30 a.m. on January 12, Khan contacts Mr. Rajaratnam and says, "Hi, you there." And then three minutes later, 15 16 17 Mr. Rajaratnam is telling his trader to buy 60,000 shares for 18 the first time that quarter of Polycom. She had gotten the 19 guidance, she gave it to the defendant, and the defendant 20 started buying because it was good guidance. 21 Now, it's just like when Mr. Rajaratnam thanked Chiesi

for the Akamai tip, when he says, "Thank you Dani" on the phone call. He does the same thing, but he does it on the instant message and what he does here, he acknowledged to Ms. Khan he traded on her information and he thanked her for it because SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 they made money. Let's take a look at that. January 26, 1 Rajaratnam to Khan at 2:31 p.m., "Hey, thanks for Polycom 2 3 idea." That is the thank you after Ms. Khan got the guidance 4 and learned it from Bhalla and told Rajaratnam now it's time to 5 go long on Polycom because she got the information. 6 Now, the instant message before it is important, too, 7 on January 25. It's Ms. Khan thanking Mr. Rajaratnam for 8 Intersil. Why is that important? Why is instant message 9 communications where Khan is thanking Mr. Rajaratnam for 10 information on Intersil so telling? It's telling because 11 Mr. Smith testified he had an insider at Intersil, someone who 12 would give him the quarterly revenue number and he often gave 13 it to Mr. Rajaratnam, quarter after quarter, and Mr. Rajaratnam 14 knew, Mr. Smith testified, it was from an insider at Intersil. 15 And Khan traded Intersil and she wanted that information. So 16 this is an instant message from Khan to Rajaratnam 17 acknowledging she had gotten information from Intersil from Mr. 18 Rajaratnam and it was a great call. 19 And this happens again. This is not the only time 20 they communicate like this. A few months later in April of 21 2006 there's a similar pattern of contacts between Khan and 22 Rajaratnam about Polycom and Intersil. Polycom is about to 23 report its quarterly results for the first three months of the 24 year and if we put up Government Exhibit 69 you will see 25 multiple contacts between Mr. Rajaratnam and Khan and

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14KFRAJ4 Summation - Mr. Brodsky 1 Mr. Rajaratnam purchases Polycom two minutes after they send 2 each other an instant message. That's at 12:34 p.m. And they 3 send each other an instant message to talk by phone. 4 Two minutes later, Mr. Rajaratnam tells his trader to 5 purchase 100,000 shares of Polycom and just like in January of 6 2006, the defendant gave Khan inside information about 7 Intersil. He sent her a message saying call me on Intersil, 8 and then just like him thanking Chiesi and thanking Ms. Khan in 9 the previous quarter or in a previous quarter for her Polycom 10 information, he thanks her again for this one saying, "Great 11 job on Polycom." You know from this pattern of the calls, the trading, 12 13 the communications between the two, the timing of them relating to Hilton, Google and Polycom, and you know from Mr. Kumar's 14 15 testimony and all the other evidence that Khan and Rajaratnam 16 were exchanging inside information with each other and engaged 17 in this ongoing scheme. 18 Now, let me talk a little bit about the cooperating 19 witnesses for a moment. You heard from Anil Kumar, you heard 20 from Rajiv Goel and you heard from Adam Smith. Three 21 cooperating witnesses. These witnesses hope to get a reduced 22 sentence for their cooperation. And you should consider the 23 interests in the this case when you evaluate their testimony. 24 Common sense tells you that the government can't learn the 25 details of a criminal conspiracy just from law-abiding SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4 Summation - Mr. Brodsky citizens. Law-abiding citizens can't tell us what happened 1 during the conspiracy, the details of the conspiracy. They 2 can't tell us what information was passed all the time, they 3 4 can't tell us what happened because they're not part of it. So 5 you don't have to like these witnesses. You don't have to 6 excuse their criminal conduct. They committed crimes and they 7 were serious ones. What you have to do is weigh whether 8 they're telling you the truth, and in doing that, you should 9 consider their testimony, but you should consider it in the 10 context of all the evidence in the case, the testimony of all 11 the other witnesses, the recordings of their conversations with 12 Mr. Rajaratnam and the other exhibits. All of that 13 corroborates what the witnesses told you. Did Kumar, Goel and 14 Smith knowingly and repeatedly participate in insider trading 15 schemes with the defendant? Yes, they did. Does that mean 16 that any of them lied to you during their testimony in this 17 trial? Ask yourselves what motive did they have to lie to you. 18 What's in it for them? Yes, they do want to get reduced 19 sentences. No question about it, and they all admitted that. 20 But to get a reduced sentence they have to tell the truth. 21 Look at their cooperation agreements. They are all in 22 evidence. Look at them carefully. There are harsh 23 consequences for cooperating witnesses who lie. If they lie 24 they will not get a reduced sentence. If they lie, they can't 25 withdraw their guilty pleas. And these witnesses have known SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14KFRAJ4 1 from the beginning that there are other participants in the 2 conspiracies, that there are trading records and phone records 3 and documents in evidence that the government is going to 4 gather and get and they know all that, and so they know all 5 this other evidence out there that they don't have access to, 6 the government has access to, will determine and confirm 7 whether they're telling the truth. 8 One of those great examples was Mr. Smith, right? The 9 government obtained the phone records during this trial showing 10 his testimony was exactly right, that he got the tip from Kamal 11 Ahmed on February 10, 2005. 12 Now, how do you know these witnesses, these particular 13 ones told the truth? They're corroborated by all the evidence. During his opening statement, Mr. Dowd said that each one of 14 15 these witnesses were liars, and during their cross-examinations 16 they basically called them liars, and I expect Mr. Dowd will 17 ask you to reject their testimony for each of them. Do you 18 know why? They have to tell you that because the testimony and 19 the other evidence of each one of these cooperating witnesses 20 is devastating proof of the defendant's guilt. In fact, it's 21 the law in federal courts that the testimony of a single 22 accomplice may be enough itself for conviction if you believe 23 the testimony establishes guilt beyond a reasonable doubt. 24 Kumar and his related exhibits are enough to convict 25 the defendant of the counts relating to their conspiracy and SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ4 trading in ATI. Goel and related exhibits are enough to 1 convict the defendant of the counts relating to their 2 3 conspiracy and trading in Intel, Clearwire and People Support. 4 Smith and the related exhibits are enough to convict 5 Mr. Rajaratnam of the conspiracy to engage in insider trading 6 with the other Galleon employees. And in thinking about their 7 testimony, think not only about their incentives to tell the 8 truth, but think about their demeanor on the witness stand. 9 You observed them, you had the opportunity to observe them, 10 some of them for longer than others, and all of them for at 11 least two days. Think about how their testimony and 12 recollection was strong and accurate and think about, for 13 example, for Mr. Kumar, how the information he said he passed 14 to Mr. Rajaratnam was corroborated by contemporaneous records 15 showing he was getting that information. Did he strike you, 16 Mr. Kumar, as someone who was just making it all up? Do you 17 remember all the details he gave about the payments from 18 Mr. Rajaratnam, the illegal tips he gave, the timing of those 19 tips? Do you really think he could keep all those details 20 straight in his head, he was just making it up? 21 You know he was telling the truth because his account

22 was completely corroborated not only by all the trading records 23 and the e-mails, but the wire calls of his conversations with 24 the defendant about Spansion, eBay, AMD's financials, AMD's 25 strategic plans, Mubadala's investment in AMD, so you know all 26 SOUTHERN DISTRICT REPORTERS, P.C. 27 (212) 805-0300

14KFRAJ4 Summation - Mr. Brodsky 1 of that corroborates his testimony. 2 In thinking about Mr. Goel's testimony, think about his demeanor. He was very precise and he was diligent in 3 4 looking at every single document. I asked him if there was a 5 Charles Schwab document, he looked at it said my initials are 6 on it, but I take you at your word it's a Charles Schwab 7 document. For both the government and the defense he was 8 extremely precise and diligent in looking at the documents. 9 Think about how completely corroborated his testimony was by 10 Mr. Lenke and think about how was fully corroborated by 11 Mr. Viswanathan. Two people -- to believe Mr. Goel wasn't 12 telling the truth, you would have to think that Lenke and 13 Viswanathan, two witnesses with absolutely no stake in this, 14 were both lying and you know they weren't. Think about how his 15 account was corroborated by not just the wire calls, but the 16 phone records and the e-mails and the trading records. He 17 testified not only about his conspiracy with Mr. Rajaratnam to 18 engage in insider trading, but he also said that the defendant 19 was smarter than him and was generous. Does that sound like 20 the testimony of someone who was trying to exaggerate or make 21 up facts in order to get Mr. Rajaratnam? Absolutely not. Does 22 it make any sense he would jeopardize everything by falsely 23 accusing one of his best friends of insider trading? 24 Absolutely not. 25 And finally, in thinking about Mr. Smith's testimony,

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14KFRAJ4 Summation - Mr. Brodsky 1 think about his -- not just about his incentives to tell the 2 truth, but how his testimony was also corroborated by that 3 critical wire call when they talked about Kamal, the smoking 4 gun e-mail communications, the eyes, and the other wire calls 5 between the defendant and the other Galleon employees like Joe 6 Liu that completely corroborated Mr. Smith's account.

7 Now, in cross-examination of Mr. Smith the defense 8 brought out how Smith's cooperation didn't just relate to the 9 criminal activities of Mr. Rajaratnam, but to several other 10 people Mr. Smith was recording conversations with at the 11 direction and under the supervision of the FBI. Smith was 12 doing all these things, not just revealing what he did, but he 13 was doing everything he could to cooperate because he wanted to 14 get a reduced sentence. Given all that, given all the 15 consensual calls he made to other people, why would he 16 jeopardize all the work he did and everything he told the 17 government about his insider trading activities at Galleon and 18 after Galleon? Why would he jeopardize everything by falsely 19 accusing his former boss and mentor of insider trading? Does 20 that make any sense? It doesn't.

21 Defendant called one of his own lawyers to the witness 22 stand to testify about how they interviewed Smith as they were 23 preparing for Rajaratnam's defense, and the testimony was that 24 Smith denied there was insider trading going on at Galleon at 25 the first interview, but then admitted, during the second 26 SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4 Summation - Mr. Brodsky interview Smith said that he had good information from Kamal 1 Ahmed about ICST and confirmed that Ahmed was the quy who was 2 3 referred to, that he referred to in the wire call with Raj 4 Rajaratnam regarding Vishay. Now, understand Mr. Smith did not 5 remember everything that happened during these meetings with 6 Mr. Rajaratnam's counsel and he testified that Rajaratnam's 7 attorneys never asked him if there was insider trading going on 8 at Galleon. Smith's denials of insider trading going on at 9 Galleon during his initial interview with Rajaratnam's counsel 10 would not be surprising. He wasn't cooperating with the 11 government then. He wasn't testifying under oath and it would 12 make sense if he didn't want to admit the extent of his insider 13 trading with his former boss, mentor at a meeting with his 14 mentor's lawyers who are defending the case and fighting the 15 charges. What does your common sense tell you about what an 16 uncharged but guilty person would say if asked by the attorneys 17 of his mentor to come to a meeting and answer questions about 18 whether he was committing crimes? Do you think he would say 19 you're not my lawyers but I'll tell you people I committed a 20 bunch of crimes? 21 Prior to his testimony Mr. Smith had pled guilty and

21 Prior to his testimony Mr. Smith had pied guilty and 22 on direct examination he admitted to committing crimes with 23 Mr. Rajaratnam. How do you know he was telling the truth about 24 his crimes with Mr. Rajaratnam? You know because of all the 25 corroboration I talked about earlier today. You know because SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4 Summation - Mr. Brodsky of the tape recorded -- recorded conversations completely 1 corroborates that he got illegal information from Kamal Ahmed. 2 3 You know because contemporaneous phone records show that he was 4 talking to Kamal Ahmed the day before the ICST tip and that's 5 when, the day after, Mr. Rajaratnam starts to buy ICST. You 6 know because of the eyes e-mails, which are smoking guns of the 7 defendant's participation in the conspiracy. And 8 Mr. Rajaratnam's trading is consistent with tips from Ahmed. 9 And think about this. Mr. Rajaratnam's lawyers never 10 ask Smith about those eyes e-mails or about that consultant 11 arrangement that Smith had set up with Intel's Tomlinson with 12 Rajaratnam's approval to get inside information when they 13 talked to him in 2010. Does that mean those e-mails do not 14 exist, that those eyes e-mails simply don't exist? Does that 15 mean that Intel-Tomlinson arrangement didn't exist? Of course 16 they exist. Of course they fully corroborate Mr. Smith. And 17 one more thing about Mr. Rajaratnam calling one of his lawyers 18 to testify for him about the interviews of Smith. What exactly 19 is the defense arguing? That Smith told the truth when they 20 interviewed him? If that's true, then he's still guilty 21 because at that interview, when they interviewed him at the 22 seconds interview he said I got information from Kamal Ahmed 23 and ICST, it was good information and I would have passed that 24 on to Mr. Rajaratnam.

25

I'd like to talk a little bit about -- to summarize SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14KFRAJ4 1 the steps Mr. Rajaratnam made to cover up his crimes. These are critical, because they show the defendant's state of mind, 2 3 that he knew what he was doing was wrong. You don't do these 4 things if you know what you're doing is right and legal. Let's 5 put up some of the slides. Let's put up the first one. Here 6 are the different methods and we're going to go briefly through 7 each of them. 8 You know that he'd tried to use the phone and avoid 9 using e-mails. Second, you know he created e-mail trails to 10 protect themselves you saw that on one of the recorded 11 conversations. You know that he showed a pattern of trading, 12 the buy-sell pattern of trading to avoid detection. You know 13 he kept advising Chiesi and others to stay radio silent. You 14 know that he concealed payments to his inside sources. You 15 know that he didn't use options when it related to 16 acquisitions, the acquisitions of companies. You know that he

17 advised Mr. Kumar to use a prepaid phone in late 2009. And you 18 know that he accessed brokerage accounts of an insider to make 19 trades. Let's briefly go through those.

20 The first one, you heard this testimony from 21 Mr. Smith. The testimony was what did Mr. Rajaratnam tell you 22 about putting sensitive things in e-mails, and Mr. Smith said 23 he told me not to do it. He then goes on to say that 24 Mr. Rajaratnam said whenever someone would put something that 25 was sensitive or potentially sensitive in written form he would 26 SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 1 admonish him not to do it, to be more vague about it, or just tell them directly or communicate sensitive information either 2 verbally or on the phone. What's the significance of this? 3 4 Well, it's a smart tactic if you're a criminal. The first 5 significance is don't expect too many smoking gun eyes e-mails, 6 because Mr. Rajaratnam was careful about putting things in documents. And second, it's a window into the defendant's 7 8 state of mind, into what he was thinking, that he knew when it 9 comes to inside information, don't write it down. 10 Here's an example. Let's go to the second slide, 229. 11 This is an instant message communication between Mr. Rajaratnam and Quint Slattery. Now, you know from the testimony Quint

12 13 Slattery was an investor in Mr. Rajaratnam's fund or 14 Mr. Rajaratnam was an investor in Quint Slattery's fund and 15 they exchanged instant message communications. This is 16 Government Exhibit 1587. Now, before I actually talk about 17 this that's on the screen, prior to this communication, these 18 instant message communications, it's a long document, they were 19 exchanging all sorts of ideas about various stocks. But when 20 it came to ATYT, the defendant did not want to put it in 21 writing. Mr. Rajaratnam says buy some ATYT to Quint Slattery, 22 and Mr. Slattery responds -- well, his response there is an unrelated response, but Mr. Rajaratnam goes on to say at 23 24 5:13:31, "I will tell you why on phone."

25

And Quint Slattery responds, "Why ATYT? I meant to SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ4 Summation - Mr. Brodsky 1 ask you." 2 And that's why Mr. Rajaratnam says, "I will tell you 3 why on phone," and Slattery says "okay." Why did he want to 4 only tell him on the phone? Because this is on April 19, 2006, 5 it's a month before there are any public rumors about ATYT and 6 the acquisition of ATYT and he was getting the inside 7 information from Kumar and he didn't want to write anything 8 down. Let's go to the next slide. You saw this already. We 9 10 went over the call. I won't go over it again. This is it is 11 recorded conversation between Chellam, Panu and Rajaratnam 12 about creating an e-mail trail at Rajaratnam's direction. 13 Let's go to the next slide. This is Mr. Smith's 14 testimony in which he described how he was told to create 15 e-mail trails for ATYT and he says on lines 15 through 17, "I 16 sent e-mails that gave legitimate reasons, although weren't the 17 primary or complete motivation for the purchase of the stock to 18 have it on the record." Now, he then goes on to describe how 19 the reason to do it is if anybody comes back, any regulator 20 comes back to look at the document, they're not going to know 21 the true motivation and the defendant will be able to point to 22 it and say those are the reasons why, the legitimate reasons 23 why we traded. 24 Third, we talked about this already, so we'll speed 25 through it, pattern of trading, of buying and selling. SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4 Summation - Mr. Brodsky 1 We'll continue on. Mr. Smith testified that 2 Mr. Rajaratnam told him to do that on slide 233. Then there's 3 the staying silent you saw that during recorded conversations 4 and we already talked about that. Then slide number 235, 5 concealing payments to insiders, inside sources. Mr. Kumar 6 testified on lines 21 through 25 of page 391 to 392 of the transcript, around 2006, Mr. Rajaratnam began a discussion with 7 8 me, saying you need to move it out of the Manju Das account 9 into some other financial entity or other offshore situation. 10 He said the SEC now is scrutinizing these things a lot more. 11 Mr. Rajaratnam taking action with one of his insiders and 12 telling him move it out of Manju Das, the SEC is getting 13 closer. 14 Let's go to the next slide. The next slide was the 15 conversation we already went over between Rengan Rajaratnam and 16 Raj Rajaratnam about possibly paying the McKinsey, the new 17 McKinsey consultant, the new Kumar, through his wife and that's 18 when they called people scumbags and laughed about it. 19 The next slide, Mr. Smith talked about how you don't 20 want to trade options for acquisitions, because you read the 21 Wall Street Journal and The New York Times and the SEC often 22 catches people trading in options illegally and that's why you 23 don't want to do it, it's a red flag for the SEC. 24 Let's go to the next slide. Again, this is Ms. Chiesi

25 talking about not doing any options.

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14KFRAJ4 Summation - Mr. Brodsky 1 Next slide, you remember Kumar's testimony about the 2 use of prepaid phones? He said, this is late 2009, Mr. Kumar 3 testified Mr. Rajaratnam then told me, he just said, you know, 4 Anil, I'm a little disappointed. There's another gentleman who 5 used to work for me who I'm told is now wearing a wiretap and I 6 have to be really careful. I can't believe he's doing that and betraying me. He said you should be careful now, you should 7 8 when you call me, you should use prepaid calls to make phone 9 calls. The only reason to use prepaid calls in this context, 10 he's obviously telling Kumar, I'm giving you inside 11 information, the phones may be tapped and I don't want use 12 them. 13 Let's look at the next slide. Mr. Rajaratnam had 14 access to Mr. Goel's Charles Schwab account. He proposed the 15 same thing to Mr. Kumar to pay him back. Mr. Kumar's 16 testimony, page 535. "Rajaratnam did propose at one stage, I 17 was really struck by that, he proposed that he can trade on my 18 behalf that he said, look, if you want I can. I know we were 19 walking on the streets I think in Manhattan and he said, you 20 know, you can give me your trading account number and code 21 password. I can go into your brokerage account and trade on 22 your behalf." That's what Mr. Rajaratnam did with Mr. Goel, to 23 pay him back. 24 Now, let's go into a little bit about the charges.

25 I'd like to turn to that and talk about information non-public SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ4 Summation - Mr. Brodsky and materiality. There are two types of charges in this case. 1 There's a conspiracy charge with respect to each of those 2 3 schemes that I went through today and there are subsequent 4 insider trading charges. Judge Holwell will instruct you on 5 the law and to the extent there's any inconsistency, we ask you 6 to follow Judge Holwell's instructions, obviously. What the lawyers say during argument, what I say is not telling you what 7 8 the law is. What Judge Holwell will tell you is the 9 instruction on the law. But I expect Judge Holwell to instruct 10 you that with respect to conspiracy the conspiracy counts are 11 simply charges that there was an agreement between two or more 12 people to trade based on inside information. And they took 13 some act, any one act in furtherance of that agreement.

14 The information they conspired to trade on doesn't 15 have to be material and it doesn't have to be all that useful. 16 The essence of the conspiracy is the agreement. For example, 17 take Kumar's tips to the defendant about AMD in 2008. The 18 tapes showed that Kumar was breaching his duty to McKinsey in 19 AMD, disclosing inside information to Mr. Rajaratnam and the 20 defendant knew Kumar was breaching his duty and the defendant 21 then traded on the information. The tips were also material, 22 all right? The tips were material because we showed that, if 23 you get the timing of the actual deal, the timing, the exact 24 date of October 7, that's an enormous advantage over every 25 ordinary investor. But let's assume for argument's sake and SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 you know the tips are all reportings and material, but let's 1 assume for argument's sake that the tips weren't material for 2 3 AMD. The defendant is still guilty of conspiracy because 4 materiality is not an element of a conspiracy count. 5 Now, the substantive inside trading counts are 6 different. There the government has to prove beyond a 7 reasonable doubt that the information was material when they 8 went to a trade. There's a bunch of conspiracy counts and 9 there are some trading accounts where actual trades take place. 10 For the actual trades, the government has to prove beyond a 11 reasonable doubt that the information was material and 12 non-public. Let me talk first about materiality and then 13 public/non-public. The substantive counts relate to Intel, Clearwire trading, People Support, ATI and Akamai. And I 14 15 expect Judge Holwell will instruct you that information is 16 material if it's information which a reasonable investor would 17 have considered significant in deciding whether to buy or sell 18 stock. 19 Now, here you know with respect to all the substantive 20 counts that a reasonable investor would have considered the 21 illegal tips the defendant got significant. With Intel, you know that's true because Goel provided Rajaratnam with Intel's 22

business outlook in April of 2007, including gross margins and 24 revenues and the entire outlook for the year and gross margins 25 for the year, the outlook drove Intel's stock price up or down. SOUTHERN DISTRICT REPORTERS, P.C.

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14KFRAJ4 Summation - Mr. Brodsky A reasonable investor would want to know Intel's business 1 outlook before the company released it to the public. That's 2 3 knowing tomorrow's news today, and that provides certainty 4 regarding earnings in a world of uncertainty when there are 5 conflicting accounts going both ways. It's why public 6 companies like Intel closely guard their business outlook and earnings information and it's why so many investors trade Intel 7 8 stock around earnings trying to figure out what the earnings 9 are going to be. With People Support and ATI, you know that learning 10 11 about an acquisition would be important to any reasonable 12 investor before you make a decision about purchasing stock in a 13 company. If you know it's going to be acquired in the future 14 and you're sure of that, you get it from an insider, well, 15 that's going to be significant in making your decision to buy 16 or sell the stock. With Clearwire, the information that 17 Rajaratnam received from Goel was caught on tape, and included 18 details about equity splits, the amount of money each party was 19 contributing, Intel's board approval, all of that is 20 information that a reasonable investor would want to know in 21 making a trading decision. 22 With Akamai, you know that Chiesi's tip that the

22 with Akamar, you know that chiese s trp that the 23 company was going to guide down would be important to an 24 investor and it might go to \$25 because it was so unexpected 25 because people didn't know, and that guiding down drives stock SOUTHERN DISTRICT REPORTERS, P.C.

14KFRAJ4

1 prices. 2 How else do you know the information was material? 3 You know it was material because it was important to the 4 defendant's decision to trade based on the information, because 5 you know he traded on it and he made money on it. How else do 6 you know? The stock reacted to the news by either going up or 7 down in a way that resulted in substantial profits based on the 8 defendant's trading. Even the highly compensated Professor 9 Jarrell in his theoretical world, divorced from reality, felt 10 the tips relating to People Support, ATI and Akamai were 11 statistically significant, but I'll tell you in a minute why I 12 wouldn't put any stock in his views, which are completely 13 one-sided. 14 When you're thinking about materiality and whether a reasonable investor would consider a tip would be important in

15 reasonable investor would consider a tip would be important in 16 deciding whether to buy or sell stock, let's take a look at 17 some of the stock charts. Put up Government Exhibit 110 for 18 ATI. For ATI would a reasonable investor want to know in 19 March, in April, in May, in June, that this event is going to 20 happen and the stock price is going to go from over here to 21 over here? Of course.

Let's put the next slide up. People Support, Government Exhibit 120. Would a reasonable investor want to know in June, in July of 2008 that People Support is going to be acquired and the stock price is going to go from here all SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 the way to here? Of course. You know that. You make some 1 easy money. Let's put up the stock chart for Akamai. Would a 2 3 reasonable investor want to know over here that Akamai is going 4 to guide down and it could go to 25, according to an insider? 5 Of course, because if you knew that, you'd make a lot of money 6 over here. 7 Let's put up Government Exhibit 118 for Intel, in 8 April of 2007. Would a reasonable investor want to know from 9 Mr. Goel around this time that earnings were good, that 10 earnings were really bad and then good as the stock price here 11 rises, right before the stock price rises? Of course a reasonable investor would want to know that from an insider. 12

13 And let's put up the Clearwire chart, Government 14 Exhibit 117. Would a reasonable investor want to know right 15 over here, which is when the defendant received the tips on 16 Clearwire from Goel, right here at the lower point of this 17 spike at the very bottom, would a reasonable investor want to 18 know that information so they could make a trade and look what 19 happens to the stock? It goes up. Of course. This is not 20 complicated. It's simple.

Now, with respect to the substantive counts. We also expect that you'll have to find that the -- I expect Judge Holwell will instruct you about finding the insider got a benefit. Now, with respect to Intel and Clearwire, the substantive counts, Goel got the benefits, right, and SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 1 Rajaratnam knows Goel is getting the benefits because Rajaratnam is getting him the benefits, over \$700,000 in the 2 3 brokerage account and Mr. Goel is receiving some of those 4 benefits from Mr. Rajaratnam. For People Support it's the 5 defendant himself who is breaching the duty and he's the one 6 giving Mr. Goel the benefit. For Akamai, you know that Kieran Taylor was breaching the duty and giving the information to 7 8 Ms. Chiesi, that's that call where Ms. Chiesi says Akamai is 9 going to guide down and you know from that call, you can go 10 back to and listen to it, and some of the other calls, 11 Mr. Rajaratnam knows, he's friends with Ms. Taylor and he knows 12 the relationship, he knows Taylor is giving those tips to 13 Chiesi because of that friendship. 14 Now, with regard to substantive counts, let's talk 15

about public and non-public. You also have to find with 16 respect to the substantive counts, not the conspiracy but the 17 substantive counts, that the information was not public. I 18 expect you'll hear from Judge Holwell and he'll instruct you 19 that the information isn't public simply because it appears in 20 a newspaper. If information is more specific and more private 21 than what appears in a newspaper, then it's not public, and if 22 the information is not generally available and the company 23 would not make it available in response to a request, it's not 24 public. Now, I think it should be clear from the evidence that 25 the information the defendant received relating to each of the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 securities wasn't public. Merely because the defendant's paid 1 expert found news articles from the Inquirer and Tech Crunch 2 3 and some rumor attributed to some anonymous source and quessing 4 about some possible deal or earnings doesn't make it public. 5 If the information's more reliable, more specific, more 6 accurate than what you can get from some analyst report that 7 are all conflicting, then the insider is giving you information 8 that's not public. 9 Now, the defense through Mr. Jarrell's testimony and 10 Mr. Schutte's testimony it seems to be suggesting that every illegal tip that Mr. Rajaratnam got, every single one was

11 12 already public. That doesn't make any sense. It's wrong to 13 assume that just because there's a single news story out there 14 from Bloomberg quoting an anonymous source from Focus Magazine, 15 which is quoting somebody else who's anonymous, has speculated 16 about a possible deal or quarterly earnings, that that makes it 17 public. If that were correct and there was some rumor out 18 there that Pepsi was going to take over Coca-Cola, every hedge 19 fund could go pay an insider at Pepsi, or an insider at 20 Coca-Cola, pay them a lot of money just because there was a 21 rumor out there, get the actual, real information, trade based 22 on that information, make a ton of money at the expense of all 23 ordinary investors and that's not the law.

24 Now, the professor didn't know the allegations well.
25 For example, on Clearwire, he didn't know that Goel was getting SOUTHERN DISTRICT REPORTERS, P.C.
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14kfraj4 Summation - Mr. Brodsky the information and giving it to Mr. Rajaratnam regarding the 1 billion-dollar investment and the Intel board approval, so a 2 3 lot of what the professor didn't say -- he didn't understand 4 the allegations, he didn't sit through the trial, he didn't 5 hear all the witnesses and the evidence. So if you listen to 6 the judge's instructions on what's public and non-public, I'll 7 expect you'll see that the professor was just simply wrong 8 about that.

9 Now, sitting here for the last six weeks, you know 10 that information from insiders who knew actually what was going 11 on on the inside behind closed doors was far more reliable, 12 more specific and more private than these public sources. If 13 the companies didn't make it available in response to a 14 request, all the public company employees testified without 15 exception, merger and acquisition information, earnings 16 information, other corporate events, before the company 17 announced, it would not be given out in response to a request.

18 Now, let me put up a slide that I think marks out some 19 of the differences between public and non-public information. 20 When you get public information from news articles and analyst 21 reports, there are frequent rumors about most stocks, right? 22 Rumors are often wrong. I think the professor testified about 23 how there was a rumor that Intel was going to take over some 24 company and that never happened. There are often rumors and 25 there are a lot of motives for spreading rumors. What are the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14KFRAJ4 motives? You've got competitors out there spreading rumors, 1 you have stock manipulators spreading rumors on the internet, 2 3 you have investors pushing for a certain outcome and wanting 4 companies to be acquired, you have academics and professors out 5 there speculating and guessing, then you just have your 6 journalists out there who vary, obviously, in what they know, 7 and the journalists out there are guessing and speculating. 8 Then you have anonymous sources. Most of these 9 articles are like, "my sources say." You don't know who those 10 sources are, you don't know where they are, what agenda they 11 have. Sometimes the defense introduced documents from articles 12 that had anonymous authors, you couldn't even tell who the 13 author was behind the article. Then you had articles that 14 relied on other articles that relied on anonymous sources. It 15 got ridiculous. Articles from Bloomberg relying on Focus --16 nobody knows what Focus is -- relying on anonymous sources. 17 Then you have conflicting accounts and everything is less 18 specific, less accurate. You don't have dates, don't have 19 investment amounts, don't have timing. 20 Contrast that with the insiders. You know their name,

21 you know their job and you know what access to information they 22 have. You know where Goel is working, you know he has access 23 to Mr. Lenke at that time, you know he has access to the 24 Clearwire deal. Far different from some rumor in a newspaper. Mr. Kumar testified he was inside the body of the

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Summation - Mr. Brodsky 14KFRAJ4 company. He actually knew, and you heard that from witness after witness after witness when asked to compare what's more reliable, some newspaper article or somebody on the inside who actually knows, and unanimously they all agreed, it was somebody on the inside. If you're going to get more specific information, details like timing, pricing, you're going to know the parties, who the parties are and you're going to get updates, it's far more accurate and these insiders, unlike the newspapers and so forth, they're not guessing. (Continued next page) SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ5 MR. BRODSKY: Now, I would like to just do a 1 2 comparison -- let's take an example. All right? You heard 3 from a lot of witnesses on the stand. You heard them testify. 4 You heard Mr. Kumar get up. You know his identity. He is 5 telling you who he is, where he works, where he gets the 6 information. Compare that to let's say somebody called this 7 line right here on the phone during the trial, in a muffled voice, you couldn't tell who they were, and gave you some 8 9 information. You couldn't even tell their identity because 10 they're anonymous. Is that reliable in any way? Of course 11 not. 12 Now, let's put up some comparisons between Anil Kumar, 13 who works at McKinsey. Mr. Rajaratnam knew that. He was 14 advising on AMD. He had details of the deal negotiations, not 15 just guessing, explicit details, getting those e-mails on ATI.

16 He had details of the price offered per share, and he had 17 knowledge of the timing. Compare that to a news article in 18 Bloomberg that reported, ATI tech, color on stock option. And 19 it's a anonymous. It reports about how Chinabyte has some 20 information about a possible acquisition of ATI. It can't 21 vouch for the accuracy. There are no details about it, no timing in the article. Who would you rely on? Of course, 22 23 Mr. Kumar, the insider.

24 Let's go to the next example. Mr. Goel on Clearwire. 25 He is the Intel executive. He is getting information directly SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ5 from Sriram Viswanathan. He is working and running the deal. 1 He gets details of the companies involved, the details of the 2 3 equity splits, the details of the money invested. He knows 4 Intel's board approved the deal. Compare that to the internal 5 Galleon analyst, Naphtali Joseph, on March 25, 2008. The same 6 time Goel is telling Mr. Rajaratnam about these intimate details of the deal, Mr. Naphtali Joseph, the outsider, says, 7 8 "WiMAX spectrum holders makes me think some type of deal is 9 possible in the near term." What does that mean? What does 10 that mean anyway? What type of deal? "I do not have an edge 11 on financing arrangements." What does that mean? I don't know 12 what the equity is. I don't know which parties are involved. 13 I don't know how much they are going to get. "And have said that is the key," the financing arrangements. "But this deal 14 15 could not come together without cash infusion so I expect that 16 to be included. Rumors are Google, Intel, Best Buy." Well, 17 Best Buy, 100 percent wrong. Then he says, "Are involved." 18 I mean, which one is more reliable, Mr. Goel, with all 19 these details and all this information, or this Galleon 20 analyst, who is out on the outside guessing? I think the

answer is clear. Mr. Goel.

Let's take one more. Put up Mr. Panu. Krish Panu is on the PeopleSupport board. He is Galleon's designee. He has got the details of the deal negotiations starting at least on June 30, 2008. He knows the Ruias are getting an offer. At SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Brodsky 14K8RAJ5 first, it's 13 to 14 dollars in June of '08. Then it goes to 1 \$12.25. And he knows about the timing. And compare that --2 3 well, there is absolutely nothing to compare it to because 4 there was nothing out there. But you can compare it to any 5 news article or anything else out there, and I think the answer 6 is clear. You'd rather rely on the board member as to what is 7 going on than rely on some news article. 8 Now, in addition to calling his own lawyer, in

9 addition to calling Mr. Schutte, who had received millions of 10 dollars into his fund eight weeks before trial and then 25 11 million of 35 million he was managing, the defense relies on an 12 expert and his team who received well over a million dollars 13 for the testimony of work.

14 Now, after hearing from that professor -- and again, 15 the government bears the burden. We have the burden to prove beyond a reasonable doubt that the defendant is guilty of all 16 17 the charges. But if the defense puts on a case, it's fair to 18 criticize and scrutinize that case. So looking at Professor 19 Jarrell, his testimony actually supported in significant ways 20 the government's case, and the rest of it is divorced from 21 reality and the evidence in the case.

How did it support the government's case? In two ways. One, he admitted there was a lot of information all over the place, for every one of the stocks. Some positive, some negative, some neutral. Everything is out there. OK. That SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ5 means that if you have an insider who knows the real deal, the 1 2 actual details, then you have a huge advantage over everyone 3 else. 4 Second, the professor admitted that, if you know 5 tomorrow's news today, you have a great advantage. And he also 6 said, in a world of uncertainty, if you have certainty, through 7 example inside information, then you have a great advantage and 8 you could make money. Well, that's what the defendant had. In 9 a world of uncertainty, he had certainty because he had 10 insiders who knew tomorrow's news today. 11 What about the rest of the professor's opinion? Well, 12 the rest of him boiled down to basically two things. One, he 13 talked about if the illegal tip was something positive about 14 the stock. He always found that a reasonably sophisticated 15 investor could have made a trade based on all that positive 16 stuff about the stock, could have made a trade and bought 17 stock. He also said that there was all this negative stuff out 18 there. And if a reasonably sophisticated investor followed the 19 negative stuff, it would have been reasonable to short the 20 stock and go the opposite way. Great. What he basically said 21 was a reasonably sophisticated investor, for any of one these 22 securities, would have either bought, sold, or stayed the same. 23 That testimony doesn't tell you anything. And second, the 24 professor testified that Mr. Rajaratnam made thousands of other 25 trades for which there are no allegations of wrongdoing. This SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ5 Summation - Mr. Brodsky is really important. He emphasized it over and over again. 1 2 Mr. Rajaratnam had thousands of other trades, was always 3 trading. 4 All right. The issue isn't whether uncharged trades 5 that the government didn't charge, whether he did it lawfully 6 or not? The issue is whether the charged trades he did or not. 7 If you pass a number of banks on the way to the bank robbery, 8 if you pass Citibank, you pass Chase, you pass Wachovia, and 9 then you rob bank X, you walk in and rob it, are you not guilty 10 of that bank robbery because you passed Citibank and you passed 11 Wachovia and you didn't rob those? 12 If you trade in and out of stocks a hundred times, but 13 one of those times you get inside information from someone who 14 breached a duty, and you knew it, and you had an advantage over 15 all other investors, you're guilty of that one time when you 16 traded that stock illegally. 17 Here is another example. You live 50 years of your 18 life, right? You're turning 50, but for 49 years you never 19 committed a crime. This person never committed a crime. This 20 guy was good. He was good to everybody for 49 years. Then he 21 turned 50. And at the time he turned 50, he committed a crime that day. Is it a defense to say, wait a second, don't charge 22 23 me with that time, don't find me guilty of that crime, because 24 for over 400,000 hours of my life I never committed crimes? Of 25 course not. The question is whether you committed the charged SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Brodsky 14K8RAJ5 1 crime, not whether there are other trades or other times in 2 your life you did not. 3 Here the government has proven beyond a reasonable 4 doubt that the defendant committed the charged crimes. And 5 that's what matters. 6 Now, motive. I would like to talk about why Mr. 7 Rajaratnam engaged in these insider trading schemes. I think, 8 members of the jury, as you listen to the instructions, one 9 thing you're not going to hear is that motive is an element of 10 the crime. The government doesn't have to prove motive. Even 11 though it's not required, the evidence is overwhelming as to 12 why the defendant did it. Money, pressure, and the conquest. 13 Money, pressure, and the conquest. Let's talk about money. You know the defendant had hundreds of millions of 14 15 dollars of his own money invested in Galleon. So your common sense tells you, the more money Galleon makes, the more money 16 17 he makes. If illegal insider trading schemes would increase 18 the amount Galleon makes, then he makes money. You also know 19 that Galleon charged a 2 percent management fee each year for 20 all the assets they have under management. You commit illegal 21 insider trading, increase the number of assets under 22 management, you make more money. You also know that Galleon 23 charged at least a 20 percent incentive fee for all the profits 24 that are made in each fund. So you know that by illegally 25 increasing the size of the profits, you get a higher stake, you SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ5 Summation - Mr. Brodsky 1 get a higher amount of money for yourself and others at 2 Galleon. 3 Let's talk about the pressure. You know the hedge 4 fund business is highly competitive. Mr. Schutte didn't want 5 to admit it, but you know when you're dealing with money, and 6 you're dealing with getting investor money, and managing that money, and keeping that money, it's enormously competitive. 7 8 You heard the testimony about how many buy-side analysts are 9 all showing up to these investor conferences trying to figure 10 things out. That's competition, and it's competition to try to 11 increase the assets they have under management. Nothing wrong 12 with that. But the hedge fund world, the competition is 13 fierce, and this trial showed that in that competitive 14 business, the more money you make the more you can keep the 15 money you have from investors, and the more you can attract new 16 money. I think on one of the calls Mr. Rajaratnam was talking 17 to Mr. Gupta and he was telling him how he wanted Galleon to be 18 a \$10 billion fund. When you get into the billions, you keep 19 wanting to go up. Illegal insider trading schemes help you do 20 that. In 2008, you heard some of the testimony. Things were 21 hard. I mean, the financial collapse was awful. And Mr. 22 Rajaratnam became increasingly desperate for inside information 23 to beat out his competition and stem the tide of possible 24 withdrawals of investor money.

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Finally, I want to talk about the conquest. You heard SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ5 in Mr. Rajaratnam's own voice that he thought making a winning 1 trade, beating out the rest of Wall Street, no matter the 2 means, was a conquest. He said it himself in one of the calls 3 4 with Chiesi, that he got inside information, he was able to 5 beat the market and make money, and it thrilled him. He called 6 it a conquest. And that's what it became for him. It wasn't 7 always about money, although that's certainly part of why he 8 did it. It was about being on top. It was about beating everyone else. And the evidence showed that he was willing to 9 10 engage in illegal schemes to make these conquests over and over 11 and over again. 12 The laws against insider trading are designed to make 13 sure that the investing public isn't cheated. The stock market 14 is supposed to be an even playing field. Hedge fund managers, 15 even professional ones, with lots of resources and sitting on 16 the top at their disposal of billion of dollars, are not permitted to gain an unfair advantage by using secret 17 18 information from consultants at consulting firms like Kumar at 19 McKinsey, from corporate executives like Goel at Intel, from 20 board members of public companies like Rajat Gupta at Goldman, 21 or from investment bankers like Kamal Ahmed at Morgan Stanley, 22 and then make millions of dollars off of that information at 23 the expense of the ordinary investor.

24 The defendant knew the rules, but he didn't care. The 25 tapes showed he didn't believe the rules applied to him. He SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Brodsky 14K8RAJ5 decided to cheat, and cheating became part of his business 1 model. It was like reading the analyst report, calling up an 2 3 insider like Kumar, Goel, Gupta, asking for material nonpublic 4 information, getting that secret information and trading on it, 5 and exchanging it with other traders became part of his 6 routine. He did it so often, as the calls showed, that he was 7 arrogantly matter of fact about it on the calls. He took 8 advantage of honest investors who bought and sold stock without 9 the benefit of inside information. In short, the evidence 10 shows in this case the defendant acted and believed he was 11 above the law.

12 Members of the jury, consider all the evidence before 13 you. Consider what the defendant said in his own words on 14 those recordings, about the inside information he received, 15 what he did with it, and how he tried to cover it up. All of 16 the evidence points to the firm conclusion that he knowingly 17 and intentionally schemed to get inside information. He and 18 Kumar engaged in a scheme, whereby Kumar gave him inside 19 information in exchange for money and friendship. He and Goel 20 engaged in a scheme, whereby Goel gave him inside information 21 because of their friendship. He and Chiesi engaged in a scheme 22 where they exchanged inside information with each other. And 23 he and other Galleon employees, like Panu and Chellam and his brother Rengan and Smith, engaged in schemes to obtain inside 24 25 information. And he and Khan engaged in a scheme where they SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ5 Summation - Mr. Brodsky 1 exchanged inside information with one another. But no one is 2 above the law. 3 Based on all of this overwhelming evidence, there is 4 only one verdict consistent with the evidence. It is the just 5 verdict. It is the verdict that the defendant is guilty on all 6 counts. 7 THE COURT: Thank you, Mr. Brodsky. 8 That concludes the first argument by the government in 9 closing. We will take our afternoon break and then Mr. Dowd 10 will begin the closing argument from the defense. 11 (Jury exits courtroom) 12 THE COURT: 15 minutes. 13 (Recess) 14 (Jury present) 15 THE COURT: Mr. Dowd, would you begin? 16 MR. DOWD: Thank you, your Honor. 17 Good afternoon, ladies and gentlemen. 18 Ladies and gentlemen, a month and a half ago I gave an 19 opening statement to you on behalf of Mr. Rajaratnam. And in 20 my opening statement, I made a promise to you about what the 21 defense was going to show in this case. I promised you that we 22 would show you the complete picture of what happened and not 23 the tiny sliver that the government would present. Even though 24 the defense has no burden in this case, we kept that promise to 25 you. I told you we were going to show you the full picture and SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ5 Summation - Mr. Dowd 1 that's exactly what we have done. You have to look at the full picture because the 2 government's narrow view is very unfair. We gave you the full 3 4 picture and it shows that Raj is not quilty of any of the 5 charges against him. 6 We showed you how Raj worked hard for Galleon 7 investors, how he dug for information, how he analyzed that information and made smart investment decisions. We showed you 8 9 the whole universe of facts that surrounded every one of Raj's 10 trades. 11 We showed you the Galleon research, the sell-side 12 research, and the industry press. We gave you the full picture 13 of Raj's trading, not just a few trades out of thousands like 14 the government has done. 15 We showed you Galleon. The discipline, the care, the 16 way it operated, how it conducted research, how it documented 17 its research and investment process, and who its investors 18 really were. 19 We showed you what Mr. Rajaratnam's job was really 20 like. We showed you how Raj performed in that job, how 21 disciplined he was, how careful he was with his clients' money. 22 Mr. Schutte told you about Raj and about Galleon. Mr. 23 Schutte told you about Galleon's morning meetings. He told you 24 that there would be 60 or 70 people at those meetings. He told 25 you how transparent they were, how they were open to investors, SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14K8RAJ5 potential investors, and even guest speakers. He told you how 1 analysts were required to explain and defend their ideas. 2 3 Analysts were subjected to a disciplined process and had to 4 explain and defend their analysis. They were required to 5 gather all public information, analysis and news events prior 6 to morning meetings. They were required to review and compare 7 all the sell-side analyst reports and determine which of those 8 analysts were correct. They were required to do their 9 homework. 10 Mr. Schutte told you how Raj asked more questions than 11 anyone else at the morning meetings. He told you how Raj was 12 always the best prepared person at Galleon's meetings. He told 13 you how it was obvious that Mr. Rajaratnam had read all of the 14 analyst research and reports over the weekend to prepare. And

Mr. Schutte showed you the documents. He showed you hundreds of internal Galleon documents reflecting the rigor and discipline and hard work that were the lifeblood of Galleon. These documents are the full picture, and they show

19 you that the government is wrong about Galleon. The government 20 has tried to make Galleon look like something it wasn't, but 21 the evidence is all to the contrary. The government even tried 22 to make it seem as though Galleon never received the public 23 information we have shown you during this trial. That's just 24 plain false and we have proved it.

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You remember how the prosecutor showed you a document SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ5 Summation - Mr. Dowd that was printed out after Raj's arrest to make it look like 1 2 Galleon never received the article. 3 Joe, if we can pull up Defense Exhibit 3498. 4 This is the article that the prosecutor showed you, an 5 article from the Inquirer printed after Raj's arrest. And 6 that's because we didn't keep hard copy at Galleon. But then 7 we showed you an internal Galleon version which proves that 8 Galleon did receive it. 9 Joe, pull up Defense Exhibit 591. 10 This is it, ladies and gentlemen, an internal Galleon 11 e-mail showing that Galleon did receive the very same article 12 when it was written. 13 It's just wrong for the prosecutor to suggest that 14 Galleon didn't receive a document when he knows perfectly well 15 that Galleon did receive it. 16 And this is not the only occasion where there has been 17 attempts to mislead you, and later on, probably tomorrow, I 18 will demonstrate to you how you have been badly misled today, 19 where testimony has been put in the mouths of witnesses who 20 never gave that testimony to you. 21 And it should offend you that the government would try 22 to smear an honest witness like Rick Schutte by suggesting he 23 has been paid for his testimony. It takes guts to get on the 24 stand and testify about what was right about Galleon and how it 25 did business. It takes guts to stand up to a prosecutor and SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

5324 14K8RAJ5 Summation - Mr. Dowd 1 show him he is wrong. 2 You have seen in this case what a rough business this 3 can be. You saw how the prosecutors pressured Adam Smith, how 4 they threatened to break up his family, to the point that Smith 5 confessed to crimes he tells his friends he didn't commit. 6 The government called a series of witnesses just like 7 Adam Smith, witnesses who have been coerced to testify. You 8 saw Mr. Schutte and you can evaluate him for yourself. I respectfully suggest to you that he was a straightforward and 9 10 honest man. You saw how he called it down the middle 11 throughout his testimony, direct or cross. He never changed on 12 direct and cross. 13 You compare Mr. Schutte to the government's witnesses. 14 How did Mr. Schutte stack up to Anil Kumar or Rajiv Goel or 15 Adam Smith? There is no comparison. That's why the government 16 had to smear him by suggesting there was something improper 17 about Raj's investment in Mr. Schutte's fund. That's absurd 18 and it should offend you too. 19 Raj hired Rick Schutte in 2004 because he was the best 20 in the business. Raj invested with Rick Schutte in 2010 21 because he still is the best in the business. That's all there 22 is to it. Nothing changed and there was nothing improper about 23 that investment. And, by the way, none of that has anything to 24 do with Mr. Schutte's testimony before you. None of that has 25 anything to do with the hundreds of Galleon documents Mr. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ5 Summation - Mr. Dowd 1 Schutte showed you, documents the government admits are 2 authentic. 3 I also told you the government was going to rely on 4 snippets of recorded conversations taken out of context, and 5 that's exactly what they did. But we have shown you the factual context that you need to evaluate all the tapes the 6 7 government played. We have shown you the public information 8 and the Galleon analysis that Raj relied on when he made the 9 trades in issue in this case. We have shown you times when Raj 10 had taken a position before the recorded conversation. We have 11 shown you other times when Raj didn't trade at all, and when he 12 traded in the opposite direction of what was communicated on 13 the calls. 14 I told you the government was going to ignore what 15 things are like in the real world. I told you the government 16 was going to rely on fictions and plights of imagination to 17 make its case, and that is exactly what it has done. 18 The government's case rests on the fictional idea that 19 information can't ever become public until a company issues a 20 press release about it. But we have shown you that in the real 21 world, information can become public in all sorts of ways, 22 whether the company wants it or not and whether the company has 23 made a formal announcement or not. And the government can't 24 stand it. In the real world, there are billions of people 25 talking to one another. This is the media age, the age of the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 Internet, blogs and e-mail and instant communication. In the 1 2 real world, public companies are operating and functioning and communicating in public, with the press, with investors, with 3 4 competitors, with customers, with distributors and with 5 government agencies. But in the government's imaginary world, 6 the only way to find out what is happening in Intel is to wait 7 for Intel to hold a press conference. That's ridiculous. It's 8 a fiction and you cannot convict Raj based on a fiction. The government tries to say that all this public 9 10 information we have shown you is just speculation, like it is 11 worthless, like it doesn't count. But let's get real about 12 something. If the information is correct, then it's not 13 speculation and it's not rumor, it's news. And that's how 14 things become public in the real world. 15 Remember, Raj's business is all about predicting the 16 future and anticipating the market. It's all about gathering 17 all information available, analyzing it, and placing a bet on 18 where a stock is going to go. It's about distinguishing 19 between accurate predictions and inaccurate predictions. 20 The government's case also rests on the fictional idea 21 that Raj is supposed to know or is to assume that the people he 22 is talking to are giving out information they are not supposed 23 to give out, but the evidence shows that's not the case either. In the real world, it is Raj's job to ask questions and gather 24 25 information. That's his duty to his investors, and Raj is SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ5 Summation - Mr. Dowd entitled to assume that the people he talks to, sophisticated 1 business men and women, know and respect their own duties. 2 3 The government's case rests on the fiction that every 4 time Raj hears something, he is supposed to go check the public 5 record, to do a computer search to see if exactly the same data 6 has shown up in the newspaper yet. In the government's imaginary world, it doesn't matter that newspapers and analysts 7 have been reporting for weeks that AMD is going to announce 8 9 details of the asset-light strategy in the first half of 10 October. If Raj hears from someone that the announcement is 11 going to happen on October 7, he is supposed to drop everything 12 and see if that precise bit of information is public. That's 13 ridiculous. That's a fiction and you cannot convict Raj based 14 on a fiction. 15 Finally, I told you that the government was going to 16 ask you to believe the word of unbelievable people, and that's 17 exactly what they did. The cooperators -- Anil Kumar, Rajiv 18 Goel and Adam Smith -- are unbelievable people. We proved 19 that. We have shown you that the government is giving every 20 one of these cooperators a free pass on their own crimes in 21 return for testifying against Raj. We have shown you that the 22 government is even giving them a pass on crimes they are 23 continuing to commit. We have shown you that they are biased 24 and that they will say anything to satisfy the government that 25 they have provided the substantial assistance necessary to SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 qualify for a reduced sentence under their plea agreements. We 1 have shown you where the cooperators aren't telling you the 2 3 truth. We have shown you specific lies that each one of them 4 have told you. We have given you the facts you need to 5 evaluate these government witnesses and their testimony. And I 6 am confident you will agree with me their testimony is 7 unreliable and worthless. 8 Ladies and gentlemen, what you have seen in this 9 courtroom over the last month and a half is the American system 10 of justice at work. What you have seen is how our system of 11 justice seeks the truth. It seeks the truth by giving both 12 sides an opportunity to present evidence. It seeks the truth 13 by giving both sides an opportunity to challenge the other 14 side's evidence. You saw us challenge the government's 15 evidence and the government's evidence didn't hold up. You saw 16 how the cooperators' prepackaged testimony fell apart on 17 cross-examination. 18 You remember Anil Kumar finally blurted out the truth 19 about his relationship with Mr. Rajaratnam and admitted that 20 they never had an agreement to commit insider trading, when he 21 declared, no, and I never would have done that. You remember 22 when Rajiv Goel said there was no nexus between the loan he 23 received from Raj and the information he supposedly provided. 24 Remember when Adam Smith admitted that he pled guilty because 25 the government threatened, even though he told this court

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14K8RAJ5 Summation - Mr. Dowd exactly the opposite under oath at his plea. They went off 1 2 script, ladies and gentlemen. That's what happens on 3 cross-examination. 4 Raj has the constitutional right to confront and 5 cross-examine these witnesses, and we did. That's what happens in this temple of justice, in the light of day, in a public 6 courtroom, with a neutral judge, and 12 good men and women 7 sworn to be fair. That's you. Now it's your turn. You heard 8 9 the evidence, you heard the arguments from both sides, you have 10 given us a lot of your time, and I can't tell you how grateful 11 Raj is for your attention, patience and service. 12 This has been a long case and a complicated case. You 13 heard a lot of evidence. And now you have the serious 14 responsibility, and I know how serious you will take it. I am 15 confident that after you consider all the evidence and apply 16 the law to the evidence as Judge Holwell instructs you, you 17 will find Raj not guilty of all the charges against him, and 18 you will vote to acquit on every count. 19 Ladies and gentlemen, Judge Holwell is going to 20 instruct you on the law very soon. It is important that you 21 listen to Judge Holwell's instructions very carefully as Judge 22 Holwell tells you the rules that you need to apply as you 23 decide whether Mr. Rajaratnam is innocent or guilty of the charges against him. 24 25 Let's talk about the rules you're going to hear from SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 Judge Holwell. First, Mr. Rajaratnam is presumed innocent. He 1 starts with a clean slate and he bears no burden of proof at 2 all. Your duty is to acquit Mr. Rajaratnam if you conclude 3 4 that the government hasn't proven its case. The government 5 bears a very heavy burden of proof. You cannot convict Mr. 6 Rajaratnam unless the government proves he is guilty beyond a reasonable doubt. It must prove beyond a reasonable doubt Mr. 7 Rajaratnam committed each and every element of the charged 8 9 crimes. If you conclude the government hasn't carried its 10 burden of proof on every element beyond a reasonable doubt, it 11 is your duty to acquit Mr. Rajaratnam and find him not guilty. 12 It's important that you test the evidence against each 13 and every element of the charged offenses because this case 14 concerns a kind of activity, stock trading, that is perfectly 15 legal unless every single element of the insider trading 16 offense is proved beyond a reasonable doubt. 17 Insider trading is not like other crimes you might be 18 more familiar with because it involves an activity of trading 19 stock which is perfectly legal in most circumstances. Insider 20 trading is not like drug dealing because drug dealing is always 21 illegal, whereas trading in stocks is almost always legal. 22 Trading in stocks only becomes illegal when a whole 23 constellation of facts come together to create the offense of 24 insider trading. The government must prove every element of 25 that constellation of facts beyond a reasonable doubt in order SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14K8RAJ5 for you to convict Mr. Rajaratnam. So you must evaluate the 1 2 evidence in light of the legal elements very carefully. 3 Let me be blunt. The government is assuming that you 4 will not scrutinize its elements closer. The government is 5 assuming you will not ask yourself whether it has carried its 6 burden of proof beyond a reasonable doubt on every element. It 7 is relying on that because it knows it hasn't proved its case. 8 That's why it's so important that you scrutinize the evidence 9 and ask yourself whether the government has really proven every 10 element of the offenses beyond a reasonable doubt. And I 11 submit to you they have not. 12 One of the most important things the government has to 13 prove beyond a reasonable doubt is the information at issue in 14 this case was not public. As Judge Holwell will instruct you, 15 information is nonpublic if it was not available to the public 16 through such sources as press releases, SEC filings, trade 17 publications, analyst reports, newspapers, magazines, 18 television, radio or word of mouth. Information is public if 19 it's known outside the company and available for people to find 20 it if they want to find it. 21 Let me make sure this is clear. It is the 22 government's burden to prove beyond a reasonable doubt that the 23 information at issue in this case was not public. It is not 24 Mr. Rajaratnam's burden to prove to you that information was 25 public even though we have done that. It is the government's SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 burden to prove to you the information was not public, and it 1 2 must prove that information was not public beyond a reasonable 3 doubt. 4 This is an important point because the government has 5 not even tried to prove the information in its case was 6 nonpublic. Instead it has focused on something else. It has focused on whether the information was, quote unquote, 7 8 confidential. They can't prove that the information was 9 nonpublic so they want to make the case about something else. 10 That's why you heard so much about this information being 11 confidential under various corporate policies, but that's just 12 a straw man. 13 Confidential and nonpublic are not the same thing. 14 Information that a company considers confidential under its 15 internal policies and information which is nonpublic within the 16 meaning of the law are two totally different things. 17 Companies' internal policies are not the law. Every company 18 has a different definition of confidential. The law only 19 restricts trading information that is actually nonpublic. The 20 law allows you to trade on information that a company considers 21 confidential if that information is public, and it can be both. 22 In fact, the government's own witnesses testified that 23 information can be confidential and not necessarily be material 24 or nonpublic. That's what Peter Phan testified. That's what 25 Owen Keith testified. To be clear, information may be public SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14K8RAJ5 and can still be considered confidential by the companies. 1 2 We have proved to you that the information in this 3 case was public regardless of whether it was considered 4 confidential. For example, Intel may consider it confidential 5 under its internal policies that it is considering an 6 additional investment in Clearwire. But if the information is 7 in the Wall Street Journal, it's public regardless of how Intel would prefer the information be treated. And AMD may consider 8 9 it confidential under its internal policies that it is 10 partnering with Mubadala. But if it's already known in the 11 industry, then the information is public regardless of how AMD 12 would prefer the information be treated. Confidential and 13 nonpublic are not the same thing. 14 The government cannot prove that this information was 15 nonpublic so it has tried to prove something else. This is an 16 example of the government relying on fiction to mislead you. 17 The fiction is that everything that goes on inside a company is 18 confidential under these policies until a company issues a 19 press release about it. But in the real world, information can 20 become public whether the company wants it or not. In the real 21 world, information can become public in all kinds of different 22 ways. That's what Judge Holwell is going to instruct you. 23 It can be public by being reported in the newspaper. 24 We saw an example of that with eBay. Bloomberg News reported

24 we saw an example of that with eBay. Broomberg News reported 25 that eBay plans to lay off 10 percent of its work force weeks SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ5 Summation - Mr. Dowd before Anil Kumar said anything to Mr. Rajaratnam about it. 1 2 That was public. And if it's public, you must acquit. That's 3 the end of it. It's not whether anyone relied on it or not. 4 If it's public, it's out there. As a matter of fact, Bloomberg 5 knew more about than Kumar did. We saw another example of that with the AMD 6 7 asset-light program, which was reported in the Austin 8 American-Statesman more than a month before Anil Kumar told Mr. 9 Rajaratnam about the handshake deal. 10 It can become public by being discussed in published 11 analyst reports. You saw an example of that with Akamai, where 12 Goldman Sachs rated the stock conviction sell in May 2008, 13 months ahead of the July 2008 earnings announcement. And it 14 was based on competition and price impressions that were 15 pushing its earnings down. 16 You saw that with AMD asset-light restructure, which 17 was discussed repeatedly in the analyst reports for months 18 before the formal announcements by the company. 19 It can become public by being talked about on the 20 Internet by bloggers or others watching the industry. We 21 showed you an example of that with eBay, where TechCrunch.com, 22 a Web site focused on the tech industry, reported accurately on 23 the timing of eBay's layoffs on the very same day that Anil 24 Kumar discussed them with Raj. 25 It can become public through conversations between SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 company representatives and investors, such as on analyst days 1 2 or during one-on-one meetings. We showed you an example of that with AMD's acquisition of ATI, where AMD's CEO, Hector 3 4 Ruiz, goes out talking to analysts about the deal as part of 5 regular biz before either company made an official 6 announcement. We showed you another example of that with 7 Intel's investment in Clearwire, where Intel was touting the 8 plan at its analyst day conference weeks before the 9 announcement. 10 It can even become public through rumors and chatter 11 and speculation in the marketplace, which results in the

12 information becoming impounded into the stock price. That's 13 something our expert witness, Professor Jarrell, talked to you 14 about. And that's something we showed you with AMD's 15 asset-light restructuring, which was so widely expected that by 16 the time it was officially announced in October 2008, AMD's stock price didn't react at all and continued its downward 17 18 slide for the rest of the year. That's what impounded means. 19 The information was already reflected in the stock price and 20 the market didn't care when the company finally issued its 21 press release.

We have shown you that information at issue in this case became public in all these different lights, in newspapers and trade publications, published analyst reports, on the Internet, through company communications with the market on SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 1 analyst days, one-on-one meetings with analysts, through chatter and speculation of the marketplace. It was never our 2 3 burden to prove this information was public, but we have proved 4 it. And the government hasn't even tried to prove that it 5 wasn't public. For that reason alone you must acquit. 6 And keep in mind all the instances where the 7 government hasn't even proved to you what the substance of the 8 alleged tip was. All the instances where the government 9 witness testified, I told Raj something, but I don't remember 10 what it was. Because if you don't know exactly what was 11 supposed to have been said to Raj, how can you evaluate whether 12 the information was public or not? You can't. The government 13 hasn't proven its case. 14 The government must also establish the other elements 15 of insider trading beyond a reasonable doubt. It must prove 16 that the information was material. Material simply means very 17 important or very significant. But as you assess whether a 18 particular piece of information was important or significant, 19 make sure you keep in mind all of the other information that 20 was available at the time, because a particular piece of 21 information might not be material if the same information or a 22 lot of similar information was already available. 23 For example, let's say somebody tells you that the 24 parties to a deal have shaken hands. That information might be 25 material if it was the only piece of information out there. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 1 But it's not material if it's already public and you already 2 know that the parties have said they are implementing the deal. 3 That's what happened with the AMD asset-light deal. 4 You also need to ask yourself if the information is 5 specific enough to be material, because as Judge Holwell will 6 instruct you, information isn't material unless it's specific 7 enough to tell you something meaningful about the stock. For 8 example, if someone tells you that a company is going to 9 receive a term sheet in the next few days, that's not material. 10 Because if you don't know what the terms are, then the term 11 sheet isn't material. Or someone tells you the company is 12 losing two bucks a share, earnings per share, it tells you in 13 the middle of the quarter, a month before the quarter closes, 14 and two months before the quarterly earnings are announced, 15 that information is not material either because it's premature. 16 It's too early to tell what the earnings are going to be. 17 And ask yourself if the government has even put on any 18 evidence at all about what the alleged tip was, if you know the 19 substance of the information communicated to Raj. Because if 20 you don't, you can't assess whether the information was 21 material and the government hasn't proven its case. 22 So ask yourself those things when you assess the 23 information in this case. Was it significant in light of the 24 total mix of information out there? Was it specific enough to 25 be material? Has the government proven it was material beyond SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14K8RAJ5 Summation - Mr. Dowd 1 a reasonable doubt? 2 Another element that the government must prove beyond 3 a reasonable doubt is the alleged insider trading has breached 4 a fiduciary duty by disclosing the information for a personal 5 benefit. It's not enough for the government to show that 6 information came from an insider. It's not enough for the 7 government to show the company considered the information 8 confidential. The government must also prove that the insider 9 personally received something of value for the information. 10 And it's important that you test the government's evidence 11 carefully on this element because the government hasn't even 12 tried to show that many of the insiders in this case acted for 13 personal gain or that they received anything of value in return 14 for the information that they disclosed. 15 For example, the government hasn't shown or even tried 16 to show that Rajat Gupta, Kamal Ahmed or Kieran Taylor received 17 anything of value in return for their alleged tips. Even when 18 the alleged insider did receive something of value, at some 19 point in time the government hasn't shown that they received a 20 thing of value in return for the alleged tips.

For example, the government claims Anil Kumar provided Mr. Rajaratnam with tips about business objects of AMD and eBay and Spansion in 2007 and 2008. But they have presented no evidence that Mr. Kumar received anything at all from these supposed tips, and Kumar admitted that he received nothing. SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ5 Summation - Mr. Dowd Rajiv Goel admitted on the stand that there was no 1 2 nexus between the money he received from Raj and the 3 information he supposedly provided. 4 The government must also prove beyond a reasonable 5 doubt that Raj traded on the basis of material nonpublic 6 information. So it's important that you ask yourself whether 7 the government has proven beyond a reasonable doubt that Raj 8 traded on the basis of the alleged tips and not based on other information. And the evidence shows that Mr. Rajaratnam traded 9 10 on the basis of public information, Galleon research, not on 11 the basis of any of these alleged tips. How do you know for 12 sure? For instance, you could tell that Raj did not trade on 13 the basis of a supposed tip if he had already taken a position 14 before receiving the tip. Like with Akamai, Polycom, Goldman 15 Sachs, AMD, where Raj had already taken his position in the 16 stock before the alleged tips. 17 You also have to consider all of the other information 18 Raj had when he made a trade. The government has to prove 19 beyond a reasonable doubt that Raj did not rely on that 20 information. He relied on the alleged tip instead. 21 For example, on Google, the government has to prove 22 beyond a reasonable doubt that Raj did not trade on the basis 23 of Steve Granoff's analysis setting a target price for the

24 25 stock.

On Goldman Sachs, the government has to prove that Raj SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14K8RAJ5 did not trade on the basis of the analysis of his legislative 1 2 consultant who was reporting on the progress of the TARP 3 legislation. 4 Finally, the government must prove beyond a reasonable 5 doubt that Raj acted knowingly and willfully. And that means 6 the government must prove beyond a reasonable doubt that Raj 7 knew every one of the elements I just went through at the time 8 he placed his trade, and he acted with the intent to commit the 9 crime of insider trading. 10 As to the conspiracy counts, the key element the 11 government must prove is the agreement to commit the crime of 12 insider trading. If you find that Raj and his alleged 13 co-conspirator did not have an agreement to commit insider trading, then you must acquit. For example, it's not enough 14 15 for you to find that Raj had an agreement with someone to seek 16 out information and then trade stock based on that information. That's not the crime that Raj is charged with. That's not a 17 18 crime at all. It is legal to seek out information and trade 19 stock based on it. That's Raj's job. To convict you must find 20 he actually agreed with someone else to engage in the crime of 21 insider trading. 22 That's why all the elements of the insider trading 23 counts are also relevant to your consideration of the 24 conspiracy counts as well. Because if Raj didn't trade the 25 stock, it shows there was no conspiracy to engage in insider SOUTHERN DISTRICT REPORTERS, P.C.

14K8RAJ5 Summation - Mr. Dowd trading. And if the information at issue was public, then it 1 shows that there was no conspiracy to commit insider trading 2 3 because insider trading can only occur if the information is 4 nonpublic. And if the insider didn't act for personal benefit, 5 then it shows there was no conspiracy to commit insider trading 6 because insider trading can only occur if the insider acted for 7 personal benefit. 8 Finally, as you consider the evidence, keep in mind 9 what Raj did for a living and what Raj's duties were. Focus on 10 the real world, not the imaginary world the government has 11 created here. In the real world, Raj's job was to manage other 12 people's money. People and institutions entrusted him with 13 their money. People entrusted Raj with their retirement 14 savings, charities and universities entrusted Raj with their 15 endowments, and Raj made sound and smart decisions about how to 16 invest billions of dollars of other people's money. This is a 17 serious responsibility and it creates serious duties to the 18 people who entrusted Raj with their money. 19 What duties did Raj have? He had a duty to ask 20 questions. He had a duty to conduct research. He had a duty 21 to review his analyst reports. He had a duty to talk to company representatives just as all analysts do. He had a duty 22 23 to take advantage of attractive investment opportunities for 24 his clients. And Raj had a duty to ask questions and a duty to 25

act on the answers he got. In fact, that's what the SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 1 government's own witnesses told you. 2 You remember Sriram Viswanathan, one of the 3 government's witnesses from Intel, told you that an analyst's 4 job is to ask questions and push for information and 5 triangulate the information to reach conclusions about a 6 company. That was Raj's job, that was his duty, and Raj had 7 the right to assume the people he spoke to had respected their 8 own duties. Raj wasn't talking to children. He was talking to 9 the most sophisticated business people in the world. And he 10 was allowed to assume that the information they shared with him 11 was information they were allowed to share with him. 12 Remember, Raj never even saw all these confidentiality 13 policies the government has shown you. These policies didn't 14 define Raj's duties. They defined other people's duties. Raj 15 did what he was supposed to do as the steward of his investors' 16 money. He sought out as much information as he could learn. 17 Ladies and gentlemen, that's the real world. That's 18 what people like Raj do and that's not a crime. 19 Let me talk about the cooperators. I told you in my 20 opening statement that the government was going to present its 21 case through a number of so-called cooperating witnesses, and 22 that's exactly what the government did. You heard Anil Kumar, 23 Rajiv Goel and Adam Smith testify. You heard Kumar, Goel and 24 Smith interpret the government's evidence for you. You heard 25 them interpret the wiretap recordings for you. You heard Anil SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14K8RAJ5 Kumar, Rajiv Goel and Adam Smith testify for days on end. 1 2 That's what the prosecutor called them here to do, and that's what they did. But make no mistake. In addition to everything 3 4 else I just went through, you must believe the testimony of 5 Anil Kumar, Rajiv Goel and Adam Smith in order to convict Mr. 6 Rajaratnam. 7 The government has not proven its case and you cannot 8 convict unless you believe the word of Anil Kumar, Rajiv Goel, and Adam Smith. If you don't believe these three men, you must 9 10 acquit. And you can't believe a word these men said. We have 11 shown you that and we have proven that. We are going to go 12 back through the proof in detail. We have proved to you that 13 every one of those three men lied. We have proved that they 14 lied inside this courtroom, and we have proved they lied 15 outside this courtroom. 16 We have proved they are getting a free pass from the 17 government for their own crimes in return for the testimony 18 against Raj. That's why they are here. That's why they said 19 all these things. Because the prosecutors hold the keys to the 20 jailhouse for these three men. They might spend 25 years in 21 prison and they might not spend a day. None of them has been 22 sentenced yet. And the prosecutors decide whether the

23 government is going to help them at sentencing or not.
24 You heard a lot of pious testimony about how all their
25 plea agreements require is for them to tell the truth. Let's
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Summation - Mr. Dowd 14K8RAJ5 get real. Who decides whether they have told the truth? Who 1 decides whether their testimony in this case amounts to 2 3 substantial assistance necessary to get some help in 4 sentencing? The prosecutor does. If any of those men had 5 gotten up here and said Raj didn't do it, you think they would 6 be getting any help with their sentences? You think the 7 prosecutor will alert the sentencing judge to their substantial 8 assistance? Of course not. They are not being rewarded for 9 telling the truth. You know what the government's view of the 10 truth is, you know what these men had to say in order to 11 satisfy the prosecutors, and you know what kind of pressure the 12 government has put on these men. They have been threatened 13 with a decades long prison sentence and promised a chance of a much shorter sentence. Adam Smith was specifically threatened 14 15 he would never see his little boys again.

Ladies and gentlemen, let me be blunt. Anil Kumar, Rajiv Goel and Adam Smith testified the way they have testified because they have been coerced by the government. It's not pretty, but it's that simple.

Let's talk about Anil Kumar. It was some time ago, but I am sure you will remember. The first words Mr. Streeter said to you during his opening statement were greed and corruption. Then the government called Anil Kumar, who might be one of the greediest and most corrupt people you have ever met in your life, a man who made millions of dollars a year but SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14K8RAJ5 squirreled away millions more in offshore accounts to avoid paying his taxes, a man who giggled his way through testimony about all the times he lied and cheated his friends and his business partners and the IRS. (Continued on next page) SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14KFRAJ6 1 MR. DOWD: You think Anil Kumar was funny? I didn't. 2 You should be offended that the government is asking you to 3 believe Anil Kumar, because Anil Kumar might be the most 4 dishonest person you've ever met in your life. 5 Let's go over the lies Kumar told in this courtroom 6 before you under oath. Remember Mindspirit? You remember that between 2003 and 2004, Kumar received consulting payments from 7 8 Galleon through a company called Pecos? Kumar told you that 9 Pecos setup was Raj's idea. Kumar told you that Raj had to 10 tell him to send the money to Pecos and how to do it because 11 Kumar didn't know how to do it. Kumar also invested in Galleon 12 under the name of his housekeeper, Manju Das, and he again told 13 you that was Raj's idea and Raj made him do it. 14 Now, let's just stop right here. We're talking about 15 a grown man who is a senior partner of McKinsey, the largest 16 consulting firm in the world, and he gets on the stand and says 17 Raj made me do it. That might be what a third grader would 18 say, but not a grown man and it defies common sense and that's 19 nuts. 20 All that testimony was false and we proved it was 21 false because we proved Kumar had done both these things for 22 greed. Years before, Kumar consulted for Galleon through 23 Pecos. He also consulted for another company, Info USA, 24 through a company called Mindspirit. Kumar testified that he 25 founded Mindspirit with his McKinsey partner Rajad Gupta, and SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14KFRAJ6 1 we showed you the incorporation documents and they're in your Kumar binders, and years before Kumar invested in Galleon 2 3 through the name of his housekeeper, he invested in Info USA in 4 the name of his wife, Malvika. Mindspirit and Malvika weren't 5 Raj's idea. And Pecos and Manju Das weren't Raj's idea either. 6 Kumar didn't need Raj to tell him how to do this. Kumar had 7 done it himself years before without any involvement with Raj 8 and he knew exactly what he was doing and exactly how to do it, 9 but when the government came knocking, Kumar played dumb, he 10 blamed it all on Raj. 11 Remember, Kumar denied all of what I just said on the 12 witness stand. This is what he said. Joe, could you pull up 13 day six, pages 742 to 743 starting at line 25? 14 "Q. But you did consulting work, correct? 15 "A. Not under Mindspirit, sir." 16 But then I showed him the consulting contract between 17 Mindspirit and Info USA. Joe, pull up defense Exhibit 3934. 18 This is it, the consulting contract between Mindspirit and Info 19 USA. And it says, "This is to confirm that Mindspirit LLC will 20 provide advice and guidance to Vin Gupta, CEO of Info USA on 21 strategic issues associated with the growth and sustainability 22 of the company. Mindspirit will be reimbursed for 23 out-of-pocket expenses associated with providing such advice, 24 also receive 200,000 options to be vested over four years in 25 the strike price of \$7 per share per its vesting policy." SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ6 Summation - Mr. Dowd 1 Then it's signed for both Info USA and Mindspirit and 2 it's dated April 18, 2001. And I showed this consulting 3 contract to Kumar. This is what he said: Day six, page 744, line 11, Joe. "This was never executed," he said under oath. 4 5 "Mindspirit never received a single dollar from Info USA not 6 one cent, not one dollar from Mindspirit. This agreement was 7 torn up, sir." 8 Next I showed him the documents reflecting the award 9 of 100,000 options, Kumar's half of the contract amount that he 10 received from Info USA on the very day this contract was 11 signed. But he didn't receive the options directly. He 12 received them through his wife. 13 Joe, Defense Exhibit 3935. This is the award of 14 100,000 Info USA stock options to Malvika Kumar dated April 18, 15 2001, the very same day as the consulting contract. The 16 options are awarded at the \$7 strike price exactly as the 17 consulting contract. So who does Anil Kumar think he's 18 kidding? 19 He testified that Mindspirit wasn't a consulting 20 company, it didn't do any consulting. And I showed him a 21 signed consulting contract between Mindspirit and Info USA. 22 Then he said the agreement was torn up and he never received 23 the 100,000 shares promised under the contract. The very same 24 day Kumar received half of the payment, 100,000 shares paid to 25 his wife. He was just lying. He was lying right here in this SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14kfraj6 courtroom to you. And he was lying because what he did at 1 Mindspirit shows that he was lying when he says that Pecos and 2 Manju Das were Raj's idea. Years before, Kumar consulted for 3 4 Galleon through Pecos. He consulted for Info USA through 5 Mindspirit. And years before, Kumar invested in Galleon 6 through the name of his housekeeper, he invested in Info USA in 7 the name of his wife. Years before Kumar did these things for Pecos and Manju Das, he did that with Mindspirit and Malvika 8 9 Kumar. He knew exactly what he was doing and exactly how to do 10 it. 11 This wasn't Kumar's only lie. Do you remember the 12 backdated subscription agreement? Remember an October, 2003 13 subscription agreement when Kumar first invested under the name 14 of his housekeeper, Manju Das, and you remember the nomination 15 letter that Kumar sent to Galleon stating that Kumar had 16 authority to make decisions over that account. Joe, if we 17 could look at page 9 of Government Exhibit 2105. This is the 18 letter the government showed Mr. Kumar. As you can see, it's 19 dated October 1, 2003. Kumar testified that Raj dictated this 20 letter later than this date, but instructed him to backdate it 21 to October 1, 2003. That's what the government put him on the 22 stand to say. And the purpose was to make Raj look dirty. The 23 purpose was to make it look like Raj told Kumar to falsify a

24 document in order to take advantage of being in the fund longer 25 than he really was. But none of Kumar's testimony was true. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14KFRAJ6 Raj didn't dictate that letter. And Raj didn't tell Kumar to 1 backdate it. And we're able to show these things weren't true 2 3 because we found the records in Galleon proving that Kumar 4 faxed the completed letter to Galleon the very same day, 5 October 1, 2003. 6 Joe, if you'll be kind enough to pull up Defense 7 Exhibit 4481 at page 1. This is the fax record that we showed 8 to Anil Kumar. This is the very same letter he says was written weeks after the date printed. But there at the top is 9 10 the fax transmission line and it shows that it was faxed to 11 Galleon on October 1, 2003, which is the very same day as the 12 date of the letter. And that wouldn't be possible if this 13 letter were written weeks later. Kumar just made it up, and he made it up in front of you under oath. He lied to make Raj 14 15 look dirty, and he never would have told the truth if we hadn't 16 found this record in the Galleon files and showed it to him. 17 Let's talk about Manju Das. You remember Manju Das. 18 Das was Kumar's housekeeper. She lived with Kumar and his 19 family in California. She came to the United States with them 20 in 1999. You know that because Kumar admitted all of it and 21 because we showed you Das' visa application. Kumar used Das' 22 name for Galleon investments. He testified that using Manju 23 Das' name was Raj's idea. He testified that Raj knew Manju Das 24 was a housekeeper. He testified he knew she lived in 25 California. He testified he suggested using Das' name on the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14KFRAJ6 account. Those were all lies and we proved to you that they 1 were lies. You know they were lies because we proved to you 2 3 that Kumar lied to Galleon and to Galleon's fund manager, 4 Morgan Stanley Fund Services, about who Manju Das really was 5 and where Manju Das really lived and that's not something that 6 Kumar would have to do if Manju Das was Raj's idea. That 7 doesn't make any sense. Kumar didn't just lie a little, he 8 lied a lot. He lied to Galleon and Morgan Stanley over and 9 over again about who Manju Das was and where Manju Das lived in 10 order to make it appear that she was a resident of India, 11 eligible to invest in Galleon's offshore funds. 12 Kumar lied on the initial subscription agreement that 13 he provided to Galleon. Joe, if we could have Defense Exhibit 14 4481S at page 2. This is a subscription agreement. You

15 remember it. Third page, Kumar has filled in supposedly Manju 16 Das' address, but he didn't fill in her real address. Her real 17 address was in California where she lived with Kumar as 18 reflected on the visa form. Instead of putting her real 19 address he put his in-law's address in New Delhi. You notice 20 in all these documents we redacted the specific address to 21 spare the in-laws any hassle back in India, but Kumar admitted 22 it was his in law's address and he did it to make it appear to 23 Galleon that Das lived in India when she really lived in 24 California.

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Kumar admitted all that on the stand, but not at SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14kfraj6 first. At first he lied. You remember that. You remember how 1 he testified that this was Das' base in India, where she kept 2 3 her belongings in the garage. Pull up day 5, Joe, page 648, 4 line 22. 5 "Q. You testified that this is the address you wrote as 6 Ms. Das' address in India, correct? 7 "A. Yes, sir. 8 "Q. That testimony was false, wasn't it? 9 "A. No, sir. That address is where she keeps her, some of her 10 belongings in India. It is her Delhi base." 11 That testimony is false. Kumar eventually admitted 12 that. But he didn't admit it until we buried him in a mountain 13 of phony documents he created to cover up the lie he told to 14 Galleon on his first subscription agreement. 15 2008 Kumar transferred the money in Manju Das' 16 accounts to an account held by a Swiss company called Ambit. 17 He testified Raj told him to transfer the funds because Galleon 18 was coming under scrutiny by the SEC. That wasn't true. Kumar 19 didn't move the Manju Das accounts because of the SEC, he moved 20 them because Galleon and Morgan Stanley were demanding proof 21 that Das really lived abroad. 22 Let's look at defense Exhibit 1898. This is the first 23 of those communications. Begins with an e-mail from Leona 24 Murphy at Morgan Stanley to Mr. Shareen at Galleon on May 21, 25 2008. You'll notice who is not on this e-mail. Raj. This is SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14KFRAJ6 an e-mail to Kumar and Kumar responds. "Thanks, Shareen, let 1 2 me look at this and see what can be done. May be tricky." 3 Certainly was tricky. The tricks were all Kumar's and it 4 started with this next e-mail to Shareen where he laid out his 5 elegant solution to the Manju Das predicament. 6 Joe, could we have Defense Exhibit 1915? This is 7 Kumar's e-mail back. "Shareen, I spoke with adviser overseas 8 on this matter." He admitted the advisor was list lawyer 9 Ashley Sutton. "He states the best solution is to in fact have 10 Manju Das assign and direct the holdings with Galleon to an 11 offshore entity, in this case Ambit. This way there are many 12 benefits. A, from a Morgan Stanley Funds Services perspective, 13 they should not care if an LP," meaning limited partner, referring to Manju Das, "sold their stake to another party for 14 whatever consideration, all they may do is ask for a transfer 15 16 form. B, this entity over which you will have sole holdings 17 will be Ambit, so everything gets consolidated into Ambit which 18 will be the vehicle for all future investments. I will call 19 you as soon as I wake up to discuss. It's the most elegant 20 solution to the predicament and hopefully one that will require 21 not too many documents. Typically a fund will have a transfer 22 form or something of that nature to show the transfer of assets 23 from one entity to another. Please do not do anything about 24 this yet or copy this to anyone. Bottom line is to avoid 25 redemption of the funds from Manju's Galleon account back into SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ6 Summation - Mr. Dowd 1 a bank account in her name for immediate reinvestment back into 2 Galleon. That would be a painful exercise." 3 There you have, ladies and gentlemen, Anil Kumar's own 4 explanation of why he transferred the Manju Das accounts to 5 Ambit. It had nothing to do with the SEC. It had nothing to 6 do with Raj telling him to move the accounts. He transferred 7 the accounts because Galleon and Morgan Stanley demanded proof 8 that Das lived in India. Transferring the accounts was the way 9 to avoid having to come up with a non-existent proof of Manju 10 Das' foreign residence. The elegant solution didn't work. It 11 blew up in Kumar's face because Galleon, Morgan Stanley 12 demanded proof of Das' address in order to complete the 13 transfer. 14 Joe, will you pull up Defense Exhibit 2190. That's 15 what this e-mail from Shareen to Kumar says. "Anil, in order 16 for Morgan Stanley Fund Services to complete the July transfer 17 they need a W9 completed and two proofs of address from Manju 18 Das." Kumar freaked out. He doubled down on his lies. 19 Joe, pull up Defense Exhibit 2193R. This is Kumar's 20 response to Shareen. "Manju Das comes from a village in the 21 remote areas of Bengal. It's not customary to have utility or water bills in these areas. The permanent address as noted in 22 23 her passport is in that district and that is used by all 24 authorities as proof of address. Her current address is in New 25 Delhi also noted on the passport. This is the address to which

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Summation - Mr. Dowd 14KFRAJ6 her mail and Galleon statements go. In India a notarized copy 1 of the paper with current permanent address is considered as 2 3 adequate proof of residence, since passports are only issued 4 upon physical verification of residence." 5 Joe, pull up Defense Exhibit 2222. Shareen forwarded 6 Kumar's e-mail to Morgan Stanley, that's in this document. It 7 didn't work. Morgan Stanley still demanded the proof. Kumar wrote back. "I just spoke with Ms. Das. She said she's able 8 9 to get a letter from her doctor, a GP who treats her who is 10 situated close to where she lives to verify her address to say 11 he is her physician, etc. Please confirm that's okay. I'll 12 ask her to send ASAP." Kumar came up with a doctor's note. He 13 came up with other documents Morgan Stanley was demanding, too, but because Das really lived in California, they were all fake. 14 15 He used his cronies in India to get a bunch of fake documents. 16 He started with a fake affidavit. Defense Exhibit 17 2441R, page 5. It's got a seal and everything. The affidavit, 18 "I, Manju Das, acknowledge Shikar Das, resident New Delhi, do 19 solemnly affirm and declare that I reside at the above address. 20 I've been living here ten years. That's my true and correct 21 address." This is a false document Kumar created and created to 22 deceive Galleon and Morgan Stanley. Mr. Rajaratnam knew 23 nothing about it. Kumar admitted that. He got a fake doctor's note. Here it is, Exhibit 2441R. Dr. Alok Mathur. His 24 25 letterhead shows he's consultant to none other than McKinsey & SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14KFRAJ6 Company. It says, "Certified, Ms. Manju Das has been under my 1 2 care since the last ten years and resides at a certain address 3 in New Delhi." This was a false document. Kumar created it. 4 He created it to deceive Galleon and Morgan Stanley. 5 Mr. Rajaratnam knew nothing about it. Kumar admitted that. 6 Kumar also filled out a fake tax form. Defense 7 Exhibit 2441R. This is an IRS form W8 signed with Manju Das, 8 but filled out by Kumar. He admitted that, and he had Das sign 9 it under the penalty of perjury and that's what it says right 10 above her signature. Once again he's given his in-law's 11 address as Das' address and he checked the box stating that Das 12 was a resident of India. This was a false document. Kumar 13 created it. He created it to deceive Galleon and Morgan 14 Stanley. Mr. Rajaratnam had nothing to do with it. Kumar 15 admitted that. 16 Fake affidavits, fake doctors' notes, fake tax forms, it still wasn't enough. Galleon Morgan Stanley still demanded 17 18 more proof. This one from Shineed Hayes September 8. Just 19 imagine how Kumar must have felt when he received this e-mail. 20 Imagine his frustration after all the efforts he put into the 21 phony affidavit and phony doctor's note and phony tax return. 22 He wasn't very good at hiding his frustration. Defense Exhibit

2499. The lies just kept coming. 24 "Dear Shineed, as we discussed, in India there are not 25 utility and fuel bills in all individuals' names, since the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ6 Summation - Mr. Dowd infrastructure is so weak. The same holds true for the 1 2 financial banking infrastructure. Many people have 3 historically held money in other forms or in joint accounts 4 with other people in other cities. It's been a country where 5 money matters are dealt with on faith. For example, you can 6 buy jewelry in one city and pay in another months later based 7 on good faith. Each country has its own custom. You can do 8 the same in Japan, for example. This is why she got the letter 9 from her long-time doctor and the notarized passport with 10 address. Regards." 11 Kumar gave it one more shot. This time he opened a 12 bank account in Das' name in Bangalore. He asked the bank for 13 a letter providing Das's supposed address in India. Defense 14 Exhibit 4365R, but HSBC included more information than Kumar 15 had asked. HSBC noted the account had only been opened since 16 October 20, 2008, just a few days earlier. Joe pull up Defense 17 Exhibit 4366R. This is the first draft of the letter and notes 18 the account's only been open since October 20. It's this what 19 tipped Galleon and Morgan Stanley to the fact the account was 20 only opened for a few days. The whole point was to make it 21 appear Das lived at this address for ten years, so Kumar told 22 them to change the letter. That's in defense Exhibit 2838R. 23 He asked them to delete the words because they would have 24 revealed his fraud. What HSBC did as instructed, removed the 25 language indicating the account had only been open for a few SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14KFRAJ6 1 day. 2 Final letter is defense Exhibit 2823. This is another 3 phony document created by Kumar to deceive Galleon. Kumar 4 admitted that. Kumar eventually admitted that all these 5 documents were fake. He eventually admitted that the point of all this effort was to fool Galleon and to fool Morgan Stanley 6 7 about who Manju Das really was and where Manju Das really 8 lived. This is what he said eventually. Pull up day 6, pages 9 730 line 19 through 731 at line 5. This is sworn testimony 10 before you, ladies and gentlemen. 11 "Q. Mr. Kumar, you recall when we broke yesterday we were 12 talking about your various false communications to Galleon and 13 Morgan Stanley about Manju Das? 14 "A. Yes. 15 "Q. Look at the number of false documents you created, the 16 affidavit, the doctor's note and the tax form. Do you remember 17 that? 18 "A. Yes, sir. 19 "Q. And you obtained all these documents because Galleon and 20 Morgan Stanley were demanding proof of Manju Das, whether she 21 lived outside the United States, correct? 22 "A. Yes, sir." 23 That's what Kumar finally admitted after I showed him 24 all those fake document he created, but he didn't admit it when 25 I first asked him about it. When I first asked about it he SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14KFRAJ6 lied on this witness stand. Don't forget that, please. That 1 is what he said when I first asked about these documents. Pull 2 3 up day five at 693, line 8, Joe. 4 "Q. Finally, with no alternative, you faked the documents 5 necessary to satisfy Galleon and Morgan Stanley, correct? 6 "A. I got them, they needed a bank account statement, which I 7 got for them. "Q. You fabricated affidavits and doctor's notes and bank 8 statements, didn't you? 9 10 "A. No, sir. I got a note from her doctor who has been her 11 doctor for fifteen years. That continues to be her doctor and 12 I got a bank statement from a bank account that she has, sir." 13 That was all false. That's what Kumar said when he thought he could get away with it. After he couldn't get away 14 15 with it any longer he gave up and admitted the truth. Do you 16 know what that exposed? It exposed Kumar's biggest lie of all 17 and that's the lie he told about why he testified in the first 18 place. Kumar testified in this trial because he wants to make 19 the government happy, because he wants the government's help at 20 sentencing. But that's not what he told you. He told you he's 21 here because he's a boy scout and all he wants to do is tell 22 the truth. Ladies and gentlemen, the last thing Anil Kumar 23 cares about is the truth and he proved that he'll do anything 24 and say anything to make the government happy, so he can get a 25 sweetheart deal at sentencing. We showed you that. He showed SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14kfraj6 Summation - Mr. Dowd you that. With all the lies he told from the witness stand, you cannot believe Anil Kumar and because you cannot believe Anil Kumar you must vote to acquit. Your Honor, this is a good place to break, if it's convenient with the Court and the jury. THE COURT: That's fine, Mr. Dowd. We'll break until tomorrow morning at 9:30 as usual and continue with closing argument. (Jury excused) (Continued on next page) SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ6 Summation - Mr. Dowd (In open court; jury not present) 1 2 MR. STREETER: Your Honor, one issue I'd like to 3 raise, please? 4 THE COURT: Yes. Take your seats. 5 MR. STREETER: Mr. Dowd mentioned to the jury that all 6 these documents would be in their Kumar binder, and I'm 7 concerned that means they intend to create binders of separate 8 documents in different subject matters to send back to the jury 9 and I've never seen such a thing in terms of documents going 10 back to the jury, that a party gets to organize the documents 11 in a way that continues to advocate from them in a binder that 12 goes back to the jury. The way that I've seen it in every 13 single trial I've ever done is that the documents go back 14 either if the jury requests a specific document or all the 15 documents go back in folders in their exhibit number order and 16 the jury can pick through them and figure out which ones they 17 want to look at. 18 THE COURT: Let's ask Mr. Dowd what his intention is. 19 MR. DOWD: Your Honor, we understood that, and we told 20 the government that we were organizing our documents this way 21 by witness. I know we've supplied the Court with the same kind 22 of binder, so that's all I was referring to. I didn't mean to 23 do something improper here, but it was -- we told, we talked to 24 Mr. Streeter about it yesterday. So I don't know why -- we 25 just --

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Summation - Mr. Dowd 14KFRAJ6 THE COURT: My normal practice is simply to provide 1 2 all the exhibits either numerically, generally numerically to 3 the jury. 4 MR. DOWD: Your Honor, I apologize, then. I 5 misunderstood. 6 THE COURT: Not a major issue. If you want to suggest 7 an index of some sort by witness, you can submit it to the 8 prosecutor and to the Court and I'll take a look at it. 9 MR. STREETER: Your Honor, what I think makes sense 10 is, and what I had talked to Mr. Lynam about is each of us 11 would put together an index and there would be a column in the 12 index which indicated which witness the document came in 13 through. Ordinarily the index provides the exhibit number and 14 a description of the document and Mr. Lynam proposed that there 15 also be a column saying which witness it came in through. 16 That's all we discussed. The notion of putting together 17 binders that organize documents so they could continue to 18 advocate inside the jury room is in my view totally 19 unacceptable and far beyond the practice I've ever seen in this 20 courthouse. 21 MR. LYNAM: Your Honor, as Mr. Streeter indicates, we 22 talked about having an exhibit list organized by witness and 23 that's what I thought he said he was doing, too, and that's 24 what we're doing. So to organize it by witness we thought it 25 made sense to have them organized in binders by witness as SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14KFRAJ6 they're submitted. If that's not what he understood, that's 1 2 the way we understood from talking to him that we were going to 3 identify them by witness. 4 MR. STREETER: Your Honor --5 THE COURT: What we'll do is we'll make all the exhibits available in folder, binders, in numerical order. As 6 7 I say, if you want to suggest also providing them an index 8 that's broken down further by, organized by witness, do it and 9 I'll take a look at it. If I think it's helpful to the jury I'll use it. If I don't, I won't. 10 11 MR. DOWD: Your Honor, forgive me for misunderstanding, but I thought we were doing the right thing. 12 13 We'll submit it to your Honor. 14 THE COURT: Anything else? All right, 9:30 tomorrow 15 morning. 16 MR. STREETER: Your Honor, there was the one matter of 17 the charge. I just had that one modification that I want to 18 discuss with your Honor. I don't know if you want to do that 19 now? It's literally five minutes. 20 THE COURT: Which charge is that? Take your seats, 21 please. 22 MR. STREETER: Your Honor had made a change --23 yesterday at the conference your Honor told us that you were going to insert the words "should have known" in two places in 24 25 the charge. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ6 Summation - Mr. Dowd 1 THE COURT: Yes. We've made that change. MR. STREETER: My concern is that in conjunction with 2 3 that, the charge that was brought out this morning after the 4 charge conference also made other changes that we had, I had 5 thought we'd understood would not be made, namely --6 THE COURT: Tell me which charge you're referring to. 7 MR. STREETER: The one that I'm concerned about, your 8 Honor is on page 47, 31C. 9 THE COURT: Yes, I have it. 10 MR. STREETER: What I understood was that your Honor 11 was putting in the "should have known" language. I did not 12 understand at the time and I never understood this until I 13 received this this morning that you were going to have that 14 last sentence in the charge. The government doesn't think 15 that's a correct statement of the law. The government thinks 16 that it should just simply say the government must show that 17 Mr. Rajaratnam knew that the information was being provided in 18 breach. It's impossible for an objective standard like 19 materiality to also be a subjective standard. We know of no 20 case that's provided that, no instruction that's ever provided 21 that. Same with whether the information is public or not 22 public. That's an objective question, it's either public or 23 it's not public and to gloss on top of that then a subjective 24 requirement, and then finally, with respect to the personal 25 benefit, we know of no instruction that's required the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14KFRAJ6 Summation - Mr. Dowd defendant to know of the personal benefit. It's an objective 1 2 requirement that the insider have a benefit. 3 THE COURT: So you're requesting the deletion of the 4 last sentence? 5 MR. STREETER: I'm requesting the sentence be changed 6 to say the government must show that Mr. Rajaratnam knew that 7 the information was provided in breach, period, and then just one sentence saying, "I will instruct you subsequently what I 8 9 mean by knowledge," because there's a whole section of your 10 charge where you describe knowledge and that that includes 11 drawing inferences from disparate pieces of information because 12 a defendant rarely announces their intentions openly in a 13 document or in a statement. So that is what I'm requesting with respect to this, that it be modified back to the way it 14 15 originally was and that that one sentence be added to say I'll 16 instruct you later about what is meant by knowledge. 17 THE COURT: Mr. Lynam? 18 MR. LYNAM: Your Honor, we believe the way the Court 19 has it is the right way. The sentence captures the knowledge 20 of the breach and goes on to explain that the benefit is tied 21 into the breach, which is what I think the instruction is 22 trying to do here. So I think the way the Court has captured 23 it is the right way to do it. So we would object to any 24 change. 25 THE COURT: I'll review it overnight and advise the

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	14KFRAJ6		Summation - Mr. Dowd		
1	parties tomorrow morning.				
2	MR. STREETER: Thank you, your Honor.				
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14LFRAJ1 1 UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK 1 2 -----X 2 3 UNITED STATES OF AMERICA, 3 4 09 CR 1184 (RJH) v. 4 RAJ RAJARATNAM, 5 5 6 Defendant. 6 7 -----x 7 8 New York, N.Y. 8 April 21, 2011 9 9:45 a.m. 9 10 10 Before: 11 11 HON. RICHARD J. HOLWELL 12 12 District Judge 13 13 14 APPEARANCES 14 PREET BHARARA 15 15 United States Attorney for the 16 Southern District of New York 16 JONATHAN R. STREETER 17 REED M. BRODSKY 17 ANDREW MICHAELSON 18 Assistant United States Attorneys 18 19 AKIN GUMP STRAUSS HAUER & FELD LLP 19 Attorneys for Defendant 20 JOHN M. DOWD 20 TERENCE J. LYNAM MICHAEL STARR 21 22 23 ALSO PRESENT: B.J. KANG, FBI 24 25 SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 1 (Trial resumed) 2 (In open court; jury present) 3 THE COURT: Good morning, ladies and gentlemen. 4 JURORS: Good morning. 5 THE COURT: We're going to start this morning with 6 continuing closing argument by Mr. Dowd. 7 MR. DOWD: Good morning, ladies and gentlemen. 8 JURORS: Good morning. 9 MR. DOWD: Ladies and gentlemen, I'm going to cover quite a bit of ground with you today. I'd like you to know 10 11 I'll try to make it as efficient as I can. We have about 14 12 stocks to cover and a couple of the cooperators. So I pray 13 that you'll bear with me and I'll do my best to get through 14 this so we can move on. 15 You recall yesterday that we finished, we demonstrated 16 through the evidence that was presented and the testimony of 17 Mr. Kumar that he had just lied over and over again in this 18 courtroom when he tried to blame Raj for his Pecos Trading and 19 Manju Das and other sins. The real reason he lied, the reason 20 he testified that Pecos was Raj's idea and the Manju Das was 21 Raj's idea, was to conceal the fact that he was being paid by 22 Galleon and he was an investor in Galleon -- but that's not 23 true and you know it's not true -- because the real reason he 24 set up the Pecos arrangement and the Manju Das arrangement is 25 very simple. He cheated his own government on taxes. He SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ1 didn't report money he received, filed false tax returns and he 1 didn't pay his taxes. And that's why the money Kumar sent was 2 3 offshore, to hide it from the IRS. That's why he used Manju 4 Das, so he could put it in an offshore account and that's why 5 Kumar faked all the paperwork necessary to invest in Galleon's 6 offshore funds, to hide those investments from the Internal 7 Revenue Service. That's all there is to it. It wasn't because 8 Raj or Galleon was trying to hide the fact that Kumar was being 9 paid and that Kumar was an investor. That's what Kumar told 10 Judge Denny Chin when he pled guilty, though, that it was all 11 part of the concealment, conspiracy to conceal with Raj. 12 Because as you've seen and we will go through, Raj and 13 Galleon didn't hide the fact at all. Raj and Galleon kept very 14 clear records of the payments to Kumar and Kumar's investments. 15 Galleon in its soft dollar broker Instinet kept detailed 16 records of every invoice received from Pecos and every dollar 17 paid to Pecos. We showed you those records. There were a lot 18 of them. We showed you the invoices. The exhibits all came in 19 through Kumar. We showed you the Pecos consulting contracts. 20 Those exhibits came in through Kumar. Galleon also kept 21 transparent records of the \$1 million payment that Galleon made to Kumar in hard dollars in January 2007. We showed you the 22 23 wire instructions clearly showing that it was a payment to 24 Kumar. 25

Defense Exhibit 855 came in through Kumar and we SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 Summation - Mr. Dowd showed you Galleon's general ledger where the payment was 1 transparently recorded. Joe, if you could call up Defense 2 3 Exhibit 3443, please. Ladies and gentlemen, this is the 4 Galleon general ledger. On page 00034 there's an entry for the 5 \$1 million wired to Anil Kumar, and on page 0073 another entry 6 for \$1 million wired to Anil Kumar. 7 We also showed you Galleon's investor list, which 8 clearly identified Kumar as the owner of the Manju Das account. 9 Joe, if we could have Defense Exhibit 0876R. Ladies and 10 gentlemen, this is the Galleon investor list produced to the 11 Securities and Exchange Commission by Galleon, and on page 0088 12 are the entries for Manju Das and right next to those entries, 13 entries for Anil Kumar. Galleon maintained all of these 14 records reflecting the payments to Kumar and reflected Kumar's 15 investments in Galleon. Isn't it something that the Galleon 16 records are exposing the lies of Anil Kumar that he rendered in 17 this courtroom? 18 Kumar's explanation for Pecos and Manju Das and all 19 the offshore accounts is that Raj wanted to hide the fact that 20 he was paying Kumar and that Kumar was investing in Galleon. 21 And that's what he told Judge Chin under oath in this 22 courthouse. But his explanation just doesn't make sense, 23 because Raj did not hide those facts. But there is a very 24 simple explanation. Kumar was a tax cheat and he admitted he

25 was a tax cheat and that's why he sent the money offshore to SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ1 Summation - Mr. Dowd 1 hide it from the IRS and to avoid paying his taxes. And believe it or not, he still hasn't paid his taxes. He admitted 2 3 that, too. Because he's hoping he'll be able to cut another 4 deal where he won't have to. And he still hasn't identified 5 all the foreign accounts he held. Instead, he asserted his 6 Fifth Amendment privilege on all of his so-called corrected tax 7 returns. That's not cooperating with the government. But the 8 government sure is cooperating with him. All for his 9 substantial assistance and to testify according to the script 10 in this courtroom. 11 Kumar admits that he hid millions of dollars of 12 taxable income from the IRS, but he hasn't been prosecuted. He 13 admits that he submitted perjured tax returns for years and he 14 hasn't been prosecuted. Instead he's holding hope that he can 15 cut a deal and keep the money, and that's what was motivating 16 his testimony on the stand, which we'll get to on every side, 17 where he said he gave tips of inside information and we'll show 18 you those tips were just public information.

And none of the testimony he gave in this case could be used against him. That's what his plea deal says. Ladies and gentlemen, do you think you can get away with that if you didn't pay your taxes? Judge Holwell will tell you to use your common sense. Does it make sense that Raj would come up with all these schemes to send money into offshore accounts in order to hide the fact that he was paying Kumar, that he and his SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ1 company were keeping detailed records of all those payments? 1 Does it make more sense that Kumar sent the money offshore in 2 3 order to avoid paying taxes? What does your common sense tell 4 you? What does the evidence support? There's not a shred of 5 evidence to support Kumar's allegations that Raj came up with 6 these arrangements, but it's not even in dispute that Kumar hid 7 this money and didn't pay his taxes on it. He admitted it, and 8 I know you'll use your common sense. 9 Kumar earned the money that Galleon paid him. Kumar 10 testified the money he received from Galleon was in exchange 11 for material non-public information. To believe that, you just 12 have to take Kumar at his word. Because apart from Kumar's own 13 testimony, the government hasn't offered any evidence, none at 14 all to prove that those payments were for inside information. 15 Kumar's word is all you have to go on, and you know from the testimony he gave in this courtroom, you can't take Kumar at 16 17 his word, not unless you have a mountain of documents to shove 18 down his throat and get the truth. But you don't have to, 19 because we proved that Kumar isn't telling you the truth. 20 We showed you the work that Kumar did for the money he 21 received and it was legitimate work. He provided legitimate 22 consulting services to Galleon for which he was paid. He 23 performed legitimate work setting up Taj Capital Fund, part of 24 which became a Galleon fund, for which he was paid. I didn't 25 ask you to take me at my word. I showed you the evidence of SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ1 Summation - Mr. Dowd 1 the legitimate work that he did. That's how you know he's 2 lying again. 3 The other reason you know he's lying is that he never 4 actually provided Raj with any inside information, and we're 5 going to get to that. We're going to go through every one of those stocks and you'll see that Kumar never provided Raj with 6 inside information. And that's where it stands. The 7 8 government wants you to believe that Raj paid Kumar for inside 9 information, but it hasn't proven that Kumar ever gave Raj 10 inside information. The government doesn't want you to believe 11 that Raj paid Kumar for legitimate work, even though we have 12 proven that Kumar performed legitimate work. That doesn't make 13 sense. And once again, Kumar cracked on cross-examination. Thank God for cross-examination. He acknowledged that when Raj 14 15 approached him in 2003, Raj made an entirely legitimate 16 business proposal. This is what he said when I asked him about 17 that proposal. Joe, if you can kindly call up day 5, page 635, 18 line 12 through page 636 at line 6. 19 "Q. There was nothing inappropriate or improper about that 20 proposal he made to you, correct? 21 "A. That is correct, sir. "Q. You testified that before 2004 you only provided 22 23 Mr. Rajaratnam with legitimate insights about the industry, 24 correct? 25 "A. About the technology industry, sir. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 Summation - Mr. Dowd "Q. That's fine. Technology industry. And that's the kind of 1 2 information you and Mr. Rajaratnam discussed before 2004, 3 correct? 4 "A. That is correct. 5 "Q. And that's what you understood you'd be doing when you 6 agreed to provide consulting services through Pecos Trading, 7 correct? "A. That is correct, sir. 8 9 "Q. You didn't propose to pay -- you didn't -- Mr. Rajaratnam 10 didn't propose to pay you in exchange for inside information on 11 McKinsey's clients in 2003, did he? 12 "A. He did not ask, say that, otherwise I would have said no." 13 That's what's said on cross, ladies and gentlemen. He blurted out the truth. He made an admission completely 14 15 inconsistent with the government's whole theory of the case. 16 Raj made a legitimate proposal for Kumar to perform legitimate 17 work and provide legitimate insights and the documents show 18 that is exactly what Kumar did and we showed you those 19 documents. 20 We showed you the e-mails from 2003 to 2005 when Kumar 21 was consulting through Pecos, reflecting legitimate advice and services Kumar was performing. Those are Defense Exhibits 22 2762, 7138 and 39. Kumar testified about all of them. Of 23 24 course these documents represent only a fraction of the times 25 Kumar communicated with Mr. Rajaratnam over this period, but SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ1 1 these documents reflect Kumar performing legitimate services 2 and providing legitimate insight and that's exactly what Raj 3 proposed, according to Kumar himself. 4 We also showed you the work that Kumar performed on 5 the Taj Capital project in 2006. Any way you slice it, he 6 performed a lot of work. He worked on the project at its 7 investor inception when it was called the navigator fund. We 8 showed you that in Defense Exhibit 276. Kumar testified about 9 that. He helped arrange introductions between Raj and the 10 leaders of the Indian business community. You saw that in Defense Exhibit 341, which came in through Kumar. He helped 11 12 prepare and edit partners materials for the fund and envisioned 13 a role for himself advising in southeast Asia. You saw that in 14 Defense Exhibit 0623 which came in through Kumar. He also set 15 up meetings between the founders and potential investors. He testified to that. He scouted talent to work at the new fund 16 17 and put a number of his young McKinsey mentees in touch with 18 the founders. He testified to that, too. He monitored private 19 equity activity in India and kept Taj founders up to date on 20 that activity. You saw that in Defense Exhibit 487 that came 21 in through Kumar and he participated in weekly conference 22 calls. He testified to that. And he helped identify 23 investment opportunities for the fund, including a potential 24 opportunity to partner with an Indian telecom company to build 25 telecommunication towers. You saw that in Defense Exhibit 641, SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ1 defense Exhibit 653, which Kumar testified about. 1 And Galleon and Taj both ended up investing tens of 2 3 millions of dollars in an Indian telecom towers project, 4 although not with the company Kumar preferred. He testified to 5 that, too, and you saw it in Defense Exhibit 4278 which Kumar 6 testified about. And that deal accrued to the benefit of 7 Galleon and Taj both. Kumar testified to that. 8 I also showed you how the Taj fund that Kumar worked in in 2006 split apart, the two halves split apart. The 9 10 private equity piece became New Silk Route or NSR and the hedge 11 fund piece became the Galleon entity. Kumar testified to that 12 as well. So all this work that Kumar did in 2006 accrued to 13 Galleon's benefit as well as to NSR's benefit. That's why 14 Galleon paid him \$1 million and that's why NSR made him a 15 partner and that's why Kumar lied about both of these facts. 16 He lied about the reason for the \$1 million from Galleon. He 17 claimed it was a payment for a supposed tip on the acquisition 18 of ATI that occurred five months earlier. We'll look at that 19 transaction. We'll show you why Kumar's allegation doesn't 20 make sense. Kumar also lied about his partnership in NSR. He 21 said he never joined NSR. 22 Ladies and gentlemen, we showed you four, four NSR 23 partnership agreements signed by Anil Kumar. Those are Defense Exhibits 3979, 3980, 3992 and 4051. What you have here, have 24 25 there is the old familiar Kumar pattern, a bald-faced lie SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ1 contradicted by a stack of documents with Kumar's name all over 1 them. You need to ask yourself why is he lying. Why did he 2 3 lie about joining NSR, because it shows he lied about the 4 1 million he received from Galleon. 5 The government argued to you that Mr. Rajaratnam 6 agreed with Anil Kumar to commit the crime of insider trading 7 and conspiring with Anil Kumar to permit insider trading is 8 Count Four of the indictment that you need to decide. As Judge 9 Holwell will instruct you, you cannot convict Mr. Rajaratnam of 10 Count Four, conspiring with Anil Kumar, unless the government 11 proves beyond a reasonable doubt that Mr. Rajaratnam and Anil 12 Kumar agreed with one another to commit the offense of insider 13 trading. You cannot find that fact because Mr. Kumar himself 14 denied it. Kumar denied it twice under oath in this courtroom 15 in the plainest words possible. 16 Joe, if you'll pull up, for the ladies and gentlemen, 17 day 5, page 640 at line 21 through page 641 at line 2. 18 "Q. And actually trading in stocks was not part of your 19 agreement with Mr. Rajaratnam, was it, sir? 20 "A. No, sir, not at all. 21 "Q. You never agreed with Mr. Rajaratnam to engage in insider 22 trading, did you, sir? 23 "A. No, sir. I would not had done it had I known he would ask 24 me for that information, sir." 25 You may recall on recross that question was read back SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ1 1 to him the next day and he again affirmed it. Ladies and gentlemen, you cannot convict Raj of conspiring to commit 2 3 insider trading with Anil Kumar when Anil Kumar denied under 4 oath twice that he ever agreed to commit insider trading. 5 There's just no case. 6 Now, let's talk about the stocks that he claimed he 7 gave tips to Raj. The first was AMD earnings. Kumar testified 8 that he provided Mr. Rajaratnam with so-called confidential 9 information about AMD's quarterly earnings. What does that 10 testimony amount to? It amounts to nothing at all. Kumar 11 didn't specify a single occasion when he provided 12 Mr. Rajaratnam with AMD earnings information. Kumar couldn't 13 tell you what the information was. You cannot convict 14 Mr. Rajaratnam trading on the basis of material non-public 15 information or conspiring to do so if the government can't even 16 tell you what the information was or when it was provided or 17 whether Mr. Rajaratnam traded on it. And the government hasn't 18 shown you any of that to support this allegation. 19 But Kumar couldn't even keep his story straight. He 20 told you he provided Mr. Rajaratnam confidential information 21 about AMD earnings, but he told the FBI that he was, quote, 22 "clueless," unquote, about AMD's financial information and he 23 had to eat those words on cross-examination. You remember 24 that. Joe, pull up day 6, page 748 at line 11. 25 "Q. Let me read to you a quote from the FBI interview of

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14LFRAJ1 Summation - Mr. Dowd December 17, 2009. 1 2 "A. Okay. 3 "0. 'Rajaratnam knew AMD's finance numbers which Kumar was 4 clueless about.' 5 "A. Yes, sir. "Q. Did you tell the FBI that? 6 "A. If it's in the written narrative that you have, it's got 7 8 to be correct, sir. 9 "Q. And that was true, wasn't it? 10 "A. I was clueless about AMD's financial results because when 11 you talk about financial results it means all the details, sir; 12 revenues, profits, margins, how each line of business is done. 13 I was clueless about what the finance officer at AMD would say as the financial results. I maintain that to this day, sir." There you have it in Kumar's own words. He was 14 15 16 clueless about AMD's earnings information and you cannot convict Raj of conspiring with Kumar to trade on AMD's 17 18 non-public earnings information if Kumar admitted he was 19 clueless about the financial results. You'll notice, ladies 20 and gentlemen, that Mr. Brodsky didn't mention these 21 allegations at all yesterday, and that of course is because 22 Mr. Kumar's testimony about these allegations shows how he's 23 just willing to make things up and you need to believe Kumar to 24 convict Mr. Rajaratnam and that's why Mr. Brodsky didn't 25 mention Kumar just made it up. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 Summation - Mr. Dowd AMD HP. Kumar also testified he gave Raj confidential 1 2 information about valuable contracts that AMD obtained to 3 supply HP service with chips. These contracts were announced 4 on February 24, 2004. February 14, 2005. You saw them in 5 Government Exhibits 0947 and 0949. Kumar testified he thought these deals were fabulous for AMD, he was very excited. Said 6 7 he told Mr. Rajaratnam all about them before they were announced. The government expects you to take Kumar at his 8 9 word on this one and that's all they offer, Kumar's word. They 10 haven't shown you any other evidence that Kumar actually gave 11 Raj any information about these deals between AMD and HP. 12 That's because there is no evidence for that. All the evidence 13 that does exist show that Kumar's allegation isn't true. And 14 we proved that, even though we have no burden whatsoever, we 15 proved that because we showed you the full picture. 16 In this case, the full picture includes Raj's trading 17 and the records of Raj's trading. What do these records show? 18 Joe, if we could pull up Defense Exhibit 4671M. 19 Ladies and gentlemen, they show that Raj had no 20 position in AMD stock before the February 24, 2004 21 announcement. They show that Raj had a short position in AMD 22 stock before the February 14, 2005 announcement. Meaning he was betting the stock would go down. How does that square with 23 24 Kumar's claim he told Raj these deals were fabulous for AMD and 25 that Kumar was excited and Kumar would buy the stock if he SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ1 could? Doesn't square at all. It doesn't make any sense, 1 2 because it's not true, it didn't happen. 3 We also showed you both of these deals were also 4 public long before the official announcements of February 2004 5 and February 2005. Everyone knew these deals were coming. We 6 showed you that the first deal was public well before the 7 official announcement on February 24, 2004. That's Defense 8 Exhibit 3938, 0032, 0033, 0034, which Mr. Schutte testified 9 about. 10 We showed you the second deal was also public long in 11 advance of the official announcement on February 14, 2005. 12 Defense Exhibit 3963, 3965. That's how things work in the real 13 world. Things get around and this one got around. This isn't 14 the imaginary world where everything is secret until the 15 company issues a press release. This is the real world where 16 information becomes public in all kinds of different ways and 17 through all kinds of different sources. To believe Anil Kumar 18 in this one you need to live in the government's imaginary 19 world where all the public information I just listed doesn't 20 exist. But we live in the real world and in the real world 21 these deals were public weeks and months before the companies 22 ever held a press conference about it. They were public. The 23 government hasn't even tried to prove that they weren't. And 24 for that reason you must acquit. 25 AMD Spansion spinoff. Kumar also testified he told

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Summation - Mr. Dowd 14LFRAJ1 1 Raj about AMD's plans to spin off its flash memory unit into a separate company. That company became the company called 2 3 Spansion. Once again, Kumar testified he told Raj all about 4 the deal and he thought it would be great for AMD. Once again, 5 you just have to take his word for it, because there's no other 6 evidence that that's true. The evidence that does exist 7 contradicts his claims. For example, his allegations 8 contradict the records of Raj's trades because those records 9 show that Raj started building a long position in AMD on the 10 morning of the announcement and that Raj continued building 11 that long position after the announcement. Pull up Defense 12 Exhibit 4672-M, Joe, please. 13 This chart shows Raj's trading in AMD and it shows he 14 started buying AMD on the morning of the announcement of 15 April 13, 2005, and he just kept buying up through May 4, 2005. 16 Now, ladies and gentlemen, you spent enough time on the logic of insider trading to know that's not what you do when you have 17 18 advance notice of a major announcement. If you have advance 19 notice of a major announcement you trade before the 20 announcement, not after. It doesn't make any sense, and that's 21 because Kumar made it up. It's not true. It didn't happen. 22 Spansion spinoff was also another one of those supposedly 23 secret deals that was completely public long before the initial 24 announcement on April 13, 2005. We showed you all the public 25 information talking about this deal before the official SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ1 Summation - Mr. Dowd announcement. It's Defense Exhibit 4484, 4527, 3449, 3450, 1 which Mr. Schutte testified about. That evidence proves that 2 3 this spinoff was public. The government has no answer to all 4 the public articles we showed you. All it can do is hope that 5 you follow it down the rabbit hole into the Wonderland where 6 these articles don't exist. But this is the real world and they do exist and they show this spinoff was public. It was 7 8 public and the government hasn't even tried to prove otherwise 9 and for that reason you must acquit Raj. 10 ATI. Anil Kumar also testified he told Raj about 11 AMD's plans to acquire ATI before that deal was officially 12 announced on July 24, 2006. This is another one where you just 13 have to take Anil Kumar's word for it. The government hasn't 14 shown you any evidence other than Kumar's own testimony that 15 Kumar told Raj anything at all about this deal. They haven't 16 shown you any e-mails or instant messages between Raj and 17 Kumar. They haven't shown you any recorded telephone calls. 18 They haven't even shown you any telephone records. To be clear 19 the government does have Kumar's telephone records, they're 20 Government Exhibit 2006. The government just didn't show you 21 those records because they don't support its case. So let's 22 look at what the government showed you instead. Joe, let's 23 call up Government Exhibit 20R. 24 Ladies and gentlemen, this is the government's chart 25 of Raj's trading in ATI in 2006. Then they superimposed on top SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ1 of it a series of e-mails. What are the e-mails? There's a 1 February 25 e-mail to Kumar from his McKinsey colleagues. Then 2 3 an April 10 e-mail to Kumar from his McKinsey colleagues. A 4 May 4 e-mail to Kumar from his McKinsey colleagues, May 16 5 e-mail from Kumar to his McKinsey colleagues, then a July 5 6 e-mail to Kumar from his McKinsey colleagues. Ladies and 7 gentlemen, do you notice what's not on the slide anywhere? Any 8 communications with Raj. 9 This slide is a complete red herring. The government 10 suggests that Raj knew about this deal. It shows nothing of 11 the kind. There are no communications with Raj. All this 12 shows is that Kumar knew about the deal. Well, of course he 13 did. We never suggested that he didn't. But there's 14 absolutely nothing here to support the claim that he told Raj 15 about it. Nothing. Ladies and gentlemen, that's a hole in the 16 government's case, a huge hole and that's why they're trying to 17 fill it with this misleading chart, because to convict Raj of 18 conspiring with Kumar and ATI, you have to rely entirely on the 19 unsupported word of Anil Kumar, and we've shown you that you 20 can't believe a thing Anil Kumar says. 21 While I have the slide up, I want to point out 22 something else, and that's this business about Raj buying and 23 selling little bits of stock in order to conceal his trading 24 positions. That's just another red herring. We've never tried

25 to assert a pattern of buying or selling as a defense in this SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ1 case at all, and the government knows that. And look at this 1 chart. This is the government's chart showing Raj's position 2 3 in ATI. Does it look like Raj was hiding the fact that he was 4 buying ATI stock? That allegation is ridiculous. Raj had a 5 huge position in ATI, more than 5 million shares and here it is 6 for the world to see. And do you know how the government found 7 out about Raj's position in ATI stock? Through Galleon 8 transparent records which matched these trades up with the 9 trader codes listed at the top of the chart. Galleon records 10 are what identified Raj as the person who placed each trade. 11 That's some coverup. 12 Mr. Schutte explained to you about the concept of

13 trading around a core position. He explained that it's common portfolio management technique, and the purpose is to capture 14 15 small, short-term movement in the stock price even while 16 building a core position. He showed you how it worked with 17 Raj's trading in ATI. We showed you how Raj would buy the 18 stock when the price dipped and then trim his position when the 19 stock price went up to take some profits, all the while 20 building a long position over time.

Let's look at Defense Exhibit 4673. This was the exhibit we showed you. It compares Raj's trading in ATI to the stock price. This was the exhibit we showed you, and it shows how Raj would buy when the stock price dipped and sell a little bit when the stock price went back up while building a long SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ1 position, just as Mr. Schutte explained to you. The purpose of 1 2 this kind of trading is to make profits, not hide positions. 3 Mr. Rajaratnam's position was not hidden, not by a long shot. 4 In addition to Kumar's testimony, Adam Smith also 5 testified that he told Mr. Rajaratnam about this deal before it 6 was announced. Smith testified that he learned about it from 7 Kamal Ahmed, a banker at Morgan Stanley. We haven't talked 8 about Smith yet, but you can't believe him either. We proved 9 that at cross-examination and we proved that through the 10 testimony of Robert Hotz and John Pernell. Smith changed his 11 story so many times he doesn't know if he's coming or going. 12 He lied on the witness stand about how his story had changed 13 and about his prior statements to Mr. Holtz and Mr. Pernell and 14 we proved that. You can't trust Smith any more than you can 15 trust Kumar. You know that Kumar and Smith are lying because 16 the evidence proves they're lying. Let's look at the evidence. 17 We'll take it chronologically from the beginning. 18 September 2005 to March 2006. That's the first block 19 of ATI. Kumar testified he started telling Raj about this deal 20 all the way back in September 2005. Remember, there's 21 absolutely no evidence to corroborate Kumar's claim. But even if you accepted that part of his testimony, it still wouldn't 22

23 make any difference, because the supposed tip was not material. 24 Because Kumar admitted that as of September 2005 AMD hadn't yet 25 decided which of the two companies it was going to acquire. In SOUTHERN DISTRICT REPORTERS, P.C.

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14LFRAJ1 Summation - Mr. Dowd fact, Kumar testified that he told Raj that NVIDIA was the more 1 likely partner when in fact AMD ultimately went with ATI. 2 That's a classic case of immateriality. Even if you believe 3 4 Kumar, because it doesn't even specify which company is going 5 to be acquired. Kumar also testified that by December 2005, 6 AMD had decided on ATI as the more attractive partner and he told Raj this. Remember, there was absolutely nothing to 7 8 corroborate Kumar's claim that he told Mr. Rajaratnam any of 9 this. And you know he's lying about this because Raj's trading 10 proves he's lying. 11 Let's pull up Defense Exhibit 4674M. This is a chart 12 showing Raj's trading in ATI beginning January 1, 2001 and it 13 shows that Raj sold, sold, 250,000 shares in January and didn't buy a single share until March. Raj had zero position in ATI 14 15 for the first two months of 2006. Ladies and gentlemen, that's 16 not what you would do if you were told in December 2005 that 17 ATI was going to be acquired. What you'd do is back the truck 18 up and fill it up, wouldn't you? That doesn't make any sense. 19 It doesn't make any sense because it's not true. It didn't 20 happen. 21 Now, let's talk about March, the buyback and the 22 termination of negotiations. Raj did start to go long in ATI 23 in March 2006. But he wasn't the only one buying ATI stock in 24 March 2006. Do you know who else started buying ATI stock in 25 March 2006? ATI did. ATI itself initiated a massive program SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ1 1 to repurchase its own stock from shareholders starting in 2 March 2006 and continuing to May 2006. We showed you Defense 3 Exhibit 0308, the Form 6K ATI filed with the Securities and 4 Exchange Commission on March 24, 2006 announcing that it would 5 purchase up to 25,100,000 shares of its own stock. 6 I know the notion of a stock buyback may not be 7 familiar to you, but it's a very simple idea. A stock buyback 8 is when a company goes out in the market and buys back its own 9 stock from the current shareholders, and when a company buys 10 and sells its own stock it's subject to the insider trading 11 laws just like any other buyer of stock. Which means the 12 company cannot buy its own stock when the company is in 13 possession of material, non-public information. You don't see 14 ATI sitting next to Mr. Rajaratnam, do you? That's because ATI 15 hasn't been charged with any crimes, even though it was buying 16 its stock at exactly the same time Mr. Rajaratnam was buying 17 its ATI stock. You don't see ATI sitting next to 18 Mr. Rajaratnam, even though there's no doubt at all that ATI 19 knew absolutely every detail about the progress of the 20 discussions with AMD. That's because the discussions weren't material in March 2006 and the government knows it. They were 21 22 preliminary. And the fact that they were only preliminary is 23 shown by the fact that they broke down at the end of May. They 24 ended. The deal died on May 26, 2006. That's shown in proxy 25 materials, Defense Exhibit 0650, which Mr. Kumar testified SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ1 about. Those materials show that this deal died on Friday, 1 May 26 and didn't come back to life until Friday, June 2, 2006 2 3 and that's why an ATI spokesman was able to deny that there 4 were any merger discussions in the press on May 31, 2006. We 5 showed you that in Defense Exhibit 0471. Professor Jarrell 6 also explained that. 7 Smith's allegation. Smith testified that he told Raj 8 about this deal following a lunch he had with Kamal Ahmed on 9 May 3, 2006 in a restaurant in Silicon Valley. Look what Raj 10 did following the supposed tip from Smith. Defense Exhibit 11 4674M, second page. This chart summarizes Mr. Rajaratnam's 12 trading in ATI. And you see the very first trade that Raj made 13 following this tip on May 3rd? He sold 150,000 shares on 14 May 4. Ladies and gentlemen, is that what you do when you find 15 out the company is going to be acquired? Sell your stock? No, 16 it doesn't make any sense and it doesn't make any sense because 17 it's not true. It didn't happen. The government has offered 18 zero evidence to corroborate Smith's testimony that he tipped 19 Mr. Rajaratnam on May 3rd, and there's more coming on that. 20 That's because there's no corroborating evidence that exists. 21 The evidence that does exist doesn't square with Smith's 22 testimony. 23 Raj didn't buy ATI stock because Kumar and Smith told 24 him it was going to be acquired. In fact, Raj didn't believe 25

ATI was going to be acquired. He was aware it was a SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ1 possibility. He was aware it had been discussed publicly but 1 he didn't believe it. Thought it was crazy because AMD would 2 3 be taking on way too much debt and Kumar told us that, he 4 admitted that. Kumar admitted on the witness stand that Raj 5 told him the deal was crazy. Raj wasn't alone. Other analysts and investors hated this deal because it meant that AMD would 6 7 be taking on more debt than it could handle and that's exactly 8 what they told Hector Ruiz, the CEO of AMD. 9 More than any other stock, the evidence about ATI 10 shows how the government's case rests on one big fiction. The 11 government's case rests on this fiction that deals are never 12 public until the moment a company issues a press release. In 13 the best of these fictions companies never talk about these 14 deals or promote these deals to investors until that magic 15 moment when the company issues a press release. That's a 16 fiction, it's made up, it's not how things work in the real 17 world and you saw that on ATI. 18 Joe, let's look at Government Exhibit 840, please. 19 Ladies and gentlemen, Government Exhibit 840 is an e-mail that 20 Kumar received from his McKinsey colleague, Vanessa Colella on 21 July 12, 2006 and that's about two weeks before the ATI 22 acquisition was officially announced in a press release. Ιn 23 her e-mail, Colella stated, quote, "Hector," that's Hector 24 Ruiz, "the CEO of AMD, has been talking as part of regular

25 business with analysts and there are whispers on the Street. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ1 There's universal negative response to a potential deal. 1 2 Everybody's against it and many analysts have written letters 3 to him saying as much. Janus wrote him saying only if there's 4 a good price, which they think is a \$15 price point." 5 Remember, this e-mail is sent on July 12 and the deal 6 wasn't officially announced until July 24. Colella got it 7 exactly right. Hector had been talking to analysts about AMD's 8 plans to acquire ATI and that was part of Hector's regular 9 business. There's nothing wrong with that. That is how this 10 deal became public. Hector was out talking to analysts about 11 it and in the course of those conversations, the analysts told 12 Hector how much they hated this deal. Obviously, in order to 13 tell Hector how much they hated the deal they had to know about 14 the deal, and they knew about it because it was public and it 15 was public because Hector was talking about it. That's 16 reality. 17 Joe, if you'll kindly pull up Defense Exhibit 4491. 18 This is an e-mail from Hector Ruiz to Dirk Meyer and to Raj 19 Rangarajan, forwarding the e-mail from John Eisenberg from 20 Janus. Janus is a large mutual fund. This is the Janus e-mail Colella referred to in her e-mail. All of these e-mails were 21 22 dated July 11, a day before Colella's e-mail and almost two

23 weeks before the acquisition was officially announced. In 24 Eisenberg's e-mail, the re: says, the subject line, "Please 25 don't buy ATI, your stock will go down a lot more." Eisenberg SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 Summation - Mr. Dowd knew AMD was considering a purchase of ATI. He thought he 1 ought to say how bad he thought the deal was. He did hate the 2 3 deal because word got around the sell side and buy side 4 analysts this deal was going to happen because Hector was 5 talking about it, and that's exactly what Hector's colleagues 6 at AMD said to each other. 7 Pull up Defense Exhibit 4492. Ladies and gentlemen, 8 Defense Exhibit 4492 is an e-mail dated July 13, 2006 from Mike 9 Haase to Hector Ruiz. Haase's e-mail is in response to the 10 e-mail from John Eisenberg at Janus. Haase states, quote, 11 "Another point for you to be aware of, when you converse with 12 either sell or buy side the contents of the communications 13 often float around to other folks within the investment community." Haase was exactly right. Word does float around 14 to folks in the investment community. That's how things work 15 16 in the real word. And the word had definitely floated around 17 about this deal because Hector was talking about it. And 18 that's why analysts were writing to Hector telling him how much 19 they hated it. The deal was public and everyone was talking 20 about it. We showed you that in Defense Exhibit 064, 0468, 21 3484, 3489, 0500, 0545, 0554 and 0569, which came in through 22 Smith and Mr. Schutte. 23 Raj and Galleon were all aware of this public 24 information. They just didn't like the deal and didn't think 25 it would happen. That's reflected in what they wrote at the

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Summation - Mr. Dowd 14LFRAJ1 time. For example, Defense Exhibit 466, which Mr. Schutte 1 testified about. Adam Smith even admitted on the witness stand 2 3 that he was surprised, surprised when the acquisition was 4 eventually announced. Joe, pull up day 15, page 2900, line 10 5 through page 2901, line 11. 6 "Q. And in fact these rumors that you're describing actually 7 got so specific and they were so strong that some of the major 8 holders or investments in AMD, the company that was going to 9 acquire ATI, they actually got letters from their shareholders 10 questioning whether or not AMD should make this acquisition 11 even before the acquisition was announced, isn't that right? 12 Answer by Mr. Smith: "I don't have direct evidence of 13 that, but I do remember hearing that was the case. And it 14 wouldn't surprise me because I remember when I first learned of 15 AMD's acquisition of ATI that it wouldn't make strategic sense. 16 In fact, if you look specifically at what the reasons for 17 combining the two companies were, they didn't really hold up to 18 thoughtful scrutiny in my opinion, which is part of the reason 19 I was surprised when it eventually did happen." 20 That's an example of what I mentioned a little while 21 ago about how prepackaged testimony breaks down on 22 cross-examination. Smith testified that he knew about this 23 deal ahead of time from an insider. That's the whole point of 24 his testimony. But on cross he blurts out the truth, I was 25 surprised when it eventually did happen. He was surprised when SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ1 Summation - Mr. Dowd it happened because he didn't think the deal made sense and he 1 2 had no inside information about it. He just made it up. 3 So why did Raj buy all of that ATI stock? Raj bought 4 the ATI stock because his analyst told him it was a good buy. 5 He didn't really like the idea of the acquisition, but they 6 thought it was a good company and the stock was cheap and 7 that's what they told Raj. Nadeem Janmohamed, the Galleon analyst responsible for 8 9 covering ATI was positive on the stock throughout the entire 10 period that Mr. Rajaratnam is buying it. We showed you 11 literally dozens of weekly reports and other writeups that 12 Nadeem sent to Raj from March to July identifying ATI as his 13 top long. Those came in through Mr. Smith and Mr. Schutte. 14 ATI's was Nadeem's top long based on fundamental research, not 15 acquisition chatter, which is exactly what Raj did, he bought. But Nadeem wasn't the only one at Galleon who was 16 17 recommending ATI at this time. Peter Swartz was also 18 recommending. His e-mails also came in through Mr. Smith and 19 Mr. Schutte. And guess who else was recommending it? Adam 20 Smith. And he was recommending it on fundamentals, not because 21 of acquisition chatter. Pull up Government Exhibit 2400, Joe, 22 if you don't mind. 23 Ladies and gentlemen, this is an e-mail that Adam 24 Smith sent to Raj on May 24, 2006 and it says, "Raj, I suggest 25 we increase our position in ATYT based on, one, this is now the SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ1 cheapest stock in EV/sales of my entire universe at 1.2X; two, 1 2 is exposed to the graphics space which will have one of the 3 best secular increases due to Vista. Three, has a 700 million 4 consumer business, handsets, DTV, etc., that the Street gives 5 no credit to. I feel strongly about the story and believe we 6 should be buying at these levels even in front of earnings." 7 Smith admitted that all the reasons he listed in this 8 e-mail for buying ATI stock were true. That is what he said 9 when Mr. Lynam asked him if all the reasons he listed in the 10 e-mail were in fact true. 11 Joe, would you pull up day 14, page 2858, line 24 12 through line 25? 13 "Q. So those reasons that you gave in there were true, right? 14 "Α. They were true, yes." 15 Joe, pull up Government Exhibit 2402. This is an 16 e-mail Smith sent to Raj on June 29, 2006. This is the e-mail 17 that he sent right after ATI made a disappointing earnings 18 announcement. And it says, "Raj - ATYT guidance was worse than 19 I thought, but I am firmly convinced that this is a 20 conservative number." He goes on: "At less than 1.0 times 21 EV/sales, this is now the cheapest stock in the universe. I 22 look at that, it has a great product cycle, increase in margins 23 and grew market share. I strongly advice buying the stock in 24 the next few days. When the near-term disappointment hits the 25 shares, I'll be buying for my fund in the multi million dollar SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ1 range, over the next few days with the anticipation this stock 1 2 is 20 to 30 percent higher by the end of the year." 3 Once again, on cross-examination Smith admitted that 4 all the reasons he put in this e-mail were true. 5 Joe, pull up day 14, 2865, lines 7 through 9. 6 "Q. All right, the e-mail doesn't say anything false, right? 7 Those are all true statements in there, right? 8 "A. Yes." 9 Smith said these e-mails he sent were a cover, but 10 they can't be a cover if anything in them is true. Smith 11 didn't testify that a dozen e-mails from Nadeem were a cover. 12 He didn't testify the e-mail from Peter Swartz were a cover, 13 because they weren't. They were real e-mails listing real 14 reasons to buy ATI stock in real time, just like Smith's 15 e-mails. 16 On ATI, ladies and gentlemen, Smith and Kumar were 17 caught in their own lies and all of the documents and all of 18 the research just don't lie and their testimony under cross 19 examine just don't lie either. 20 Business Objects. Kumar also testified that he gave 21 Mr. Rajaratnam confidential information about Business Objects' 22 financial condition in the third quarter of 2007. That earnings announcement occurred on October 7, 2007. Raj was 23 24 short at the time because he was expecting a lousy earnings 25 announcement, but he lost money because on the same day,

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Summation - Mr. Dowd 14LFRAJ1 October 7, Business Objects announced it was going to be 1 2 acquired by SAP. Kumar testified that he didn't know anything 3 about the acquisition, but he did know about Business Objects' 4 financial condition and told Raj about that. But just like 5 with AMD, Kumar caught himself in his own lie. 6 He told you, the jury, he gave Raj confidential information about AMD earnings. But he told the FBI that the 7 8 information he had about Business Objects wouldn't have helped 9 Mr. Rajaratnam, because Kumar didn't serve Business Objects in 10 a financial nature and when he was confronted with those prior 11 statements on cross-examination, he had to eat those words and 12 he finally admitted it on cross. 13 Joe, pull up day 6, page 826 lines 19 to 21. Quote: 14 "I did not know information on their quarterly financial 15 results. That was not my project for Business Objects. It was 16 on their business performance." 17 Ladies and gentlemen, Kumar just can't have it both 18 ways. Kumar can't say in one breath that he tipped Raj about 19 Business Objects only to say in the next breath he didn't know 20 Business Objects' quarterly results, and once again Raj's 21 trading shows that Kumar is lying, because Raj's trading lines 22 up exactly with what his analyst was recommending at the time. 23 Joe pull up Defense Exhibit 4675-M. This chart summarizes 24 Raj's trading in Business Objects in September and October 2007 25 under two different codes and it shows he lost nearly SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ1 Summation - Mr. Dowd \$5 million on those trades. 1 2 But notice the pattern of trading. Raj shorted the 3 stock between September 27 and October 4 and then he started 4 covering his position on the afternoon of October 5, 2007. 5 That was a few days before the announcement on October 7 and 6 that's exactly what Galleon analyst Vik Khullar was 7 recommending. Galleon's analyst, Vikram Khullar, was shorting 8 Business Objects in his paper portfolio at the same time 9 Mr. Rajaratnam was shorting it in his real portfolio. But 10 Khullar started to cover that position in the morning of 11 October 5 as chatter about a potential acquisition began to 12 intensify. That's shown in Khullar's e-mails to his paper 13 portfolio, Defense Exhibits 1199, 1203, 1224 Rand 1230 which 14 Mr. Schutte testified about. That's exactly what 15 Mr. Rajaratnam did. He shorted it until October 5 and he 16 started to cover just like his analyst told him to. 17 Ladies and gentlemen, has the government proved beyond 18 a reasonable doubt that Raj acted on a tip from Kumar? Not 19 even close. Because Kumar can't even keep his story straight 20 about whether he has access to Business Objects' financial 21 information and because Raj followed his analyst's 22 recommendation to the letter. 23 AMD asset light. Let's talk about the AMD asset light 24 or fab-lite transaction. You recall this was a deal where AMD 25 sold its chip-making factories to Mubadala in exchange for an SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ1 Summation - Mr. Dowd infusion of cash. Remember, Mubadala was the sovereign wealth 1 fund of Abu Dhabi and even before this deal was already a 2 3 10 percent owner of AMD. It already invested 622 million in 4 AMD and IBM was involved, too, because IBM owned the rights to 5 the manufacturing technology and had to approve the deal. 6 Remember, this asset light construction was prompted in large part by AMD's acquisition of ATI in 2006. AMD paid too much 7 8 for ATI, was carrying a lot of debt on its balance sheet and 9 was concerned that AMD wouldn't be able to compete with Intel 10 with so much debt. 11 The government claims that Raj had two different 12 sources of inside information on this one. First, they claim 13 Anil Kumar tipped Raj about it based on information he got through McKinsey. Second, they claim that Daniel Chiesi gave 14 15 Raj information she got from Hector Ruiz, the CEO of AMD and 16 Robert Moffat, an executive at IBM. The government's evidence 17 on this consists of Anil Kumar's testimony and a few recorded 18 telephone calls. That's it. The government didn't call Daniel 19 Chiesi or Robert Moffat, even though they have the burden of 20 proving it beyond a reasonable doubt and you know you can't 21 trust Anil Kumar. 22 I'm about to show you that none of the intercepted 23 calls amounts to anything. None of them contain any material non-public information. That's because this deal was public 24 25 long before it was officially announced on October 7, 2008, SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 Summation - Mr. Dowd that it was public long before Raj discussed it with others on 1 2 the intercepted calls that the government played. 3 AMD executives had spoken publicly about the progress 4 they were making on the deal numerous times before the official 5 announcement in October 2008 and before any of the intercepted 6 calls, and this deal had been reported in the press and the 7 published analyst reports literally dozens of times before the 8 companies finally issued a press release about it before any of 9 the intercepted calls. 10 Let's look at those calls again in the context of the 11 public information that was already out at the time. AMD 12 executives began speaking publicly about an asset light 13 restructuring in April 2007. Hector Ruiz said in April 2007 that AMD was exploring asset light business models more deeply. 14 15 That's reflected in Defense Exhibit 4267, transcript of the 16 April 19, 2007 analyst conference call which Mr. Schutte 17 testified about. Ruiz' public comments were reprinted in the 18 press. Professor Jarrell told you about the article in the 19 Albany Times Union from April 26, 2007. Those public comments 20 by Ruiz attracted the attention of analysts and investors. 21 Ruiz' comments were welcome news to AMD investors concerned 22 about all the debt AMD was carrying, investors like Raj who 23 thought that the ATI acquisition had been terrible for AMD. 24 In December 2007 and January 2008, Raj bought 25 4.7 million AMD convertible bonds. That's reflected in Defense SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 Summation - Mr. Dowd Exhibit 4670. Mr. Schutte testified about it. Raj started 1 building his core long position in AMD by buying those 2 3 convertible bonds in December 2007 and January 2008. Public 4 coverage of AMD's asset light restructuring intensified in the 5 first three months of 2008, fueled as usual by public 6 statements from the company. We showed you that public 7 information. All the articles and analyst reports came in through Mr. Schutte, and Professor Jarrell discussed it at 8 9 length. Public information such as in a January 18, 2008 CRT 10 Capital report discussing the fab-lite strategy and noting that 11 Mubadala was already invested in AMD to the tune of 12 622 million. Public information such as the February 26, 2008 13 Global Crown Capital report which quoted, quoted AMD management 14 as saying that the asset strategy would be implemented in 2008 15 but not in the first half of the year. Public information such 16 as February 26, 2008 article in the Inquirer reported that Abu 17 Dhabi was preparing to make an investment in AMD that would 18 save AMD's fab bacon and relieve AMD of the pile of debt it 19 owes. 20 Ladies and gentlemen, not only are all these articles

and analyst reports public, they were right. And that's why it's just silly for the government to try to dismiss all these public reports as rumor and speculation. They weren't rumor and speculation. They were news. News that was often sourced directly to the company itself. These reports were dead-on SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ1 1 accurate and they were public. 2 Which brings us to the government's first intercepted 3 telephone call. This a telephone call between Raj and Kumar 4 from March 24, 2008, Government 506T. During that call Raj 5 told -- Kumar told Raj that the investment looks like it's 6 going ahead, unquote. Kumar also said it looked as though it 7 would happen in a matter of months rather than weeks. Big 8 deal. Of course the deal was going ahead. Ruiz had announced 9 that AMD was pursuing a strategy back in April. The Inquirer 10 had reported in February that Abu Dhabi was going to save AMD's 11 fab bacon and relieve AMD of a pile of debt, and of course it 12 was going to be a matter of months than weeks. 13 The Global Crown report February 2008 quoted AMD 14 management as saying the strategy would be implemented in 15 calendar year 2008, but not the first half. Once again, the 16 information that Kumar conveyed to Raj on March 24 call was 17 public. And was it any different than the total mix already 18 out there? And that's why it's so important to consider these 19 calls in context. The public information just kept coming. We 20 showed it to you. Professor Jarrell covered it. You remember 21 Professor Jarrell's slide where it laid it all out piece by 22 piece. 23 Joe, can you put up Jarrell 20? First it was the 24 Inquirer article from April 2, AMD is going fabless. The real 25 question is to whom and that is easy, Abu Dhabi. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ1 Summation - Mr. Dowd Then this was the FDN report from April 18, in which Hector reiterated AMD's move to the asset strategy. Then the electronic news article from April 21. This was the one that quoted Hector Ruiz and Bob LaMay, both AMD executives saying AMD restructuring was underway and it would bring AMD to profitability within the second half of the year, and then the JPM Securities report for May 6 reporting that AMD was making steady progress on the asset light strategy. (Continued next page) SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 141,8RAJ2 1 MR. DOWD: Then there were the Lehman Brothers reports 2 from May 15 and June 5. 3 Then there was the Goldman Sachs report from June 18. 4 And on July 18, there were reports from the Austin 5 American-Statesman and by FTN Midwest Securities. 6 Then another report by Lehman Brothers on July 23. 7 Another article in the Inquirer on July 23. This one 8 saying, "It's a done deal now; there is just paperwork left to 9 do." 10 Another article in the EE Times of July 28. This is 11 the one that quoted the AMD spokesman saying, "It's a fair 12 assumption that we have begun implementing the program." 13 On August 8, 2008, the EE Times even asked, "AMD's 14 constant leaks about its asset-light plans are getting 15 tiresome. By the time AMD announces its asset-light strategy, 16 will anyone care?" 17 Then Business Week on August 11, TG Daily on August 18 12, PC Magazine on August 12, JP Morgan on August 12, and 19 Reuters on August 13. And there was even more public 20 information out there that Professor Jarrell put in his slides, 21 and even more articles and analyst reports were put in evidence 22 through Mr. Schutte. 23 There was a July 19 article in the Austin 24 American-Statesman. That's the one that quoted AMD CEO Dirk 25 Meyer saying that AMD was just months away from spinning out SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ2 Summation - Mr. Dowd its fabs. That's not speculation. That's the company talking. 1 2 It's straight from the horse's mouth, just like many of these 3 articles. It's not speculation, it's news. 4 And remember, on June 5, Raj was consulted by Mubadala 5 itself, AMD's partner on this deal. We showed you the 6 PowerPoint presentation that Raj gave to Mubadala. That 7 PowerPoint shows Raj talking to Mubadala about this deal. He 8 told Mubadala how AMD needed the deal to clean up its balance 9 sheet and remain competitive, and Raj was able to do that 10 because the deal was public. 11 It was on the basis of all this public information 12 that Raj bought 1 million shares of AMD on August 1, 2008. Mr. 13 Schutte showed you the record of the trade. Notice that the 14 government hasn't pointed to any conversations or telephone 15 calls that Raj had around the time of this purchase. That's 16 because this purchase had nothing to do with any conversations 17 or telephone calls. Raj bought the stock because the deal was 18 public, and he was making a bet that it was going to be good 19 for AMD, which brings us to the second call. 20 This is the call that Raj received from Anil Kumar on 21 August 15, Government Exhibit 553TR. This is the one where 22 Kumar told Raj there had been a handshake between the parties 23 for the asset-light deal. Kumar also said that Mubadala would 24 be investing 6 to 8 billion and that the deal wouldn't be 25 announced till the week after Labor Day. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ2 Summation - Mr. Dowd Ladies and gentlemen, what did the information amount 1 2 to? Was it important or nonpublic that the parties had shaken 3 hands given the information was already out there? Of course 4 not. 5 AMD's spokesman had been guoted in the newspaper 6 saying the strategy was already being implemented. AMD's second senior executive promised this thing would get done in 7 8 calendar year 2008. Of course they had shaken hands. In fact, 9 they had gone a lot further than that, and their progress had 10 been reported in all the public information we showed you. 11 And what significance was it that Mubadala was going 12 to be investing 6 to 8 billion? None. Of course they were 13 going to be getting cash from Mubadala. The whole point of the deal was to improve AMD's cash situation. Everybody knew that 14 15 Mubadala was the deep pocket. That had been in the papers and the analyst reports too, and that's what Raj had discussed in 16 17 his PowerPoint presentation to Mubadala back in June. 18 The government wants you to think it's a big deal that 19 the specific figure of 6 to 8 billion hadn't shown up in the 20 press yet. But let's get real. This deal was public and 21 anyone paying attention knew all about it and knew that the 22 whole point was to clean up AMD's capital situation. The 23 government wants to split hairs, but you can't convict Raj 24 based on hairsplitting and make-believe. 25 What significance was it that Kumar told him it would SOUTHERN DISTRICT REPORTERS, P.C.

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14L8RAJ2 Summation - Mr. Dowd be announced the week after Labor Day? None. Company 1 2 executives had already quoted in the papers saying this will 3 happen in the second half of the year. And as to the specific 4 date, Kumar was wrong. This deal wasn't announced until 5 October. Labor Day is the first weekend in September. 6 Ladies and gentlemen, the government wants you to view 7 this telephone call in a vacuum. They want you to look at this 8 telephone call like it's the only piece of information out 9 there, but it wasn't. The government can't make all the public 10 information disappear. It can only hope that you ignore it. 11 You're not going to do that. This deal was public. It was 12 known by Raj. It was known in the industry. In fact, it's 13 exactly what Anil Kumar's McKinsey colleague said in an e-mail 14 to him on August 15, 2008, the very same day that he called Mr. 15 Rajaratnam about the handshake. 16 Joe, call up Defense Exhibit 2396. 17 This is an e-mail that Kumar's colleague Dickon Pinner 18 wrote to Kumar on August 15, 2008, the very same day as the 19 handshake call that the government got so worked up about. In

19 handshake call that the government got so worked up about. In 20 fact, Pinner is writing in response to an e-mail which Kumar 21 sent to him telling him about the handshake. What does Pinner 22 say? "Given that this is now pretty much known in the industry 23 (several articles published speculating that discovery and 24 Pearl are entering a foundry space), we should think through 25 the competitive response from the other foundry players.

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Summation - Mr. Dowd 14L8RAJ2 Pretty much known in the industry." If anything, Mr. Pinner 1 understated the situation. It was completely known in the 2 3 industry. AMD executives, as you have seen, had been talking 4 about it publicly for months. They had been talking about it 5 as part of regular biz just like they had done in the 6 acquisition of ATI. 7 Ladies and gentlemen, you cannot convict Mr. 8 Rajaratnam of trading on inside information or conspiring to do 9 so when an insider like Mr. Pinner says the information is 10 already known in the industry. You must acquit him. It was 11 public. This e-mail, Defense Exhibit 2396, means that the 12 government hasn't proven its case and it can't prove its case, 13 because its case is just make-believe, it has nothing to do 14 with the reality reflected in this e-mail, the reality that 15 this deal was public. 16 In addition to the call from Kumar, the government 17 also played you a number of calls that Raj made to other people 18 on August 15, where he told them he heard about the handshake. 19 There is a call with Danielle Chiesi and a few calls with his 20 brother Rengan. And the government argues these calls show how 21 important the information was. That's just silly. This is 22 just another example with the government acting like it's a 23 major event every time people talk on the telephone. Rengan 24 and Chiesi were just other portfolio managers that had an 25 interest in AMD and an interest in the asset-light restructure.

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14L8RAJ2 Summation - Mr. Dowd So Raj told them what he heard. There is nothing surprising, 1 2 and certainly nothing illegal about that, because the deal was 3 public. 4 The government also makes a big deal out of the 5 conversation where Rengan says he joked with David Palacek 6 about hiring his wife as a consultant for Galleon. All you 7 need to remember about this call was that nothing ever came of 8 it, nothing ever happened. It wasn't a serious conversation. 9 Rengan said right there on the call it was a joke. 10 Ask yourself, if this whole case is as serious as the 11 government wants you to believe, if the government's evidence 12 is really as good as the prosecutor just claimed, why is the 13 government making such a fuss over a conversation like this 14 one? The answer is they are trying to distract you and 15 prejudice you with an unserious conversation that didn't go 16 anywhere and it didn't result in anything. 17 Now, the public information about the asset-light 18 restructuring just kept coming in August and September of 2008. 19 Professor Jarrell testified about that information, and we 20 showed it to you through Rick Schutte. 21 Let's go to Jarrell 37. There was the August 25 22 AmTech Research report stating the announcement would be made 23 before the next earnings call scheduled for October 16. There 24 was the Jefferies report from September 3 saying the official 25 announcement might be two weeks away. A September 7 report

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Summation - Mr. Dowd 14L8RAJ2 1 from Bank of America saying the announcement was imminent. Α 2 September 8 report in MarketWatch stating that AMD appeared to 3 be implementing much anticipated strategy. 4 Again, Professor Jarrell selected only a few of the 5 public news articles and analyst reports for his slides. There 6 are a lot more that were discussed with Kumar and Mr. Schutte. 7 As to the September 11 call between Raj and Kumar, 8 where Kumar tells him the announcement will be in the first 9 week of October, Government Exhibit 616T, the question you need 10 to ask yourself is whether this information was significant in 11 light of what was already out there. The answer is, obviously, 12 it wasn't significant at all. 13 The government wants to split hairs and fixate on the 14 precise bit of data that it was going to be the first week of 15 October. It's already been reported multiple times, multiple 16 sources, the deal was happening soon, happening before the 17 year, and it had been reported the deal would be announced 18 before the October 16 earnings call. We saw all those 19 articles. We showed you all the public information. 20 The government can't stand it when we show you all 21 those articles, because those articles prove that this 22 information from Kumar, as usual, was already public and didn't differ in any meaningful way from the information that had been 23 reported in the press. The government can't make those 24 25 articles go away. SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 141,8RAJ2 1 Kumar also claimed he later told Raj the deal would be 2 announced on October 7. That isn't recorded in any tapes, but 3 Kumar says he found out the date would be October 7 and told 4 Raj that fact on September 30. Then the government played some 5 tapes where Raj told Chiesi the date would be October 7. That 6 wasn't material nonpublic information either. That wasn't material nonpublic information the same reason it wasn't 7 8 material nonpublic information when Kumar told Raj it was 9 happening the first week of October. October 7 is the first 10 week of October. It was already public that this announcement 11 was imminent and would be coming before AMD's scheduled 12 earnings announcement on October 16. 13 I already mentioned the August 25 AmTech Research 14 report stating the announcement would be made before the next 15 earnings call scheduled for October 16. There was also a 16 Lehman Brothers report on September 12 stating that the 17 announcement will happen before October 16. It was already 18 public that this deal was coming before October 16. 19 So what difference did it make that Raj heard it would 20 be October 7, what advantage did that give him? None. It made 21 no difference. It gave him no advantage. How do you know for sure that Raj had no unfair advantage? Raj lost money on his 22 23 AMD trading. He lost a ton of money. He lost over \$67 million 24 trading in AMD in 2008. 25 Joe, put up Defense Exhibit 4694. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ2 This is the slide that Professor Jarrell showed you. 1 2 It's in evidence. It shows that Raj lost more money trading 3 AMD than all of the alleged profits the government claims he 4 made on the other stocks in this case that he bought. 5 Ladies and gentlemen, this is probably the first 6 insider trading case in history where the government claims the 7 defendant lost \$67 million trading on inside information. Its 8 theory just doesn't make sense. 9 Professor Jarrell explained exactly why Raj lost so 10 much money. Raj lost money because the market did not regard 11 this deal as material, and Raj lost money because all of the 12 public information had been impounded into the stock. 13 Impounding is one of the ways that information can become 14 public. All of the talk about this deal had become impounded. 15 The market knew it was coming, and when the companies finally 16 got around to issuing their press release, everyone knew about 17 it and no one cared. That's why the stock price continued to 18 fall. 19 Before I move on from asset-light, I want to mention 20 Danielle Chiesi. Chiesi is another witness the government 21 chose not to call in this case, even though it bears the burden 22 of proof. The government decided it's better off having you 23 hear Chiesi on the snippets of tape without ever hearing from 24 her on the witness stand. You can draw your own inferences 25 from that.

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14L8RAJ2 Summation - Mr. Dowd 1 What do all of those snippets amount to? Not much. 2 They certainly don't reflect Chiesi communicating any material 3 nonpublic information about AMD or IBM, where she supposedly 4 had sources in Hector Ruiz and Robert Moffat. Where's the 5 beef? What is the information? What does she ever tell Raj 6 about the asset-light deal? Nothing. They don't even show 7 that Chiesi had any information about the deal. 8 So why did the government play these calls at all? 9 The prosecutor told you during his closing argument. They 10 played these calls because a few of the phrases the government 11 doesn't understand and doesn't want you to understand. 12 Remember, they didn't call Ms. Chiesi to explain what these 13 things meant, even though it's their burden. First they played 14 these calls because they think there is something suspicious 15 about Raj telling Chiesi to engage in a buy/sell strategy. You 16 saw that phrase buy/sell all over the slides the prosecutor 17 used in its closing. The prosecutor said this is something 18 that Raj did to disguise his position. I addressed that 19 already with ATI. Raj wasn't hiding his position. He wasn't 20 telling Chiesi to hide her position. He was simply talking 21 about trading around the core position. Mr. Schutte testified 22 about that. It was perfectly normal. 23 Once again, the government's own slides showed that 24 Raj wasn't hiding his position in AMD at all. Government 25 Exhibit 22. This is the government's slide showing Raj's SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14L8RAJ2 position in AMD stock in 2008. Does it look like Raj was 1 hiding his position? I don't think so. He had a huge 2 3 position, almost 25 million shares. And you know what the 4 government used to make this chart? The Galleon records. Some 5 cover-up. Raj didn't hide his position by buying and selling. 6 The allegation is ridiculous because the trades weren't hidden. 7 He bought and sold around the core positions just like Mr. 8 Schutte testified. And that's all that Raj was saying to Chiesi on these wiretaps when he told her to buy and sell. 9 10 The other reason they played this tape is because Raj 11 told Chiesi to be radio silent. Ladies and gentlemen, he 12 simply is telling Chiesi not to broadcast to the world what 13 Raj's trading strategy was. And if there was anyone who needed 14 to take that advice, it was Danielle Chiesi. Remember, Raj's 15 trading ideas were proprietary to Galleon. Those ideas were 16 the product that Galleon sold and they were what Galleon 17 investors paid all those management fees for. And Raj ran one 18 of the biggest hedge funds in the street. The strategies were 19 valuable in and of themselves and if people learned what Raj 20 was doing with his trades, they would copycat and piggyback and 21 it would ruin the whole set-up of the trade. Raj was simply 22 telling Chiesi not no blab his position all over Wall Street. 23 That's what radio silent means. 24 The government played these calls because Chiesi said 25 she was afraid of being investigated. But Raj didn't say that.

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14L8RAJ2 Summation - Mr. Dowd Chiesi did. That's just an attempt to put Chiesi's words in 1 Raj's mouth. What did Raj say when Chiesi said she was afraid 2 3 of being investigated? He asked her why she was afraid. He 4 didn't get it. It's right on the tape the government played. 5 Some cover-up. Don't let the government distract you 6 with a sideshow. Remember, the only important thing about 7 these calls is that Chiesi passed no material nonpublic 8 information on any of them. They all show it was two portfolio 9 managers talking to one another about a public deal that both 10 of them have an interest in. That happens every day on Wall 11 Street and it's nothing wrong with it. Ms. Chiesi is a 12 character, that's for sure, but those calls do not reflect 13 insider trading or a conspiracy to commit insider trading 14 because they don't reflect any material nonpublic material. 15 It's as simple as that. 16 Spansion/Reliance. Kumar also testified that he 17 provided Raj with confidential information about a potential 18 deal between Spansion and Reliance. The government played a 19 couple of telephone calls for you on May 2, 2008. In the first 20 of those calls, Kumar told Raj that Spansion was going to 21 receive a term sheet from Reliance. In the second call, Raj 22 passed that information along to Galleon portfolio managers 23 Kris Chellam and Krish Panu. 24

24 Kumar didn't tell Raj what the actual terms were 25 because there would be term sheet. In reality, no term sheet SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ2 was ever submitted. Kumar was wrong, completely wrong, like he 1 always is. He admitted that. And no deal between Spansion and 2 3 Reliance ever actually took place. Kumar admitted that too. 4 And Raj didn't even trade on Spansion stock after his call with 5 Kumar. Mr. Schutte testified to that. 6 So why did the government bring this one up? It's 7 more of a sideshow. They brought it up because they don't 8 understand the second call, the one between Raj and Mr. Chellam and Mr. Panu. They think it shows something it doesn't. They 9 10 think it shows Raj telling Panu and Chellam to create a false 11 record of false reasons for buying Spansion. That's not what 12 it shows at all. It shows just the opposite. It shows Raj 13 telling two Galleon portfolio managers to create a real record 14 for real reasons for a potential investment in Spansion. This 15 is a new value fund, and they kept a record for their 16 investors. 17 Remember, every single thing that Raj suggested Panu 18 and Chellam put in those e-mails was true. It was true that 19 Spansion was a cheap stock, three bucks. Mr. Smith admitted 20 that it was cheap, just like Raj said on this call. It was 21

true that Spansion was part of a basket of semiconductor stocks, including Lattice and Atmel, that the crossover fund was considering. We showed that you that basket, Defense Exhibit 1785.

25

Pull that up, Joe. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ2 1 This is it. It's the target list for the value fund. It's dated April 28, 2008, four days before the call with Raj. 2 3 And there on the page ending 0002 page you see Atmel. On page 4 0002 you see Spansion. And on the next page 0005 Lattice. 5 This document shows that Mr. Panu and Mr. Chellam were indeed 6 looking at a basket of semiconductor companies, including Lattice, Spansion and Atmel, just like Raj said on this call. 7 8 Raj wasn't telling Chellam and Panu to make a fake record with fake reasons for buying Spansion. He was telling 9 10 them to create a real record for real reasons for investing in 11 Spansion. 12 Notice who the government didn't call. They didn't 13 call Kris Chellam, they didn't call Krish Panu, even though 14 they had the burden. They didn't call the people who actually 15 know what this call means. The government hasn't proven its 16 case because everything Raj said was true and this deal never 17 happened, the term sheet never came in, and Raj never traded on 18 the stock. Ladies and gentlemen, there is no case here and you 19 must acquit. 20 EBay. Anil Kumar claimed that he gave Raj 21 confidential information about eBay's plan to lay off part of its work force in October 2008. You heard a wiretap 22 23 conversation where Kumar told Raj about the layoff. This is a 24 perfect example of why you can't just listen to the wiretaps in 25 a vacuum. You have to consider them in context. Because when SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ2 1 you consider this one in context, you see that it doesn't 2 amount to anything at all. And you see that everything Kumar 3 said was public. 4 I think I am almost 7 and 0 with Kumar public. We 5 haven't seen anything that isn't public coming out of Kumar's 6 mouth. In fact, you see that Kumar didn't even know as much was already in the newspaper. What did Kumar tell Raj? He 7 8 said that eBay was going to do a massive layoff on Monday, 9 October 6, 2008. He said that he didn't know whether it would 10 perceived by the market as good news or bad news for eBay. And 11 he said he tried to find out the size of the layoff and wasn't 12 able. 13 Ladies and gentlemen, if Kumar couldn't find out the 14 size of this layoff, it's because he hadn't read the newspaper. 15 The layoff was public and the public information was even more 16 specific than Kumar, the supposed insider with the supposed 17 privileged access, was able to get. 18 The layoff was reported by Barron's on September 15, 19 Defense Exhibit 2529. I showed it to Kumar. Barron's 2008. 20 said the 10 percent figure that Kumar said he couldn't get when 21 he talked to Raj two weeks later. 22 The layoff was also reported by Bloomberg on September 23 27, 2008. That's Defense Exhibit 2673. I showed it to Kumar. 24 Bloomberg also had the 10 percent figure that Kumar said he was 25 unable to find out. SOUTHERN DISTRICT REPORTERS, P.C.

14L8RAJ2 Summation - Mr. Dowd 1 And the precise time of layoff was reported by 2 Industry Analysts on October 3, 2008, the same day that Kumar 3 spoke to Raj. That's Defense Exhibit 2677. I showed it to 4 Kumar. 5 I know you will use your common sense. But to believe 6 the government's allegations about eBay, you have to ignore 7 your common sense, because this layoff was public, it was 8 public as public gets, and the government hasn't even tried to prove that it wasn't. It just played a snippet of audiotape with no context at all. EBay shows why you can't simply rely 9 10 11 on those snippets of audiotape and ignore everything else, 12 because in this case the context disproves the government's 13 allegation. 14 The government also quoted another piece of context, 15 and that was Raj's trading. The government showed you that Raj 16 shorted eBay after the call with Kumar. But they didn't show 17 you that Raj was short before the call with Kumar. 18 Joe, pull up Defense Exhibit 4677M. 19 This is a chart showing Raj's trading in eBay. The 20 entries from August 18, September 4, September 29 show that Raj 21 was short 150,000 shares of eBay before the call from Kumar. 22 The government didn't show you that because it proves Raj 23 wasn't trading on the basis of tips from Kumar. 24 Ladies and gentlemen, there is no case on eBay and 25 that's why you must acquit. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 141,8RAJ2 Starent. Finally, ladies and gentlemen, Kumar's 1 allegations about Starent. You remember those allegations. 2 3 Kumar claimed he was on the beach with Raj in Miami in October 4 2009. Raj got a phone call from a Cisco executive saying 5 Starent would be acquired. They embellished the story with the 6 claim that Raj told him to get a disposable cell phone. You 7 remember that. 8 Ladies and gentlemen, notice what the government has 9 not shown you. They have not shown you any telephone records 10 proving that Raj actually got a call from a Cisco executive. 11 My lord, they have every telephone record that Raj ever dreamed 12 of. They have paraded them in this courtroom. You didn't see 13 one here on this call. They have not shown you any evidence that Raj ever bought or used a disposable telephone. They have 14 15 not shown you any evidence to corroborate Kumar's claim that 16 Raj told other people to use disposable cell phones. The 17 government did not show you any of that evidence because none 18 of it exists. But what does exist the government didn't show 19 you either, because the evidence that does exist shows how 20 ridiculous Kumar's allegations are, just like all the other 21 stocks, they are all made up. 22 The evidence that does exist shows that Galleon's 23 analysts and sell-side analysts were recommending a long 24 position in Starent for months before the acquisition was 25 announced in October 2009. Their analysis was based on public SOUTHERN DISTRICT REPORTERS, P.C.

14L8RAJ2 Summation - Mr. Dowd information, including the expectation that Starent was an 1 attractive acquisition target and might be acquired by a 2 3 company like Cisco. All of those Galleon analyst reports came 4 in through Mr. Schutte and Mr. Smith. The government didn't 5 show you any of that evidence. 6 You know what else the government didn't show you? 7 They didn't show you Raj's trading in Starent. Because Raj's 8 trading in Starent doesn't fit with Kumar's story either. It doesn't fit with Kumar's story because Raj, consistent with all 9 10 of the Galleon analysis we just looked at, had been buying 11 Starent since August. 12 Joe, please pull up Defense Exhibit 4683M. 13 This chart summarizes Raj's trading in Starent. It 14 shows he had been buying Starent stock since August 2009. He 15 didn't buy it because he got a call on the beach in Miami in 16 October. He had been buying it for months. 17 The government hasn't even come close to proving 18 beyond a reasonable doubt that Raj did anything at all wrong 19 with respect to his trading in Starent. But they did try to 20 get a little bit more evidence. You remember those recorded 21 calls that Adam Smith placed with Ian Horowitz that the FBI 22 made him do it, calls where the FBI told Smith to trick 23 Horowitz into admitting that the Starent trades were based on 24 inside information? Remember how Smith said on those calls 25 that the trades were based on all of the Galleon analysis we SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ2 1 just looked at. 2 Joe, can you play Defense Exhibit 3933. 3 (Audiotape played) 4 MR. DOWD: This is what Smith testified when the 5 government asked him about the call you just heard. Call up day 15, page 3006, lines 2 through 10. 6 7 "Q. And the purchases that were made in your fund in Starent, Starent stock before it was acquired, do you know whether those 8 9 purchases were based on inside information? "A. No. 10 11 "Q. Did you know that at the time the purchases were made? 12 "A. I didn't know. 13 "Q. And even after Starent was acquired did you know if they 14 were based on inside information? 15 "A. No." 16 Ladies and gentlemen, there is no case here. The 17 government hasn't carried its burden. 18 Your Honor, I am about to move to another chapter. 19 Would this be a good time to take a break? 20 THE COURT: Yes. I think it's a good time for our 21 morning break. 22 (Jury exits courtroom) 23 THE COURT: How far along do you think you are, Mr. 24 Dowd. 25 MR. DOWD: I am doing pretty well, your Honor. I may SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ2 Summation - Mr. Dowd need an hour this afternoon after lunch, but I have talked to 1 2 Mr. Streeter. I am pretty well where I thought I would be at 3 this time. If you don't mind, I will advise you at lunch. 4 THE COURT: That will be fine. 5 (Recess) 6 (Jury present) 7 MR. DOWD: Ladies and gentlemen, let's talk about Rajiv Goel. Not long from now Judge Holwell is going to give 8 9 you some instructions about how to evaluate the credibility of 10 witnesses. You should listen to those instructions very 11 carefully, as I am sure you will, and apply them to all of the 12 witnesses in this case, especially Rajiv Goel. 13 One thing that Judge Holwell will tell you to do is 14 ask yourself whether the witness seemed candid, frank, 15 forthright, or did the witness instead seem to be evasive or 16 suspect in some way? Ask yourself that question about Rajiv 17 Goel. Did he seem candid, frank, forthright, or did he seem 18 evasive and suspect? 19 Judge Holwell will tell you to compare how the witness 20 testified on direct to the way the witness testified on cross. 21 Ask yourself that question about Rajiv Goel. Did he seem to be 22 the same person on cross that he seemed to be on direct? 23 Judge Holwell will instruct you that your job is to 24 size up the witness just as you would any other person. That's 25 what you need to do with Rajiv Goel, size him up. How did Goel SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ2 comport himself on the witness stand? How did he act? What 1 2 was his demeanor like? How did he behave? 3 You were all here. You saw Goel. You saw how 4 belligerent, hostile and uncooperative and downright bizarre he 5 was. You saw how he changed between direct and 6 cross-examination. You saw how he fought Mr. Lynam over 7 documents that the government had shown him just hours before, how he insisted on seeing copies with his initials. You saw 8 9 how he told Mr. Lynam that his questions were irrelevant. He 10 thought he was the judge. He thought he was the questioner. 11 You saw how he tried to ask the questions himself like he was 12 the lawyer instead of the witness, like he was in charge of the 13 courtroom. You saw how he fought with Mr. Lynam over the accuracy of the FBI's own memorandum of its interview with him. 14 15 In fact, he told Mr. Lynam that one of the FBI memos wasn't 16 accurate at all. 17 What does that tell you about his credibility? It 18 tells you he is not credible. Remember, he signed an agreement 19 to be cooperative, to be truthful. 20 The problem is his testimony isn't true. He is just 21 like Anil Kumar. Pointing a finger at Raj so he can get a free 22 pass on his own crimes that had nothing to do with Raj. Goel 23 admitted to those tax crimes on the stand. He had no choice

because we showed him the returns. The same with Kumar. These guys won't admit it unless you take the document and stick it SOUTHERN DISTRICT REPORTERS, P.C.

14L8RAJ2 Summation - Mr. Dowd 1 right under their nose. 2 He admitted that he failed to disclose a number of 3 foreign accounts under his control, and he failed to report 4 income on the balances of those accounts. Just like Anil 5 Kumar, Goel's so-called amended tax returns, which he is 6 supposed to clean up after he made his deal, still aren't 7 correct. They are still incomplete and they are fraudulent, 8 because they still don't disclose the foreign accounts under his control, which was the problem with the returns in the 9 10 first place. And Goel admitted that too. Goel even admitted 11 that he destroyed documents having to do with these overseas 12 accounts, and he is getting a free pass for that too. 13 What does that tell you about his credibility? I have 14 got to tell you, I woke up real early this morning, about 2:15, 15 and in my head was, cooperator. In this case, they call them 16 cooperators. Goel was the furthest thing from a cooperator you 17 can imagine. He didn't cooperate. Does it mean he only 18 cooperates with the government? Does he cooperate with you? 19 Does he cooperate with Judge Holwell? Does he cooperate with 20 us? I don't know the answer to this question. All I know is I 21 have never seen such belligerence and resistence by a witness 22 on the stand. I will let you decide what you can conclude 23 about it. 24 You compare him to Lloyd Blankfein, you compare him to 25 Rick Schutte, you compare him to Mr. Jarrell or Ms. Holloway, SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14L8RAJ2 who just came in here like good citizens, took the oath, and 1 delivered the facts to you. This fellow Goel had an agenda, 2 3 and he didn't want to tell anybody anything. He was going to 4 run this courtroom. 5 For some reason he is getting a free pass for all of 6 that, and that's what I don't understand about these deals. He 7 isn't tell the truth and he behaved so strangely up on that 8 stand. I suggest to you his credibility is a serious issue for 9 you to consider whether you believe him or not. It was like 10 pulling teeth to get an answer from him. 11 Let's talk about greed. That's the first word the 12 prosecutor said when he stood before you with his finger 13 pointed at Raj. That's prosecutor's theory of motive, greed. Raj isn't greedy at all, and you know that. Geoffrey Canada 14 15 came in here and testified about how generous Raj has been with 16 the Harlem Children's Zone. He testified about Raj's 17 reputation as one of the most generous people on Wall Street. 18 So long before you heard from Geoff Canada about how 19 generous Raj is you also heard from Goel about how generous Raj 20 is. Goel testified about how Raj gave him \$500,000 to help him 21 hold on to his family apartment in India when Goel's father was 22 gravely ill. The government wants you to believe that this act 23 of generosity was something Raj did to corrupt Goel, because 24 that's the government's other theme, corruption. That's what 25 the prosecutor told you.

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Summation - Mr. Dowd 14L8RAJ2 Goel told you the opposite. Goel admitted that this 1 2 gift had nothing to do with greed or corruption, exactly the 3 opposite. It had to do with generosity and Goel admitted it. 4 Joe, would you call up day 11, page 2069, line 9 5 through 24. "Q. The money you obtained in 2006 was given out of generosity 6 for the benefit of your father and the apartment in India, 7 8 right? "A. At that point in time, yes, sir. 9 10 "Q. Mr. Rajaratnam helped you out as a friend, right? 11 "A. At that point, yes, sir." 12 There was some greed and corruption involved, but it 13 wasn't Raj, it was Goel. Because Goel deceived Raj. He didn't use the money for its intended purpose. He used his father's 14 15 illness to get Raj's sympathy and told Raj the money would be 16 used to keep the family apartment. Instead, he admitted it 17 used it to fix up his own house in California and put some of 18 it in a Swiss account he was hiding from the IRS. He admitted 19 that too after some hard questioning. 20 So there is some greed and corruption in this case, 21 but it wasn't Raj, it was Goel's. The only thing Goel's 22 testimony proved was how generous Raj had been. Goel even 23 admitted there was no connection between the money Raj gave him 24 and the information he supposedly passed to Raj. He didn't see 25 the nexus. Of course he didn't see the nexus. There was no SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14L8RAJ2 1 nexus, no connection whatsoever. 2 Raj also showed his generosity by managing money in 3 Goel's Charles Schwab account. It wasn't Raj's money, it was 4 Goel's. Raj invested in it for his friend Goel. He didn't get 5 paid for it. Goel testified about that too. He testified that 6 he asked Raj to do this for him. Raj didn't suggest it. Goel asked him to do it, and he did it as a friend. And Goel never 7 8 paid Raj for performing those services. It had nothing to do 9 with payment or hiring anybody. It was just a pure act of 10 friendship and it had nothing to do with insider trading. It 11 was one friend helping another. Goel admitted that too. 12 Goel even told you how Raj looked out for him with 13 Charles Schwab and how Raj helped him when it appeared that 14 Charles Schwab wasn't treating him fairly. You heard that on 15 one of the tapes the government played. Goel admitted that Raj 16 was a good friend. But Goel wasn't a good friend back. He 17 played to Raj's sympathy to get some money to help his family 18 in India and then spent the money on himself and his house in 19 California. And then he pointed a finger at Raj so he can get 20 a free pass on his own continuing tax crimes and obstruction of 21 justice. 22 Judge Holwell will tell you your job is to size up 23 Rajiv. Go ahead, size him up. Would you trust the word of 24 Rajiv Goel in making any important decisions? If you gave 25 Rajiv Goel five dollars, would you trust him to pay it back? SOUTHERN DISTRICT REPORTERS, P.C.

14L8RAJ2 Summation - Mr. Dowd If the answer to those questions is no, then you cannot convict 1 2 Raj based on Goel's testimony and you must acquit him. 3 Let's talk about Intel. The government alleges that 4 Goel gave Raj material nonpublic information about Intel's 5 quarterly earnings before they were officially announced on 6 April 17, 2007. The government's allegations concerning Intel 7 are just another example of the prosecutor showing snippets 8 rather than the full picture. As for the alleged tip about 9 Intel, the government is asking you to simply assume that it 10 was material nonpublic information because it hasn't proven 11 what the information actually was. That is because neither 12 Mr. Goel nor Mr. Lenke can recall the information they 13 discussed about Intel. Mr. Goel cannot recall the information 14 he gave to Raj. 15 Yesterday Mr. Brodsky in his summation said that Lenke 16 got "some very good news," and that Mr. Goel told Mr. 17 Rajaratnam "things are looking a little better, things aren't 18 so bad; I told you it was bad before, but things are getting a 19 little bit better." In reality, Mr. Brodsky has no idea. 20 There has been no absolutely no evidence to show what Mr. Goel 21 said to Mr. Rajaratnam, if anything. The government is just 22 supplying these facts to fill a hole in its own case, and the 23 testimony about Goel and Lenke is completely contrary to what 24 Mr. Brodsky said to you yesterday. 25 Let's look at a few examples. Call up day 10, page SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd
      14L8RAJ2
 1
      1679, starting at line 15, Joe.
 2
               Mr. Brodsky himself asked Mr. Goel during direct
 3
      examination about the conversations with Lenke. This is what
 4
      he said:
 5
      "Q. Do you recall exactly what you spoke to Mr. Lenke about on
 6
      each of those conversations to the extent you spoke as opposed
 7
      to leaving a voice mail?
      "A. No, sir, I do not."
 8
 9
               Mr. Goel said the same thing on cross-examination.
               Joe, please go to day 12, page 2146 to 2147, starting
10
11
      at line 10.
12
      "Q. And your testimony is that this one time, after seven
13
      years, you told him some information that you can't
14
      specifically remember, is that your testimony?
15
      "A. Yes, sir. I do not remember the specifics of the numbers
16
      at all.
17
      "Q. You don't know whether it was good or bad information,
18
      right?
19
      "A. Like I said, I do not remember the specifics of the
20
     numbers; therefore, I do not remember whether it was good or
21
     bad. But I remember talking to him about information I had
22
     received from a person in the investor relations group, and I
23
     passed it on to him, with the proviso that I had gotten it from
24
      the investor relations person.
25
      "Q. And because you don't remember what the information is and
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14L8RAJ2 Summation - Mr. Dowd whether it was good or bad, there is no way to verify whether 1 the information was right or wrong, is there? 2 3 "A. I don't know what the relevance is between good and bad or 4 right and wrong. I just passed on the information that I got, 5 sir. 6 "Q. We can't compare the information that you say you passed 7 on with what Intel actually reported on April 17th because you 8 don't remember what the information was, right? 9 "A. That's correct. I do not remember what the information 10 was. 11 "Q. So we can't compare what the information is that you say 12 you had with what Intel actually released to see whether the 13 information you said you had was correct or not? 14 "A. I don't remember what was said to me at that time." 15 Joe, let's go to 2301 on the same day, starting at 16 line 16. 17 Mr. Lynam again asked Mr. Goel about his previous 18 testimony that he did not recall the information. This is what 19 he said: 20 "Q. Then you went on to say, 'All I recall is that I got some 21 earnings related information from Mr. Lenke which I passed on 22 to Mr. Rajaratnam, ' right? 23 "A. Yes. 24 "Q. Now my question is that you still don't recall what that 25 earnings information was, right? SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ2 Summation - Mr. Dowd 1 "A. The specific numbers? 2 "Q. Specific information, yes. 3 "A. The specific numbers, no, sir. I do not recall after four 4 years. 5 "Q. And you don't recall whether it was good information for 6 Intel or bad information from Intel? 7 "A. No, sir, I do not recall that, and I've said it in the 8 past as well." 9 Finally, Joe, let's look at day 6, pages 932 and 933, 10 starting at line 22. 11 Mr. Brodsky, during his direct examination of 12 Mr. Lenke, asked Mr. Lenke whether he remembered what he and 13 Mr. Goel discussed in April 2007. 14 "Q. Do you recall generally what Mr. Goel asked about the 15 first time you spoke to him about Intel's earnings in April of 16 2007? 17 "A. I don't remember the exact specifics, whether it was 18 revenue or gross margin or what detail but we -- you know, he 19 wanted to know about earnings in general. I don't remember the 20 exact details. 21 "Q. Do you recall generally what Mr. Goel asked about the 22 second time you spoke to him, to the best of your recollection, 23 in April of 2007? 24 "A. It was a similar discussion, general things about, you 25 know, how the earnings went for the quarter. I don't remember SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ2 1 four years later the exact specifics." 2 Why do you think Mr. Brodsky mischaracterized Goel's 3 testimony in this way? Because he needs to. It's a hole in 4 the government's case, a huge hole. The government hasn't 5 offered any evidence of what it was that Goel actually said to 6 Mr. Rajaratnam, if anything, and, ladies and gentlemen, you 7 cannot convict Raj of trading on the basis of material 8 nonpublic information because the government hasn't proven what 9 the information was. How are you supposed to assess whether it 10 was material? How are you supposed to assess whether it was 11 nonpublic? You can't. That's why you have to acquit. That's 12 why Mr. Brodsky mischaracterized Goel's testimony. 13 Mr. Lenke even told you that no matter what the 14 information was, it would have been hard to predict what would 15 happen to Intel's stock. 16 Pull up day 6, page 964, line 20. 17 "Q. So it actually is very hard to predict with this picture 18 whether you would expect the price would go up or go down, 19 right? 20 "A. Yes, it would be challenging to predict that." 21 (Continued on next page) 22 23 24 25 SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

1 2 MR. DOWD: Mr. Goel did not know how the information 3 led to Raj having impacted Intel's stock price. Mr. Goel 4 admitted that. Ladies and gentlemen, if you can't tell how a 5 piece of information is going to affect the stock price, the 6 information is not material. It's not material because it 7 doesn't help to make a decision in how to trade or whether to 8 trade. The material information, to be material, information 9 has to be the kind you know that's going to affect the stock 10 price positively or negatively. You need to be able to predict 11 the price is going to go up or down, because that's what you 12 need to know in order to trade. The government hasn't proven 13 that here because both of its witnesses admitted it would be 14 impossible to predict how information about this mixed quarter 15 would affect the stock price. 16 Mr. Goel also told you that he didn't know how Raj 17 processed whatever information Mr. Goel supposedly gave him and 18 does not know whether Raj bought or sold Intel stock. Pull up 19 day 12, page 2158 at line 16. 20 "Q. You don't know how that information was perceived or 21 evaluated or considered by Mr. Rajaratnam, do you?

22 "A. At different points in time during my conversation with 23 Mr. Rajaratnam I passed on. It wasn't that I had the press 24 release and I passed the press release on to him. When I got 25 the information from Mr. Lenke I passed it on. And at each 26 SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ3 point in time, how that was processed by Mr. Rajaratnam, I 1 don't know how that was processed, sir. And even within stock 2 3 traders, people process information differently. I don't know 4 how Mr. Rajaratnam processed it. 5 "Q. You don't know whether it was completely meaningless to 6 him? 7 "A. I don't know whether he bought or whether he sold." 8 Ladies and gentlemen, that's not an agreement to 9 commit insider trading. That is not a conspiracy to commit 10 insider trading. If Goel didn't understand and didn't know 11 whether Raj was going to use the information to trade, there 12 was no agreement to commit insider trading. Goel never even 13 told Raj where the information came from, except to say that it came from investor relations. That wouldn't alert Raj to the 14 15 fact that Goel was getting this information from an improper 16 source or that Goel was breaching a duty by sharing it, because investor relations exists in order to give out information. 17 18 Mr. Lenke said the whole purpose of investor relations is to 19 talk to investors and answer the questions, to be the Intel 20 spokesman for people on Wall Street. 21 Remember also that Intel is a big company. Lots of 22 sell side analysts cover Intel and follow published reports

sell side analysts cover Intel and follow published reports about Intel. As a result there was a lot of information in the market about how Intel was doing prior to quarterly announcements.

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Summation - Mr. Dowd 14LFRAJ3 Joe, pull up day 6, page 952 at line 17. Mr. Lenke 1 2 explained there were 40 to 50 sell side analysts who followed 3 Intel and wrote about Intel. "Q. So as a result there's a lot of information out there in 4 5 the public about Intel and how Intel is doing; isn't that 6 right? 7 "A. Yes." 8 The government does not provide you with any evidence 9 to allow you to determine what the supposed information from 10 Mr. Goel was or whether Raj's trading was consistent with it. 11 That is because they don't know what the information was or to 12 what extent it was communicated or when, no one knows. We 13 provided you with documentary evidence that supports Raj's trading in Intel at that time. It has nothing to do with the 14 15 information Mr. Goel allegedly provided. We showed you analyst 16 reports recommended a short position in Intel in early 17 April 2007 because Intel was engaged in a price war with its 18 primary competitor, AMD. Those were Defense Exhibit 0953, 0948 19 and 0940. We showed you articles in the financial press about 20 a major upgrade to one of Intel's chips called Centrino, and 21 the introduction of a new mobile computer product called a 22 mobile internet device. Those were Government Exhibits 1089, 23 Defense Exhibit 953 and Defense Exhibit 961. All of those 24 articles and announcements came out shortly before Intel 25 reported its quarterly results in April 2007. Both of those SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 products' changes were widely followed by the 40 to 50 sell 1 2 side analysts that covered Intel because products drive Intel's 3 profitability. They're also followed by Galleon. 4 For example, on April 13, 2007, Galleon responded to 5 the article about the upgrade in the Centrino line by noting 6 that it was at the heart of Galleon's bull thesis on Intel. 7 Pull up Defense Exhibit 0951, if you would. The government did 8 not show these documents concerning Intel's products and 9 business. The best the government could do is list phone 10 calls. But you have no idea what was said in those phone 11 calls. 12 Goel admitted that he and Raj talked about all kinds 13 of things on the phone. They talked on the phone all the time. They talked about their families and their jobs, things you 14 15 probably talk about with your friends. Some of those calls are 16 for less than a minute. Mr. Goel said he wasn't even sure if 17 those calls connected or he spoke with Raj at all. Several of 18 those calls on the government's list were social, had nothing 19 to do with business. As always, we proved it to you with 20 supporting documents. Joe, would you pull up Defense Exhibit 932? Thank you. 21 22 This is an April 4, '07 e-mail from Rajiv Goel to Raj 23 about a dinner party at Goel's home specifically asking for Raj 24 to get back to him ASAP to discuss it. The government had that 25 April 4 e-mail and didn't show it to you, did not provide you SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 with any e-mails to show any of the calls on its list were 1 2 about. This is because the government doesn't want you to know what the calls were about. The government just expects you to 3 4 assume the calls were about Intel, that the calls were for the 5 purpose of communicating information no one remembers or knows 6 the importance of. 7 But the full picture suggests something quite 8 different. Those communications were between people who 9 routinely socialized together, between people who vacation 10 together, between people whose wives and children were friends, 11 between people who have been friends for over 25 years. Raj 12 helped Goel when he was in financial trouble. He helped Goel 13 when Goel was not happy at his job at Intel. He never pressured Goel to stay at Intel for any reason. In fact, he 14 15 set up interviews with Mr. Goel and gave him leads on 16 opportunities outside Intel. Mr. Goel admitted that. He 17 admitted that Raj never encouraged him to stay at Intel so he 18 could keep providing Raj with information. He admitted that 19 numerous times. Raj never asked Goel to stay at Intel. 20 Instead, the opposite happened. Raj helped Mr. Goel in his 21 efforts to find another job. That just doesn't make sense. If 22 Mr. Goel was providing Raj with inside information about Intel, 23 why would Raj help him leave Intel? He wouldn't. 24 But Raj did help Mr. Goel in his efforts to leave 25 Intel. The government just wants you to ignore that. Ladies SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ3 and gentlemen, the assumption the government is asking you to 1 make is one you cannot make beyond a reasonable doubt when you 2 3 look at the full picture. That is why you must acquit. 4 Let's talk about Clearwire. It's hard to imagine how 5 a deal could get more public than the one between Clearwire and 6 Sprint. There were dozens and dozens of articles and analyst 7 reports in the market prior to the announcement of the deal on 8 May 7, 2008. Let's look at slide 85 from Professor Jarrell's 9 presentation. Professor Jarrell -- excuse me, my throat's 10 getting dry -- Professor Jarrell explained there were over 5 11 dozen news stories and analyst reports about the Clearwire 12 Sprint joint venture prior to the announcement. Many of the 13 reports Professor Jarrell summarized contained information 14 about Intel's investment in the deal. This deal was no 15 surprise. Professor Jarrell's analysis showed that the stock 16 price movement on the announcement was not statistically 17 significant and that means it wasn't material. The whole 18 market knew the deal was coming. Even the government's own 19 Intel witness, Sriram Viswanathan, acknowledged that Intel's 20 investment in Clearwire was public. He said there were reports 21 in the media not only about the joint venture between Clearwire and Sprint, but also about Intel's investment in the joint 22 23 venture. 24 You also heard Mr. Goel try to minimize speculation in

25 the media. So-called speculation can have a major impact on SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 stock prices as it did with Clearwire. When the Wall Street 1 Journal reported on the deal in January, Clearwire's stock 2 3 soared 25 percent in one day. Joe, would you pull up Defense 4 Exhibit 1368? Ladies and gentlemen, this is a January 9, 2008 5 article commenting on the 25 percent increase in Clearwire 6 stock after a Wall Street Journal article reported that 7 Clearwire was in talks with Sprint about possible investments 8 from Intel and others. This is not a trivial price movement. 9 Intel itself signaled the market about its interest in 10 investing in the Sprint Clearwire joint venture. 11 Let's look at what Intel said as an example. Go to 12 Defense Exhibit 1300. This is a January 7, 2008 article 13 reporting on Intel Capital's president resigning from 14 Clearwire's board, raising speculation among analysts that a 15 transaction is in the works. One potential scenario involves 16 Intel boosting its funding to Clearwire. 17 Now, let's look at Defense Exhibit 4091. This is a 18 recap of Intel's analyst day event on March 6, 5th and 6th, 19 2008. Look at page 14. There's a recap of questions that were 20 asked in a Wimax breakout session. 21 "Q. Are you looking at an opportunity for a capital infusion 22 for a Clearwire Sprint venture? Is it affordable?" 23 The lead negotiator for Intel on the deal answered, 24 "You've seen our balance sheet." 25 Scroll back to page 14. The fifth bullet. Intel SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 1 recognized the answer would lead investors to think Intel is 2 looking at making a sizable investment in the Wimax carrier. 3 Analysts who followed Clearwire and Sprint were invited to the 4 Intel analyst day. They weren't invited so they could try out 5 Intel's new products. They were invited because Intel was 6 going to invest in the Clearwire Sprint deal. 7 You also saw a document where Sprint's chief executive officer, Dan Hess, told Dow Jones that Sprint continues to talk 8 9 with Clearwire concerning a possible joint venture on Wimax. 10 That's defense Exhibit 1503 dated February 28, 2008. 11 Clearwire and Sprint were natural partners and were 12 considering merging their assets independent of any investment 13 by Intel. There were multiple strategic investors involved, 14 any one of whom could have pulled out, causing the deal to fall 15 apart. Sprint and Clearwire could have come to a stalemate 16 causing the deal to fall apart. When Mr. Goel told  $\ensuremath{\mathsf{Raj}}$  about 17 Intel's investment in the deal, it was only a small part of a 18 large deal that was, in Mr. Goel's own words, very complex. 19 Mr. Goel said right on the tape these deals are complex, there 20 are many parties involved, they'll all have their say, and in 21 any case, as Mr. Viswanathan said, the fact that Intel had a 22 relationship with Wimax carriers like Sprint and Clearwire was 23 public. 24 Mr. Goel did not work on Intel's investment in the 25 Clearwire Sprint deal. As a result, several points he SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 discussed with Raj on recordings you heard were wrong. On the 1 March 19 '08 call what Goel said about Intel's board approving 2 3 the deal was wrong. The collar price Mr. Goel discussed with 4 Raj on March 20 was wrong, did not have anything to do with the 5 trading price of the stock. The equity splits the government keeps referring to were also wrong. Mr. Goel admitted this 6 information was wrong. Pull up day 12, page 2209, at line 19. 7 8 "Q. Now, the collar number that you mentioned, the 17 to 20, 9 was actually incorrect, right, it was wrong? 10 "A. As it was proven later on, yes. 11 "Q. The collar was actually 17 to 23, right? 12 "A. Yes. Yes, sir. 13 "Q. So the numbers that you were discussing here were preliminary numbers, right? They got revised later on or you 14 were just incorrect later on, is that right? 15 16 "A. Sir, whatever I had passed on. I don't know whether it 17 was right or not." 18 So now let's look at day 12, page 2200, starting at 19 line 19. Mr. Lynam asked Mr. Goel about Intel's equity share 20 in the new entity and Mr. Goel's statement about it to 21 Mr. Rajaratnam. "Q. And the 10 percent turned out to be wrong, right? 22 23 "A. The 10 percent turned out to be 12 percent." 24 Mr. Goel even acknowledged that he and Raj were not 25 discussing the market price of the stock of the new entity. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 1 Mr. Goel also told you he did not know whether Raj even considered any of this information important. You heard Raj 2 3 tell Mr. Goel it wasn't important. Mr. Goel said he did not 4 know whether Raj purchased any Clearwire stock in response to 5 any information Mr. Goel said. To be clear, Mr. Goel did not 6 know how the information he discussed with Raj would impact the 7 stock price of the new entity, if at all, whether Raj thought 8 it was important information or whether Raj traded on it. 9 Ladies and gentlemen, that is not an agreement to 10 engage in insider trading. Again, the government doesn't want 11 you to see the full picture. It doesn't want you to think 12 about the extensive research Galleon was doing into this deal 13 and this technology. It does not want you to attach any 14 importance to a trip that Rengan Rajaratnam and Naphtali 15 Joseph, another analyst at Galleon, took to Washington to 16 discuss this technology with industry experts. The government 17 wants you to adopt its obviously incorrect interpretation of 18 the March 25th call between Raj's brother that came immediately 19 after Raj Rajaratnam's brother came back from Washington, does 20 not want you to consider the real meaning of that call. 21 Galleon had expended a lot of effort trying to 22 determine whether Wimax technology worked. Galleon had done a 23 lot of research to find out from experts how much Wimax 24 Spectrum was worth. Galleon did that so that its investors 25 could get the benefit of Galleon's superior research before the

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Summation - Mr. Dowd 14LFRAJ3 rest of the market caught up. But the Wall Street Journal, 1 2 quote, "scooped," unquote, Galleon that day. That's what 3 Galleon analyst Naphtali Joseph said in an e-mail we showed 4 you. Joe, please pull up Defense Exhibit 1607. 5 This begins with an e-mail from Naph Joseph to the 6 tech and trading group dated March 25, 2008, summarizing their 7 meetings with regulatory and valuation experts in DC. Then at the top, Mr. Joseph says, "Too little too late. Literally was 8 9 about to send it out before Wall Street Journal scooped me." 10 Naphtali and Rengan made a special trip to Washington to 11 research Wimax technology, to talk about the value of the Wimax 12 Spectrum with experts. That's a lot of work that Galleon did 13 not get to fully take advantage of because of the Wall Street Journal article. That was public information they didn't get a 14 15 chance to take advantage of, and that's what Rengan was upset 16 about, that's what the evidence shows. The evidence shows that 17 Galleon was following the relevance of the deal, was conducting 18 its own in-depth research into technology and its value. 19 Galleon did its research so it could benefit its 20 investors by taking a position in Clearwire stock. The 21 evidence does not show any sort of agreement between Mr. Goel 22 and Raj trading on material non-public information about 23 Intel's investment in the Sprint Clearwire deal. The evidence 24 does not show that whatever Mr. Goel told Raj mattered to Raj 25 at all. That is why you must acquit on Clearwire. SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ3 Summation - Mr. Dowd 1 Ladies and gentlemen, let's talk about People Support. Take that down, Joe. The government alleges that Raj traded 2 3 People Support shares in Goel's account on two occasions on the 4 basis of material non-public information. The government 5 alleges that Raj obtained this information from Krish Panu, who 6 was Galleon's representative on People Support's board of 7 directors. Remember, now, Galleon owned a big piece of People 8 Support, about 25 percent of the company. And Galleon acquired 9 that position openly and properly. We showed you the forms 10 filed with the SEC disclosing Galleon's ownership in the 11 company. Well, because Galleon owned so much of the company, 12 the company puts a so-called poison pill in place to prevent 13 Galleon from buying more. A poison pill is basically a way a company prevents itself from being taken over by a buyer like 14 15 Galleon. It's entirely a normal, commonplace thing. Because 16 of the poison pill, Galleon itself was unable to buy more 17 People Support stock without diluting its ownership interest. 18 But that doesn't mean that Raj or Galleon were forbidden from 19 buying People Support stock. They weren't. It wasn't illegal. 20 It was simply a trigger of multiplication of People Support 21 shares which would have resulted in the dilution of Galleon's ownership position. That's the poison pill. And the poison 22 23 pill applied only to Galleon. It didn't prevent Raj from 24 recommending People Support shares to other people. Raj was 25 free to tell other people they should invest in People Support. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ3 Summation - Mr. Dowd And Raj was free to make trades with People Support's shares in 1 2 a friend's personal account and that's what he did for Rajiv 3 Goel. There was nothing wrong with him doing that. 4 The prosecutor suggested yesterday that Galleon had 5 some kind of agreement with People Support not to buy any more 6 shares. That's not the case. There is no evidence to support that. The poison pill was not an agreement and it didn't 7 8 forbid Galleon from buying additional shares or encouraging 9 others to buy shares. Remember that Galleon owned such a big 10 chunk of People Support they were given a place on People 11 Support's board of directors. That's Krish Panu. Nothing 12 wrong with that either. There's nothing wrong with Mr. Panu 13 reporting back to Raj at Galleon about what was happening in 14 People Support or what the board was talking about. Mr. Panu 15 was allowed to talk to Raj at Galleon about what was going on 16 at People Support. He was allowed to tell Raj about board 17 meetings. That's the whole reason Mr. Panu was there, to 18 represent Galleon on People Support's board. 19 The government, again, has tried to mislead you about 20 that, asking a bunch of questions about the non-disclosure 21 agreement that Mr. Panu signed. But People Support's general counsel, Peter Phan, cleared it up. Mr. Phan testified that it 22 23 was perfectly okay for Mr. Panu to tell Raj and Galleon about 24 what was going on inside the company. Joe, if you'd kindly

25 pull up day 7 page 1185 at line 6.

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Summation - Mr. Dowd 14LFRAJ3 1 "Q. Am I correct that it is your understanding with regard to 2 the non-disclosure agreement that Mr. Panu signed that he was 3 permitted to speak to Galleon about People Support? 4 "A. Correct." 5 People Support is also another stock where the 6 government's trying to blur the line between confidential information and material non-public information. That's why it 7 8 spent so much time questioning its witnesses about People 9 Support's confidentiality policies. But remember, confidential 10 information is not the same thing as material non-public 11 information. And please remember that there's nothing illegal 12 about trading on confidential information unless the 13 information is also material and non-public. The only crime is trading on material non-public information. In fact, Mr. Phan 14 15 testified about the difference between the two. Joe, if you 16 kindly pull up day 7, page 1182, line 3. 17 "Q. And isn't it correct that information can be confidential 18 under the company's definition of confidential, but that 19 doesn't mean it is necessarily material non-public information, 20 isn't that right? 21 "A. That's correct. "Q. In fact, your policies have different definitions, one 22 definition for confidential information and another definition 23 24 for material non-public information. Isn't that right? 25 "A. That's correct. Confidential information in this case SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 would be a broader net than material non-public information of 1 the type that would be considered insider information. 2 3 "Q. In other words, the company might want to keep something 4 confidential, but that doesn't mean that the stock market or 5 insider trading laws would consider that material non-public 6 information, right? "A. Correct." 7 8 The government hasn't proved that Raj traded on the 9 basis of material non-public information about People Support. 10 It hasn't proven that because it can't prove that. The time 11 lines just don't work, as you're about to see. So it has tried 12 to make the case about something else. It's trying to make it 13 confidential information. They haven't even tried to prove 14 that Raj traded on the basis of material non-public 15 information. That's why you must acquit. 16 Let's look at the two trades at issue. July 28. 17 First trade the government claims was improper was a trade that 18 Raj made in Goel's Charles Schwab account on July 28, 2008 at 19 12:42 in the afternoon New York time. They claim Raj made this 20 trade on the basis of material non-public information about 21 Essar's acquisition of People Support, which wasn't officially 22 announced until August 4. But as usual, they want you to focus on one piece of evidence to the exclusion of everything else in 23 24 the world. And that one piece of evidence is an intercepted 25 call between Raj and Goel that occurred two days after this SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ3 Summation - Mr. Dowd trade on July 30, 2008. 1 2 During that call, Raj told Goel that Essar had made a 3 firm bid to acquire People Support at 12.25 a share. The 4 government tries to make a big deal out of this call because 5 the deal wasn't announced until a few days later on August 4, 6 2008. But that's why it's so important to remember the 7 elements of the offense when you deliberate. That's why it's 8 so important to make sure that you consider the evidence in 9 light of the elements the government needs to prove. Because 10 it's never a crime merely to discuss material non-public 11 information. It is only a crime to trade on that information. 12 And guess what? There were no People Support trades in Goel's 13 account between the time of this conversation on July 30 and 14 the public announcement of the deal on August 4. Not one. 15 There were no trades. There was no crime. It just didn't 16 happen. The only trade occurred two days before on July 28 at 17 12:42 p.m. New York time, when Raj bought some People Support 18 shares for Goel in his Schwab account. 19 So the government's burden is to prove that the 20 earlier trade, the one that Raj made on July 28, was based on 21 material non-public information. But it hasn't proven that. It can't prove that, because Raj placed the trade before, 22 before the board of directors meeting with Krish Panu, found 23 24 out about the Essar's firm bid to acquire the company at \$12.25 25 a share. Raj placed this trade hours before the People SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 Support's board met and discussed the offer. Remember, Raj 1 placed the trade at 12:42 p.m., but the board meeting when Panu 2 3 learned of Essar's 12.25 offer didn't occur until 3:30 p.m. 4 that day. That's what the evidence shows. 5 Joe, would you have Government Exhibit 1113? These 6 are the minutes of a July 28 board meeting and they reflect at 7 this meeting, Lance Rosenzweig, who you heard from the witness 8 stand, brief the board 12.25 offer received from Essar. At the 9 very top it reflects the meeting occurred at 3:30 p.m. Pacific 10 time, 6:30 p.m. New York time. Mr. Phan confirmed that. Raj 11 bought the shares in Goel's account more than six hours before 12 Mr. Panu was informed about Essar's 12.25 bid. 13 Joe, put up DDX-9. This slide reflects the series of 14 events surrounding the trade in People Support. The first 15 event is that Raj buys People Support in Goel's account on 16 July 28, 2008 at 12:42 p.m. That's the only trade. The second 17 event is the board meeting which happens later in the day at 18 6:30 p.m. This is what Goel learned of the firm offer at 12.25 19 a share. Two days after that is the telephone call with Goel 20 and four days after that is the public announcement. Ladies 21 and gentlemen, the one and only trade occurred before Mr. Panu 22 found out about the offer, and there's no evidence, not a shred 23 that Raj knew about this offer before he bought the shares. 24 The government did show there had been some People 25 Support meetings in early July where the possibility of an SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 acquisition had been discussed. There were no firm offers at 1 that point, there were no trades in Goel's account following 2 those meetings. The first and only trade in Goel's account in 3 4 People Support before the deal was announced on August 4 was 5 the trading on July 28. And that one trade occurred before Mr. Panu and the other board members were briefed on Essar's 6 7 firm bid, 12.25 per share and that's why you must acquit. 8 Go to October 7, which is the second leg of this stock 9 issue. The second trade the government claims is improper was 10 a trade that Raj made in Goel's Charles Schwab account on 11 October 7, 2008. Remember at this time Essar's bid to acquire 12 People Support had been publicly announced. It was announced 13 on August 4, 2008. Joe, can we have Government Exhibit 1117? 14 This is the press release from August 4, 2008 15 announcing the deal. It says that Aegis BPO, which is a unit of Essar, is going to acquire People Support. It says the deal 16 17 will be for approximately \$250 million, 12.25 a share. It says 18 it's an all-cash transaction, meaning Essar is simply going to 19 pay cash to acquire People Support shares. It says the deal 20 has been approved by the boards of both companies and on the 21 second page it says the deal is expected to close in the third 22 or fourth quarter of the year. It also states that the 23 acquisition is not subject to any financing conditions, which means that Essar already has on hand all cash it needs to buy 24 25 the company. The deal was public as of August 4, 2008. There SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 is no dispute about that, and the government doesn't contend 1 2 otherwise. 3 Following this announcement, there was a further 4 public discussion of the deal, including by Essar's executives. 5 Remember, Essar is a huge company worth tens of billions of 6 dollars and the Essar executives made it clear in their 7 comments to the press that cash was not a problem for them and 8 this deal was certain. In quotes, that's what they said. In 9 the newspapers it's reflected, Defense Exhibit 2545, admitted 10 through Mr. Rosenzweig. Mr. Rosenzweig confirmed that's what 11 it was telling investors and analysts publicly, but that People 12 Support was already down the road past the People Support deal, 13 and it's considering even bigger deals. All of that 14 information was public by the time Raj traded in Goel's 15 account, October 7, 2008, and on the basis of that public 16 information, Galleon's own analyst put the probability of the 17 deal closing at 95 percent. That's reflected in Defense 18 Exhibit 2693 which Mr. Schutte testified about. 19 Something happened on the morning of October 7 which 20 made the stock an attractive buy by Raj. At 8:30 a.m. New York 21 time on October 7, People Support issued a press release 22 stating that Essar had asked to schedule a closing for the end 23 of October. That was still within the time frame the companies 24 had announced closing back on August 4. Remember, on August 4 25 the companies had said the deal would close in the third and SOUTHERN DISTRICT REPORTERS, P.C.

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14LFRAJ3 Summation - Mr. Dowd fourth quarter and October 31 is within the fourth quarter. 1 It's not like they announced the deal was off or anything like 2 3 that, they just announced that Essar had requested to schedule 4 the closing on October 31. But the market reacted badly to 5 this news and Professor Jarrell testified the market 6 overreacted. The stock price fell well below the 12.25 per 7 share that Essar had already publicly announced as its bid. 8 So at 1:09 p.m. Raj bought some shares in Goel's 9 Charles Schwab account. At 1:46 Raj called Goel to tell him 10 about the trade. That's Government Exhibit 654T, the 11 government showed you yesterday. As usual, this call was the 12 one piece of evidence the government wants you to consider at 13 the exclusion of everything else. 14 What did Raj say on this call? He said that the deal 15 was moved to October 31. That was public. That's what set the stock price falling. Raj said it was a \$250 million deal. 16 17 That was also public. It was part of the August 4 press 18 release announcing the deal. Raj said the deal was going to 19 close at 12.25 per share. That was also public. It was part 20 of the August 4 press release. Finally, Raj said that Essar 21 was going to put 41 million in escrow and that was just wrong, 22 it never happened. Mr. Rosenzweig confirmed that. 23 Following this call, Essar and People Support worked 24 together to hammer out the terms of a second press release 25 which was finalized around 6:45 p.m. You saw that document. SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 Mr. Rosenzweig testified about it. After the market closed, 1 2 People Support issued a second press release stating the deal 3 would close on October 31. So that's the time line. Joe, put 4 up DDX-10. I'll just review the whole time line for you. 5 August 4, 2008, People Support announces it will be acquired by Essar for 12.25 per share and the deal will close 6 7 in the third or fourth quarter. 8 October 7, 8:30, People Support says Essar has asked 9 to close the deal on October 31. 10 1:09, Raj buys People Support in Goel's account. 1:46 11 Raj tells Goel about the purchase. 6:45 People Support and 12 Essar agreement were in a press release after the market close. 13 People Support issues a second press release. Raj didn't trade on the basis of non-public information. He traded on the basis 14 15 of public information. He traded because this deal had been 16 announced at 12.25 per share and the stock price fell 17 significantly below that. He simply took advantage of an 18 opportunity to buy a stock when it was undervalued. 19 Nothing he said to Goel in that intercept was material 20 non-public information. The government wants you to consider 21 that call in a vacuum. It wants you to ignore all the other 22 evidence because all the other evidence shows Raj didn't do 23 anything wrong. He took advantage of an opportunity to trade 24 based on public availability to the whole world. That's why 25 you must acquit.

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14LFRAJ3

## Summation - Mr. Dowd

I want to talk about Adam Smith. I've already talked 1 2 to you about Adam Smith earlier when I talked about ATI. Let's 3 talk about Adam Smith himself for a minute. Adam Smith's story 4 has changed so many times it's hard to keep it straight. First 5 he met with us lawyers and he told us he hadn't done anything 6 wrong, he didn't know anything about insider trading by anyone at Galleon, including Raj. And also he told Galleon lawyers 7 8 that he lost his laptop. That's when the Galleon lawyers were 9 pulling everything together to preserve everything inside 10 Galleon after Raj was arrested.

11 Then he met with the government and they made a threat to send him to jail for 25 years and said he would never see 12 13 his boys again unless he, quote-unquote, "cooperated." So he told the government the opposite of what he told us. By the 14 15 way, yesterday Mr. Brodsky said something that really troubled me. And that was that when Smith talked to us he wasn't under 16 17 oath. Well, we don't put people under oath in our office. We 18 assume they're coming in to tell us the truth. He was there 19 voluntarily. It's kind of shocking, something like that. We 20 had no reason to believe that Smith was not telling us the 21 truth.

He told the government the opposite of what he told us. Said he committed all kinds of insider trading and Raj had too and so had a bunch of other people at Galleon. He also told the government he hadn't lost his laptop, which means he SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 lied to the people at Galleon about losing it. He told the 1 government he destroyed it because it contained evidence of 2 3 insider trading. Then the FBI sent him to nail his friend Ian 4 Horowitz by tricking Horowitz to admit to insider trading, but 5 that blew up on him. The opposite happened. Smith admitted to 6 Horowitz he hadn't done anything wrong. 7 Why is Horowitz so important? Horowitz was Raj's 8 trader. That's why. They sent him in there to try to get 9 Horowitz. You heard Horowitz about an hour ago loud and clear. 10 There wasn't anything clearer about what Horowitz said about 11 how he behaved himself and conducted himself, nothing more 12 powerful than what Horowitz said to him. And then as Horowitz 13 went on and on, Smith finally admitted he hadn't done anything 14 wrong. And this is one of those tapes earlier that I was 15 talking about. And then he came before a judge in this 16 courthouse and entered a plea of guilty. 17 When questioned about the plea -- now, you're under

oath when the judge takes a plea. He said he told the judge he had not been threatened. The judges, Judge Holwell and the other judges in this courthouse will not take a plea, the whole idea is voluntariness. Any pressure, they question you a long time about it, they won't accept it unless they're satisfied it's voluntary and free. He told the judge he had not been threatened.

25

Then he had breakfast with his good friend and boss SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ3 Summation - Mr. Dowd John Pernell. Pernell was there because he was the owner of 1 the Polaris fund that Smith was running. He told Pernell he 2 3 wasn't actually guilty of the crimes he pled guilty to. Then 4 he came into this courtroom and told you he was guilty of those 5 crimes. He told you he had not done all the things he told Ian 6 Horowitz he had not done. He also told you he'd been truthful 7 with lawyers from the interview. He said he was honest with 8 us. He told you we hadn't even asked him any questions about insider trading when we interviewed him. He told you he never 9 10 claimed to Mr. Pernell that he wasn't actually guilty of the 11 crimes he pled guilty to. Ladies and gentlemen, Adam Smith has 12 told so many stories to so many people it makes your head spin. 13 You know he wasn't truthful all those times, he 14 couldn't have been. He contradicted himself over and over. 15 The government asks you to believe him now. They've got him 16 under their thumb. And he's thinking about those boys, aged 3 17 and 5. The government wants you to believe the true version of 18 Adam Smith's story is the version he told you on this witness 19 stand, even though that's the version he told under duress. 20 Let's be clear about that. Adam Smith told one story to the 21 lawyers, said he hadn't done anything wrong. He told the same 22 story to Ian Horowitz, gave the same story to Mr. Pernell. But 23 then he told a different story to the government and to you. 24 The lawyers never threatened Adam Smith. He was there

25 voluntarily. Ian Horowitz never threatened Adam Smith, you SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 heard the tape. John Pernell never threatened Adam Smith. 1 Only the government threatened Adam Smith. They threatened to 2 3 break up his family and send him to prison for 25 years unless 4 he sang the government tune. Was he scared? You saw right 5 from the witness stand how scared he was. 6 This latest story is a story the government wants you 7 to believe. You can't believe the story because that's a story 8 told under duress and the evidence exposes it as a lie. This 9 isn't rocket science, it's common sense. With all these 10 versions of Adam Smith's story running around, make sure you 11 remember the point. The point isn't that Adam Smith lied to us 12 or Ian Horowitz or to Mr. Pernell or the government. The point 13 is he lied to you. He lied to you while he was under oath on that witness stand. Mr. Lynam's last question to him, the 14 15 fifth time he was asked, gave it under oath before this jury. 16 You can't trust someone who would do that. You know that 17 because we proved it. We proved it by calling Mr. Pernell, who 18 had no reason to lie to you, calling Mr. Hotz, who had no 19 reason to lie to you. Two unimpeachably honest men who would 20 tell you the truth about Adam Smith's prior statements, 21 statements that Adam Smith falsely testified under oath that he 22 never made. 23 You remember Smith claiming on the witness stand that

24 we the lawyers never asked him about insider trading when we 25 interviewed him? Mr. Lynam repeatedly asked him that question SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 1 and Smith repeatedly testified he never was asked about insider trading during those interviews, as if it was just a social 2 meeting. Ladies and gentlemen, that testimony is obviously 3 4 false, but just in case you were going to make the mistake of 5 believing it, we called Mr. Hotz to prove it was false. 6 Mr. Hotz was there and this is what he said. Joe, pull up day 20, pages 3854 on line 8. "I specifically remember asking him 7 whether he was aware of any insider trading at Galleon. Those 8 9 were the topics we covered." 10 "His response was that he was not aware of any insider 11 trading at Galleon." 12 Ladies and gentlemen, Adam Smith lied on the witness 13 stand under oath. You can't trust someone that would do that. 14 Adam Smith lied about his conversation with Mr. Pernell, too. Mr. Pernell is still his friend, notwithstanding all the harm 15 16 he's brought to lawyers. You heard Mr. Pernell. He's still 17 his friend. He feels badly for him. He didn't think he had a 18 good lawyer that was taking care of him. That's what he told 19 you from the witness stand. He told John Pernell he pled 20 guilty to crimes he didn't commit. That was false, too, and we 21 proved it was false by calling up John Pernell. Call up day 22 20, page 3838 line 1. 23 "Q. Did you talk to Mr. Smith about the charges he pled guilty 24 to? 25 "A. Yes. SOUTHERN DISTRICT REPORTERS, P.C.

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14LFRAJ3 Summation - Mr. Dowd "Q. Did Mr. Smith tell you whether or not he actually 1 committed the crimes he had been charged with? 2 3 "A. He told me I think there were five or six transactions in 4 the plea agreement he was pleading to and that in actuality 5 three or four of the trades he did not commit, or did not 6 execute the trades based on inside information." 7 Adam Smith also lied when he insinuated that Raj told 8 him to destroy documents after his arrest. Do you remember 9 that testimony? Smith said that Raj received a fax from Alex 10 Young, who was a new Galleon analyst in Taiwan. Smith 11 testified that Young reported to Smith and regularly sent 12 research to Smith. Smith said that Raj brought him the fax to 13 his office and told Smith to, quote, "take care of it," 14 unquote. Smith threw it away. Do you remember all that? 15 That testimony tells you a lot more about Adam Smith 16 than it tells you about Raj. Raj didn't tell him to destroy 17 the fax. Raj took the fax to him told him to take care of it, 18 and Smith destroyed it. Think about it, if all Raj wanted was 19 for this document to end up in the trash can, why wouldn't Raj 20 simply throw it in the trash himself? Why would he walk down 21 to Smith's office and tell Smith to throw it in the trash? Do 22 you think Smith was the only guy in the building with a garbage 23 can? Ridiculous. Doesn't make any sense. 24 It got more ridiculous on cross-examination. Thank 25 God for cross-examination, because on cross-examination he

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Summation - Mr. Dowd 14LFRAJ3 1 admitted the fax had no inside information, wasn't even important. So let's get this straight. Raj bought a fax from 2 3 an analyst that regularly reported to Smith, contained no 4 inside information and told Smith to take care of it. Smith 5 said that Raj meant to throw it away, as if Smith is the only 6 one with a garbage can. That testimony is absurd, it's obviously false and just a story Smith made up to make Raj look 7 8 dirty to help himself with the government as to whether he 9 provided substantial assistance in this case. 10 It doesn't matter if the story makes no sense and is 11 obviously false. Raj didn't tell him to destroy that fax,

12 whatever it was. But Smith was no stranger to destroying 13 documents. He destroyed his laptop computer shortly after 14 Raj's arrest but he lied to Raj and Galleon and to the lawyers 15 for them, he admitted that on cross-examination and he proved, 16 and that proves that he and Raj never conspired to hide any 17 evidence.

18 He destroyed that computer when Raj and Galleon had 19 hired lawyers to preserve data. Smith himself was asked to 20 preserve the computer and bring it in, but he destroyed it instead and lied to everyone about it. Now the government is 21 22 giving him a free pass. He wasn't charged with obstruction of justice and he won't be. That's his plea agreement. That's 23 24 part of his sweetheart deal. The government just gave him a 25 free pass. He admitted all that. Ladies and gentlemen, Adam SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 Smith lied on this witness stand. He lied multiple times. You 1 can't trust someone who would do that and you need to trust 2 3 Adam Smith in order to convict. You can't trust him for that 4 reason you must acquit. 5 Let's take these stocks that Adam Smith talked about. 6 IDT and ICST. Smith testified he provided material non-public 7 information to Raj about IDT's plans to acquire ICST before 8 that acquisition was officially announced on June 15, 2005 and on this one you just have to take Smith's word for it. This 9 10 one rides on Smith's testimony alone about something he claims 11 happened almost six years ago. You can't take his word for 12 anything. You can't trust him. 13 But you don't need to take anyone's word for it. You 14 know Smith is lying because the evidence shows he's lying. 15 Smith testified he heard about this deal from Kamal Ahmed on 16 March 20, 2005. The government showed you some evidence that 17 Smith and Ahmed were together at a conference in March 2005. 18 Smith said he heard about it before that conference in March 19 but you just have to take his word on that. 20 Raj had been trading ICST long before Smith's supposed 21 meeting with Ahmed and he built a big long position in it 22 before March 2005. Joe, let's look at Defense Exhibit 4680M. 23 This is the chart showing Mr. Rajaratnam's trading in ICST 24 beginning in 2005. Shows that he was buying ICST throughout 25 February 2005 before Smith's supposed meeting with Ahmed. If SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ3 you add these numbers up it showed that Mr. Rajaratnam owned 1 over 600,000 shares of ICST before this supposed conversation 2 3 with Ahmed in March. So you know that Raj had reasons for 4 buying ICST other than this deal, because he bought hundreds of 5 thousands of shares long before Smith told him about the deal. 6 You know what those reasons were. He showed you. ICST was the 7 top long pick of Galleon analyst Derek Brockovich throughout 2005. Smith admitted that and he showed you Rob Deutsche's 8 9 research. We took Smith through all Rob Deutsche's reports. 10 Smith also testified about those two eyes e-mails, he 11 said those were some kind of code for this deal. But you have 12 to take his word for that, too. There's nothing to support his 13 claim and you know you can't trust him. There's nothing about IDT or ICST on those e-mails. Again, you don't need to take 14 15 his word for anything because the evidence shows it's not true. Let's look at Government Exhibit 2454. That's one of 16 17 those two eyes e-mails from Smith to Raj dated March 9, 2005. 18 This is the earliest of those e-mails. There were no e-mails 19 like this before March, although Smith says he knew about the 20 deal before March. And he says, "we are still on track," 21 quote-unquote. 22 What did Raj do after getting this e-mail? He sold 23 shares of ICST. Call up Defense Exhibit 4680M. This chart 24 shows Raj's ICST trading. You'll see on March 10, 11, 14, the 25 days after the e-mail from Smith, Raj sold nearly 150,000 SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 shares of ICST. And this isn't the only time the trades don't 1 line up. Call on Government Exhibit 2455. Another one of 2 3 those two eyes e-mails, dated March 17, and it says "game on." 4 Back to Defense Exhibit 4680M. Here you see Raj 5 doesn't even trade at all for four days after receiving this 6 e-mail. He buys 150,000 shares on March 21 and 24. Then he 7 sells again the whole 150 on March 28th and 30th. In fact, the 8 trades never really line up. Call up Government Exhibit 2456, 9 Joe? This is another one of those eyes e-mails, this one from 10 April 21, 2005. And in it, it says the date is set for May 16. 11 Now, Smith says these e-mails are supposed to be about 12 the IDT acquisition of ICST. That's not what happened. It didn't happen until June 15. And once again, Raj didn't trade 13 14 as though he thought it was going to happen. In fact, the 15 defense Exhibit 4680M, Joe, if you would. After that e-mail, Raj buys 40,000 shares on the 21st and 22nd. Then he sells 16 17 almost 100,000 shares on the 28th. Then Raj's last trade 18 before the supposed acquisition of May 16 is a sale on May 13 19 of 75,000 shares. So Raj was selling his ICST stock before the 20 supposed date of the acquisition Smith says he told him. 21 The evidence just doesn't line up. Doesn't make 22 sense. That's because it's not true. You can't convict Raj 23 based on his trading in ICST unless you believe Adam Smith. 24 You have to take his word for it. You can't believe Adam 25 Smith, not after his performance in this courtroom. The SOUTHERN DISTRICT REPORTERS, P.C.

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14LFRAJ3 Summation - Mr. Dowd evidence isn't consistent with his story and that's why you 1 2 have to acquit Raj. 3 Intersil. Adam Smith testified he obtained material 4 non-public information about a company called Intersil. He 5 said he got Intersil's quarterly financial information from 6 someone named Jason Lin in Taiwan and he said he passed that 7 information to Raj and told him it was coming from a company 8 employee. Government expects you to take Adam Smith at his 9 word on this one, because it's offered no evidence to support 10 his story. None. Ladies and gentlemen, there are zero 11 exhibits in evidence to support Mr. Smith's story about 12 Intersil. None. Even though Smith claimed he was giving Raj 13 inside information about Intersil in 2008, when Raj's phone was 14 wiretapped. 15 The government didn't play a single recorded 16 conversation to support Smith's claim. The only documents the 17 government put into evidence that had anything to do with 18 Intersil are two public earnings announcements by the company 19 in September and October 2004. Smith claims he got revenue 20 numbers from Lin before those two announcements, but there's 21 nothing to support his story, nothing. 22 Smith's allegations are completely non-specific. He 23 didn't tell you what the information was he supposedly got from 24 Lin. He didn't tell you what the numbers were, he didn't tell 25 you when he got the information, he didn't tell you what SOUTHERN DISTRICT REPORTERS, P.C.

14LFRAJ3 Summation - Mr. Dowd information he conveyed to Raj or when he conveyed it. He 1 admitted all that. Joe, if you pull up day 15, page 2936 at 2 3 line 16. 4 "Q. Again, you can't tell us any specific revenue numbers that 5 you got from Intersil because you don't remember them, isn't 6 that right? 7 "A. Remember which number? 8 "Q. You say you got revenue information from Jason Lin about 9 Intersil, but you can't tell us what those numbers are, can you? 10 11 "A. Which quarter? 12 "Q. Any quarter. 13 "A. I mean, not off the top of my head, no." 14 Ladies and gentlemen you cannot convict Raj for 15 trading on non-public information or conspiring to do so if the 16 government hasn't proved what the information is or was. You 17 can't convict Raj of trading on revenue numbers that Adam Smith 18 supposedly got from an insider if you don't know what those 19 numbers were. How are you to assess if the information was 20 non-public if you don't know what the information was? How are 21 you to assess the information was material if you don't know what it was? The government hasn't offered any evidence at all 22 23 on what the information is. 24 Smith also admitted he never told Raj who his source 25 from Intersil was. He testified Lin got these numbers from SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ3 someone inside Intersil, but he never told Raj who that source 1 was either. The government presented no evidence of any 2 3 benefit either to Lin or to Lin's source. To convict Raj of 4 insider trading in Intersil you have to believe Adam Smith 5 because the government has shown you no evidence to support 6 this. That's because the evidence that does exist contradicts 7 this story. 8 I've shown you some analysis and research writeups on 9 Intersil. We showed you a lot of them. Defense Exhibit 4604, 10 4605, 4606A, 4606H. Smith testified about them. None of them 11 reflect any inside information at all. They reflect real work, 12 real research. Smith admitted that, too. Joe, the if we have 13 day 15, page 2938 at line 4. 14 "Q. You said that you did your homework on Intersil, right? 15 "Α. Also, yes. 16 "Q. You prepared reports and you circulated those reports and 17 analyses around Galleon? 18 "A. I did. 19 "Q. They were accurate, right? 20 "A. They were my opinion at the time, yes. 21 "Q. You wanted Galleon to get the benefit of your work, right, 22 provide accurate information, right? 23 "A. Yes." 24 Folks, trading doesn't line up, either. Smith 25 testified he got inside information about Intersil up through SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ3 Summation - Mr. Dowd 1 2009, that he shared it with Raj and Raj knew it was coming 2 from an insider. Smith and Raj didn't trade Intersil stock the 3 same way. Mr. Lynam walked Smith through four different 4 quarterly earnings announcements and Raj and Smith weren't 5 trading the same way. That wouldn't make sense if Smith's story were true. If Smith's stories were true, he and Raj 6 7 would be trading in the same way, but they didn't trade in the 8 same way because the story isn't true. 9 You can't believe Adam Smith. You know that. He lied 10 on the witness stand and you can't believe someone who would do 11 that, and the other evidence shows it just doesn't fit his 12 claims about Intersil and that's why I ask you to acquit. 13 Vishay --14 THE COURT: Mr. Dowd, perhaps this is an appropriate 15 place for us to break for lunch. Counsel approach. 16 (Jury excused) 17 (Continued on next page) 18 19 20 21 22 23 24 25 SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14LFRAJ3 1 (At the side bar) [REDACTED] 3 (Jury present) 4 THE COURT: Mr. Dowd. 5 MR. DOWD: Thank you, your Honor. 6 Good afternoon, ladies and gentlemen. 7 I want to cover the last stock on Adam Smith and then 8 we will move on to a couple of other items. 9 Smith also claims that he provided Raj with inside 10 information about a possible acquisition of Vishay. He said he 11 got this information from Kamal Ahmed, a Morgan Stanley banker. 12 Morgan Stanley had made a bid to be the investment banker for a 13 potential acquisition of Vishay by the private equity firm 14 Apollo. The bid is what they call a bake-off. The government 15 played a recorded call from May 1, 2008, where he mentioned the 16 potential acquisition to Raj. This one is a lot like Kumar's 17 allegations about Spansion that we discussed before. There is 18 no there there. Because Kamal Ahmed didn't even participate in 19 the bake-off. He begged off. We showed you that e-mail. 20 Joe, if you could pull up Government Exhibit 2442. 21 This is the e-mail from Kamal Ahmed begging off the 22 bake-off. Morgan Stanley didn't win the bake-off. It wasn't 23 involved after the bake-off. That's what Owen O'Keeffe 24 testified. And there was never any acquisition of Vishay. 25 Smith admitted that. And Raj didn't make any money on the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd Vishay trades. In fact, just the opposite. Raj lost a lot of 1 2 money on his Vishay trades. 3 Joe, pull up Defense Exhibit 4685M. 4 This chart summarizes Raj's trading in Vishay in May 5 through July 2008. It shows that Raj lost almost \$800,000. 6 So let's review the bidding. There was a bake-off. 7 Kamal Ahmed wasn't at it. Morgan Stanley didn't win it. 8 Morgan Stanley didn't work on the deal after that, and the deal 9 never happened, and Raj lost money. This one just doesn't add 10 up to anything at all. 11 So as usual the government wants you to fixate on a 12 single piece of evidence to the exclusion of everything else. 13 And that's the recording, Government Exhibit 692T. 14 What did Smith say on the recording? He said that 15 Kamal told him that Morgan Stanley had bid on a deal sheet with 16 Vishay. He said that Morgan Stanley hadn't gotten the business 17 and wasn't working on the deal. He said the stock was worth 18 \$18 per share on the books but trading at 9. And what did Raj 19 say? He asked about the fundamentals. He asked if the stock 20 was liquid. He asked Smith to buy some after Smith told him it 21 was cheap and low risk. 22 This is the only recorded telephone call involving 23 Smith that the government played for you, even though Smith was 24 working at Galleon the entire time Raj's phone was being 25 wiretapped. And even though Smith testified he was giving Raj SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd all kinds of inside information all the time, this one call was 1 all they can come up with. They want you to think this was 2 3 some kind of hot tip, but obviously Raj didn't think so. Smith 4 told him about the bake-off. Raj asked about fundamentals. Is 5 it liquid? Smith told him that the stock looked very good on 6 fundamentals, it was cheap and low risk. It was a good buy on 7 the fundamentals and that's why Raj bought it. It wasn't a hot tip. It was at least a month old by the time Smith heard about it. Remember the bake-off that 8 9 10 Morgan Stanley didn't win had occurred around the end of March 11 and beginning of April, a full month before this call. And 12 Morgan Stanley wasn't involved after that. The only 13 information it had received was preliminary and incomplete. 14 Morgan Stanley was missing large chunks of information. That's 15 what they said in the documents that we showed Smith. 16 Smith had no idea what had happened after the bake-off 17 and he didn't tell Raj what had happened during the month. He 18 admitted that on cross. Smith didn't know whether the deal was 19 going forward or whether it had fallen apart. And it did fall 20 apart, it never happened. Whatever it was they baked in April, 21 it was stale by May. That's why this so-called tip isn't material. It's about the most preliminary step in a potential 22 23 deal, something so preliminary that the deal itself isn't firm 24 yet and can still fall apart, just as it did in this case. 25 Finally, remember all of these Smith stocks --SOUTHERN DISTRICT REPORTERS, P.C.

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14L8RAJ4 Summation - Mr. Dowd Intersil, ICST and Vishay -- that the government has offered no 1 2 evidence at all of any benefit to Kamal Ahmed. That's a necessary element of insider trading. In the absence of any 3 4 evidence on it, it shows there was no insider trading and no 5 agreement to commit insider trading, and that's why you must 6 acquit. 7 Roomy Khan. The government also alleges that Raj 8 conspired with Roomy Khan to obtain material nonpublic 9 information about Google, Hilton and Polycom. But you never 10 heard from Roomy Khan. The government has the burden of

11 proving beyond a reasonable doubt that Roomy Khan and Raj 12 agreed with each other to commit insider trading. But all you 13 saw was a photo of Roomy Khan. You never heard from her. The 14 government, which has the burden of proof, never called Khan.

15 Khan wasn't the only person missing. You never heard 16 from any of Khan's supposed inside sources here. You never 17 heard from Shammara Hussain, Khan's supposed source at Google. 18 You never heard from Deep Shah, Khan's supposed source on 19 Hilton. And you never heard from Sunil Bhalla, Khan's supposed 20 source at Polycom. The government didn't call them. You have no idea what any of these people said to Roomy because the 21 22 government presented no evidence of them. You have no idea 23 whether these people actually spoke to Roomy Khan, when, what 24 they talked about, because the government presented no evidence 25 of that either.

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14L8RAJ4 Summation - Mr. Dowd 1 Let that sink in for a minute. This is supposedly an 2 insider trading conspiracy, but you haven't heard from any of the insiders or any of the co-conspirators. And there are no 3 4 recorded phone calls. The government just showed you charts of 5 telephone records. You saw that some of those were a minute or 6 less, and they may not have even connected. You don't know who 7 was on the calls or what they said to each other. The government also put on some representatives from 8 9 the companies to talk about what was going on inside the 10 companies at the time. But the government provided you with 11 absolutely no evidence that any of the information was ever 12 passed to Raj. And you can't evaluate whether that information 13 was material or nonpublic because you don't even know what it 14 was. You can only make assumptions and you can't convict Raj 15 based on assumptions. The government hasn't proven its case. 16 They haven't even come close. 17 Let's talk about Google. The government alleges that 18 Raj sold and shorted Google in July 2007 after a call from 19 Roomy Khan. What you know from the evidence is that Market 20 Street Partners worked for Google and helped with its earnings 21 announcements, that Shammara Hussain worked at Market Street 22 Partners, that market Street was privy to the fact that Google

23 24 25

July 19, 2007.

But then the government asked you to just take a leap SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

was going to miss its earnings when it announced its results on

14L8RAJ4 Summation - Mr. Dowd of faith here. It showed you a chart, Government Exhibit 57. 1 They showed you this chart showing that Shammara Hussain and 2 Roomy Khan talked 150 times from January 2007 through July 3 4 2007. So what? JoAnn Horne from Market Street testified that 5 Hussain didn't even begin working there until May 2007. So all 6 the calls from January to May weren't even when she was working 7 there. 8 And the government isn't even contending that Shammara 9 Hussain had information about what Google would announce on 10 July 18 until after the quarter closed on June 30. Remember, 11 JoAnn Horne, the witness from Market Street, also told you that 12 Google starts to work on its upcoming announcement after the 13 quarter closes. 150 calls from January to July. That's a lot 14 of calls that have nothing to do with this case. 15 And there is no evidence, none, that Shammara Hussain 16 breached any duty of confidentiality. All Ms. Horne testified 17 about is that Ms. Hussain had access to confidential 18 information and the confidentiality policy at Market Street 19 Partners. She said nothing at all about whether Ms. Hussain 20 breached that duty or did anything wrong. The government has 21 shown you no evidence that she did. 22 The government showed you another chart, Government 23 Exhibit 58. The government showed you this chart and focused 24 on this 22 minute call from Roomy Khan to a Galleon number on 25 July 13. The government wants you to assume that Roomy was SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14L8RAJ4 talking with Raj. The government showed you Raj's testimony to 1 the SEC, where Raj told them Roomy Khan was someone who used to 2 3 work at Galleon. So think about that. Roomy worked at Galleon 4 in years past. Surely she knows people there besides just Raj. 5 But did the government put Roomy Khan or anyone else on the 6 stand to tell you who Roomy was talking to for 22 minutes? Remember, this wasn't Raj's number, it this was the Galleon 7 8 number. Was it a secretary who answered? We don't know who it 9 was and there is no evidence in the record for you to know. 10 And that, ladies and gentlemen, is a reasonable doubt. The 11 government hasn't proven its case. 12 The allegation boils down to the fact that Raj sold 13 Google shares on July 13 and shorted shares of Google from that 14 point until July 19 when it announced its earnings. We 15 explained why. We showed you the evidence. It's not Roomy 16 Khan and it's not inside information. Remember what Mr. Schutte told you. He showed you the 17 18 trading data, that Raj traded Google for many quarters. This 19 wasn't some trade he made suddenly because Roomy Khan called 20 him. Remember Government Exhibit 61. 21 Call up 61, Joe. 22 This is a Google graph the government showed you. 23 They showed you that on July 13, Raj went from having a long 24 position to a short one. See where the bar graphs go from top 25 to bottom. We finished the story for you. We gave you the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

	14L8RAJ4 Summation - Mr. Dowd
1	fuller picture. We explained what actually was going on.
2	Joe, if we could have DX 1102.
3	This is the July 11th e-mail from Steve Granoff, a
4	Galleon analyst who followed Google for Galleon. He sent this
5	e-mail two days before Mr. Rajaratnam sold his Google shares.
6	On page 1, Mr. Granoff recommended to Galleon a near term
7	target price of \$550 for Google, meaning he didn't think in the
8	short-term the stock price would go much higher. Mr. Granoff
9	didn't think the stock would go much higher than 550 for a
10	variety of reasons, including that the stock was already
11	trading an all-time high. Its share price had never been so
12	high. And Mr. Granoff wasn't the only person who noticed that.
13	Professor Jarrell summarized the public information that
14	expectations for Google were too high and it might not reach
15	the financial results that the market usually expected for
16	Google.
17	You saw on the government's stock price charts that
18	during the day on July 13, Google's stock hit the 550 price.
19	And what did Mr. Rajaratnam do? You saw the instant message he
20	sent to his trader Mr. Horowitz at 1:39 p.m.
21	Joe, pull up Government Exhibit 58.
22	It's right there in the government's own summary
23	chart, July 13 at 1:39 p.m. Raj instructed his trader to "sell
24	all the GOOG in all accounts." And Raj even said exactly why
25	he was doing it. He wrote, "reached my price target."
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Summation - Mr. Dowd 14L8RAJ4 You don't have to guess. You don't have to assume 1 what the government wants you to. Here it is in black and 2 3 white. Raj sold on July 13 because on July 13 Google hit the 4 550 target price that his analyst, Mr. Granoff, set two days 5 earlier. 6 Let me make one more point about Google. Mr. Brodsky 7 argued yesterday that one of the ways you "cover up insider 8 trading is you avoid buying options." Well, if you look at the 9 government's summary chart and Raj's trading in Google, it's GX 10 460, what do you see? You see Raj buying put options not once 11 but five separate times on July 13 and July 18. 12 Raj is buying put options and that shows there was 13 nothing to cover up. Raj didn't have any inside information. 14 Raj sold and shorted Google because the stock hit its 550 near 15 term target price. That's all you need to remember about 16 Google. That sums up why Raj did what he did, and it sums up 17 what the evidence clearly shows was happening to the stock 18 price. It's why you must acquit. 19 Let's talk about Hilton. Ms. Holloway from Moody's 20 testified that she learned about Hilton's deal with Blackstone 21 during a call she received from Hilton on July 2. Remember, 22 the government asked Ms. Holloway if Hilton was a technology 23 stock, and she said no. Did you find that an odd question at 24 the time? First and foremost, the government wants you to 25 believe there was something suspicious from the very fact that SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14L8RAJ4 Raj bought Hilton, a lodging stock, for the technology fund on 1 July 3, 2007. But we showed you when Mr. Schutte testified 2 3 that the technology fund was set up to hold nontech stocks as 4 well as tech stocks, and we showed you Defense Exhibit 3355, a 5 Galleon offering memorandum which Mr. Schutte testified states 6 the terms of the fund. 7 Put up Defense Exhibit 3355, Joe, at page 53, please. 8 It says, "The investments of the technology portfolio 9 are not limited to any particular industry and the investment 10 manager is permitted to invest in any market or industry that 11 it believes offers suitable profit opportunities." 12 There is nothing unusual or out of sorts with Raj 13 investing in a nontech stock in the tech fund. 14 Professor Jarrell testified about how Raj invested in 15 246 different nontech stocks in the technology funds over the 16 years. And we showed you the Galleon 13F filings with the SEC 17 that showed Galleon was a firm that was active in Hilton 18 trading from January to June that year. Those are Defense 19 Exhibits 1006, Defense Exhibit 1169. They were admitted in 20 evidence during Ms. Holloway's testimony. 21 The government's allegation about Hilton is pretty 22 simple. They want you to believe that no one knew anything 23 about Hilton being taken over, and that Deep Shah learned about it on July 2nd while working with Ms. Holloway at Moody's, and 24 25 then what? The government put up a chart of some phone records SOUTHERN DISTRICT REPORTERS, P.C.

Summation - Mr. Dowd 14L8RAJ4 again. They want you to believe that Roomy Khan called and 1 told Raj something. Another leap of faith. Do you have any 2 3 evidence that Deep Shah told Roomy Khan anything about Hilton 4 being taken over? No. There is no evidence at all in this 5 case that Deep Shah ever breached any duty to Moody's, no 6 testimony about his telling Roomy Khan anything at all. 7 Do you know if Roomy Khan ever reached Raj when she 8 called, and if she did, what she said? Do you know whether 9 they just spoke about all of the public info that was out there 10 about Hilton being a takeover candidate? No. You have no idea 11 because the government hasn't called Roomy Khan or introduced 12 any evidence at all about what they said to each other, if 13 anything. They simply haven't proven their case. 14 The government showed you a summary chart, Government 15 Exhibit 52. Remember this graph showing Raj's purchase on July 16 3rd of 400,000 shares of Hilton. They left that big blank 17 space on the left to try to have you believe this purchase just 18 came out of left field. Well, you know it didn't come out of 19 left field. You know the 13F filings showed you that Galleon 20 had bought Hilton since January. 21 Joe, put up DDX 16. 22 The two blue bars show Galleon's positions in Hilton 23 as of the end of March and the end of June, as disclosed in the 24 13F filings. And you know that there was a mountain of public 25 information out there for anyone who was smart enough to follow SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd 1 it. We showed it to you. Put up DDX 7, Joe. 2 Look at all of this public information we showed you 3 4 and the government didn't include anywhere in their charts. 5 Like the February 21 Galleon e-mail observing that JP 6 Morgan named Hilton a high potential LBO candidate. 7 The March 9 report by Raymond James announcing to the 8 public it was selling a foreign hotel chain. That's something 9 Ms. Holloway from Moody's acknowledged would make a company 10 more attractive for a takeover. 11 The March 22 filing that Hilton made with the SEC, 12 which was publicly available on its Web site to anyone, saying 13 that Hilton was terminating its poison pill. Again, 14 Ms. Holloway testified that that, too, would make it easier for 15 someone to take them over. 16 The article in the FlyontheWall.com, May 15, reporting 17 Hilton moves higher on unconfirmed LBO chatter. 18 The report from Lehman Brothers on May 31 saying 19 Hilton cheap, could be buyer of Hilton. 20 The report from UBS on July 2 that listed Hilton as 21 one of its top picks. 22 Of course, the Jefferies report at 7:44 a.m. on July 23 3, the same morning Raj bought his Hilton shares, they 24 recommended buying Hilton and called it Jefferies pick of the 25 week. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 141,8RAJ4 Mr. Starr showed Ms. Holloway the government's price 1 2 and volume chart on Hilton. It was Government Exhibit 129T. 3 She read aloud the volume of Hilton trading for July 2 and July 3. She testified that the volume of Hilton shares traded 4 5 increased from 3.82 million shares on July 2 to 7.47 million 6 shares on July 3 before the market closed, and the 7 Hilton/Blackstone deal was announced after closing. 8 Professor Jarrell testified that trading in Hilton options increased more than four times that day. Yesterday Mr. 9 10 Brodsky tried to dismiss that spike in options, arguing it was 11 just because Roomy Khan bought options. But if you look at the 12 government's own summary in GX 49, Roomy Khan only bought a 13 total of 650 options over July 2 and 3. It doesn't account for the big increase in the general market of more than four times 14 15 in options volume that Professor Jarrell described to you. 16 Ladies and gentlemen, there was no secret about 17 Hilton. A smart investor would know that Hilton was ripe to be 18 taken over on July 3. It was a Jefferies pick of the week 19 recommendation, general trading volume in the market with 20 Hilton doubling in options trading, and Hilton skyrocketing to 21 more than four times its normal volume. If Raj hadn't bought Hilton that day, you would have to ask yourself why not. He 22 23 bought it because it made sense to buy it, and he saw the 24 reports calling it low risk, with a potential higher reward if 25 it gets taken over. SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14L8RAJ4 1 The government hasn't offered any evidence to support 2 its allegation that Roomy Khan told Raj about this deal. Not a 3 shred. It's utter unfounded speculation. You can't convict 4 Raj on the basis of speculation. You can only convict him 5 based on the evidence and the evidence shows that everyone knew 6 about this deal, and that's why you must acquit him. 7 Polycom. Let me talk to you about Polycom, the last 8 of Roomy Khan's stocks. The government alleges that Roomy Khan 9 obtained some material nonpublic information about Polycom from 10 Sunil Bhalla, who worked with Polycom, and then gave it to Raj, 11 and then Raj bought Polycom. The government never called Sunil 12 Bhalla to testify and never called Roomy Khan. There is no 13 evidence at all Mr. Bhalla ever breached his duty to Polycom, 14 none. There is no evidence at all that Mr. Bhalla told Roomy 15 Khan anything about Polycom. Not a shred. There is no 16 evidence that Roomy Khan told Raj anything that she heard from 17 Bhalla. 18 The government wants you to assume that when Khan sent 19 an instant message on January 9 to Raj and said, do not buy 20 Polycom until I get guidance, that means she must have passed 21 material nonpublic information to Raj when she called him the following day. They want you to assume the information she 22 23 gave Raj was information she got from Sunil Bhalla. There is 24 no proof of any of that, none at all. And those conversations 25 weren't recorded and the government has offered absolutely no SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14L8RAJ4 evidence of what was said. You cannot convict Raj of trading 1 on material nonpublic information or conspiring to do so if the 2 3 government hasn't proven what the information was. The 4 government's allegations just don't make sense. Let me tell 5 you why they don't make sense. 6 Joe, put up Government Exhibit 64. 7 This is the government's summary chart on Polycom. 8 First, the top entry, the government lists the instant message, "Do not buy Polycom till I get guidance." That's what the 9 10 government wants you to fixate on to the exclusion of 11 everything else. That's why the government didn't tell you, 12 and this chart does not show, that Raj had already bought 13 Polycom three weeks earlier. He had already taken his 14 position. He was already long. Roomy told Raj do not buy. He 15 had already bought. 16 Joe, Defense Exhibit 4682M. 17 We showed you the trade data when Mr. Schutte 18 testified. Raj bought 40,000 shares of Polycom on December 21, 19 weeks before that instant message from Roomy Khan. 20 Second, we showed you the documents from the Needham 21 conference proving that Nat Cohn, a Galleon analyst who 22 followed policy Polycom, was at the conference on January 10, 23 the day after this instant message. He was there with a 24 Polycom executive one-on-one.

25

Joe, pull up Defense Exhibit 0187, at page 5. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 141,8RAJ4 At the bottom of the page, you see Nat Cohn's meeting 1 2 with Polycom at the Needham conference. 3 Joe, turn to page 1. 4 It shows that Raj was at the conference too, also 5 meeting with companies on January 10. 6 So when the government points to Government Exhibit 7 64, a summary chart, and asks you to believe that Roomy Khan 8 called Raj on January 10, the day after an instant message, you need to look carefully. 9 10 Joe, put Government Exhibit 64 back up. 11 Look as Joe highlights the two calls from Raj to Roomy 12 Khan on January 10. They are both listed for one minute. 13 Agent Barnacle told you, and you know from your own common 14 sense experience, that a call on a phone bill listed as one 15 minute could mean the call went to voice mail or the parties 16 may never have spoken. You know more than that. You know Raj 17 was busy at a conference out of the office and in meetings that 18 day. Has the government proved beyond a reasonable doubt that 19 Raj answered the phone and had a conversation with Roomy Khan 20 about inside information on a about stock he was already long three weeks before? Of course not. It hasn't even tried. He 21 22 didn't call Roomy Khan. 23 Raj did not buy any Polycom on January 10. Raj's 24 first purchase of Polycom in January is not until the 12th. 25 That brings us to my third point. Back to Government SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd Exhibit 64 one more time. 1 2 The first call you see in this government chart with 3 Sunil Bhalla, the supposed person with inside information about 4 Polycom, with Roomy Khan is on January 11, at 9:01 p.m. 5 Eastern, for six minutes. 6 Highlight the row on January 12 at 10:30 a.m. listing 7 that Raj told Horowitz to buy 60 Polycom. 8 What is missing in between those two highlighted 9 events? What is missing is any call between Roomy Khan to Raj 10 after she spoke to Bhalla. There is no call between Khan and 11 Raj. All you see is a one-way instant message that says, "Hi, 12 you there." That's the entire content of the instant message. 13 No inside information and no response from Raj and no phone 14 call. Absolutely no evidence that Raj and Khan spoke. None. 15 It's clear as day on the government's own chart. Khan did not 16 pass inside information to Raj before he bought Polycom. 17 Finally, we went even further and gave you all the 18 facts. We showed you the public information about Polycom in 19 the December/January time period. The public information was 20 that Polycom was doing very well and it was clearly not a 21 secret. We showed you statements from Polycom executives and 22 analyst reports. Those exhibits were admitted into evidence 23 during Mr. Schutte's testimony. And that public information 24 and analysis is why Raj bought Polycom, not because of anything 25 Roomy Khan told him on the calls that never happened. There is SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14L8RAJ4 no case on Polycom, and I would ask you to acquit. 1 2 Let's talk about Akamai and Danielle Chiesi. We 3 talked about Danielle Chiesi before in the context of AMD, and 4 I showed you that Chiesi didn't tell Raj anything of 5 significance on AMD. But the government also alleges that 6 Chiesi gave Raj material nonpublic information about Akamai. 7 You will recall that Akamai is the company that buys content 8 delivery network or CDN services and helps to route Internet 9 traffic to avoid congestion in slow connections. 10 The government alleges that Chiesi gave Raj material 11 nonpublic information about Akamai's earnings for the second 12 quarter of 2008, before they were officially announced on July 13 30, 2008. They played an audio recording for you in which Chiesi said to Raj on July 24, 2008 that her guy had told her 14 15 that Akamai was going to guide down. It claims that Raj 16 shorted Akamai stock following that call because of what Chiesi said. But as usual, the government hasn't given you the full 17 18 picture. As usual, the government wants you to focus on one 19 telephone call to the exclusion of every other fact in the 20 world. That's because all those other facts show the 21 government is wrong. 22 First, it was already public that Akamai was facing 23 new competition in the CDN space and was being forced to cut 24 prices in a way that would hurt its earnings. As a result, the 25 leading sell-side analysts were downgrading their ratings on SOUTHERN DISTRICT REPORTERS, P.C.

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14L8RAJ4 Summation - Mr. Dowd Akamai's stock and publishing negative reports. 1 2 Joe, let's call up Defense Exhibit 1882. 3 This an article from Streetinsider.com dated May 19. 4 Remember, the announcement is July 30. Reporting on Citi's 5 downgrading its Akamai rating. And it attributes Akamai's 6 troubles to new competition and pricing pressures just like I 7 told you. 8 Citi wasn't the only sell-side firm taking a negative 9 view. Let's look at Defense Exhibit 1899. This is a Goldman 10 Sachs report dated May 22, 2008. And you recall in my 11 examination of Mr. Sherman we went through this Goldman Sachs 12 report. It states that Goldman Sachs is adding Akamai to its 13 Americas Sell List. And it, too, attributes Akamai's troubles 14 to new competition and pricing pressures. 15 You also know that a sell conviction from a sell-side 16 firm is about the worst thing that can happen to a company. 17 It's like death. Because most sell-side firms are promoting 18 companies. It's rare that they issue a conviction sell. 19 The Akamai witness J.D. Sherman, he was the chief 20 financial officer of Akamai that testified here, told you about 21 how bad and how rare this was to be rated a conviction sell. 22 This is two months before any announcement, ladies and 23 gentlemen. And he told you about Akamai's share tanked in the 24 two months following this Goldman Sachs report. 25 Joe, please pull up day 16, page 3325, at line 3. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd "Q. You know that sell-side analysts rarely issue conviction 1 2 sells, isn't that correct? 3 "A. Yeah. They rarely issue sells, to be honest. 4 "Q. After Goldman Sachs issued that conviction sell on the 5 Akamai stock, we know it dropped 18 percent from June 5 to July 24, and then dropped another 25 percent, correct? 6 7 "A. That is correct." We also showed you how Akamai's stock price was 8 9 suffering at this time. 10 Joe, can we look at Government Exhibit 116? 11 This is the graph showing Akamai's share price, and 12 you can see which way it's going. It's tanking. That, ladies 13 and gentlemen, is guiding down over two months. And that's why 14 Galleon analyst Jessica Kourakos was also recommending a short 15 position in Akamai at this time. 16 We showed you all of Kourakos's reports and all of her 17 e-mails to the paper portfolio. We showed you how she was 18 recommending a short position based on the new competitive and 19 pricing pressures that Akamai was facing. Mr. Schutte 20 testified about all of them. 21 Raj increased his short position from July 25 through 22 the 30th because of the public information in Kourakos's 23 analysis, including a report that he received from Kourakos on 24 July 25 itself. Mr. Schutte testified about that report and 25 was admitted through him. SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14L8RAJ4 1 This analysis, based on all of the public information, 2 about Akamai's new competition and pricing pressure was why Raj 3 shorted the stock, and it is why he continued to short the 4 stock as the earnings announcement approached. That's why he 5 shorted the stock on July 25, 29 and 30. It wasn't because 6 Chiesi told Raj something about her guy on July 24. And how 7 can you be sure? Because Raj was already short before the call 8 on July 24. He had been shorting Akamai stock all month. 9 Pull up Defense Exhibit 4669M. 10 This chart shows Raj's trading in Akamai in July 2008. 11 It shows that he shorted the stock on July 2, July 3, July 10, 12 July 17, July 18, all before the call from Chiesi. 13 Raj even told Chiesi that he was already short on the call that the government played. He said, "I'm already there." 14 15 And he was. Raj was already short. And the information was 16 already public. There is just no case here. 17 What about the second intercept where Raj thanks 18 Chiesi? The government says he is thanking her for a tip. 19 Ladies and gentlemen, let's look at that call closer. What is 20 Raj really saying that they didn't show you? 21 Joe, pull up Government Exhibit 543T. 22 "Raj: You know what I think, you did it in such a 23 classy way, in the sense that you didn't call him, you know, 24 and that way you maintain the relationship." 25 Ladies and gentlemen, you are free to believe your SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ4 eyes and do what your eyes and ears tell you. Raj thanked her 1 2 for not calling her contact at Akamai. He tells her she did 3 the classy thing by not calling her contact. He didn't thank 4 her for the tip. That's not what the call says. 5 There is just no case on Akamai because Raj was 6 already short. He was short based on his analyst recommendation. The information was already public. 7 8 I want to make one other point. I made the point with 9 Google. It has to do with this argument the government made 10 yesterday that Raj somehow hid his trading by not doing 11 options. Guess what Raj did with Akamai this quarter? 12 Call up Government Exhibit 40. 13 This is the government's exhibit of Raj's trading in 14 Akamai this quarter. What does it show? Raj bought 1400 put 15 options. Some cover-up. 16 Now, let's talk about Rajat Gupta at Goldman Sachs. 17 The government also alleges that Raj conspired with Rajat Gupta 18 to get material nonpublic information about Goldman Sachs. You 19 recall Rajat Gupta was on the Goldman board of directors. 20 Their allegations focused on two events. First, they focus on 21 the Berkshire Hathaway \$5 billion investment in Goldman, which 22 was announced after the market closed on September 23. Second, 23 they focus on the fact that Goldman was losing about two 24 dollars of earnings per share around October 23 in the middle 25 of the Goldman's fourth quarter 2008. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd You didn't hear from Rajat Gupta. You saw his picture 1 2 but he didn't testify. The government didn't call him. You 3 did hear about Mr. Gupta. Lloyd Blankfein told you about Mr. 4 Gupta. Mr. Blankfein told you that Mr. Gupta was one of the 5 most prominent and well-respected businessmen in the world. 6 Mr. Blankfein told you that Mr. Gupta had a reputation for 7 integrity that was beyond reproach. This is what Mr. Blankfein 8 said. 9 Joe, if we could have day 10, page 1769, at line 10. 10 "Q. You would agree that the people elected to serve on 11 Goldman's board of directors are distinguished individuals, 12 correct? 13 "A. Yes. "Q. In fact, Goldman directors are some of the most 14 15 accomplished and highly regarded businessmen and women in the 16 world? 17 "A. I think so -- I certainly think so. 18 "Q. And Rajat Gupta was no exception, was he? 19 "A. Not at all. 20 "Q. He was a highly esteemed individual in the business 21 community? 22 "A. Yes. 23 "Q. And his reputation for integrity was beyond reproach? 24 "A. Yes." 25 In fact, Mr. Blankfein thought so highly of Mr. Gupta SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd that he encouraged him to remain on Goldman's board when Mr. 1 2 Gupta tried to retire. The government wants you to believe that Mr. Gupta 3 4 threw away the reputation he had earned from decades of loyal 5 service to his clients, he violated his fiduciary duty to Goldman, and he broke the law by giving Mr. Rajaratnam inside 6 7 information. The government wants you to believe that Mr. Gupta did 8 9 this for nothing. Because the government has offered zero 10 evidence, none, that Rajat Gupta received anything from Mr. 11 Rajaratnam in return for these supposed tips. 12 The government wants you to believe that Mr. Gupta 13 just threw away everything he had earned and ruined his 14 reputation for nothing at all. 15 It doesn't make sense because it's not true. Rajat 16 Gupta didn't give Mr. Rajaratnam material nonpublic information 17 on Goldman Sachs. Mr. Rajaratnam didn't give Mr. Gupta 18 anything of value. The government hasn't proven its case and 19 for that reason you must acquit him. 20 Now, let's talk about the intercept on July 29, 2008. 21 The government only played one recorded telephone call between 22 Raj and Rajat Gupta. And that one recorded telephone call 23 didn't have anything to do with the two events where the 24 government claimed Raj got inside information from Mr. Gupta. 25 It didn't have anything to do with Berkshire Hathaway. It SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14L8RAJ4 Summation - Mr. Dowd 1 didn't have anything to do with Goldman's earnings in the 2 fourth quarter of 2008. 3 Let's take another look at that call, Government 4 Exhibit 534TR. This is the one recorded call between Raj and 5 Rajat Gupta. The government gets all excited about this call 6 because Mr. Gupta mentioned that Goldman's board of directors 7 had discussed the possibility of merging with a commercial 8 bank. But the government takes that snippet of the call 9 completely out of context. 10 Look at what Raj says on page 2. "I called you 11 because I am meeting with Gary Cohn on Thursday." Gary Cohn 12 was Goldman's chief operating officer. Was preparing for that 13 meeting and Raj asked Mr. Gupta if Goldman had considered 14 merging with a commercial bank. 15 Ladies and gentlemen, this conversation has absolutely 16 nothing to do with insider trading or a conspiracy to commit 17 insider trading. The government doesn't understand this call 18 and doesn't want you to understand this call. Raj wasn't 19 asking Gupta about this because he intended to trade on it. 20 And the government hasn't offered any evidence, it hasn't even 21 alleged that Raj traded on this information, because that's not 22 what this call is about. 23 The call was about Raj getting ready for an important 24 meeting with Goldman's chief operating officer Gary Cohn. Gary 25 Cohn is an important guy. This call shows Raj doing his SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ4 homework. He is gathering information so he can ask smart 1 questions when he meets with Gary Cohn. And he is not asking 2 3 these questions because he wants to trade on this information. 4 He is asking these questions because he's a client of Goldman 5 Sachs, a first tier client of Goldman Sachs, concerned about 6 Goldman's long-term liability. 7 Remember, Galleon didn't just invest in Goldman Sachs 8 stock. Galleon was a big client of Goldman Sachs. Mr. Blankfein testified to that. Galleon used Goldman Sachs 9 10 for brokerage services, which means Galleon placed trades 11 through Goldman, millions of dollars worth of trades. Goldman 12 held huge brokerage balances for Galleon, \$600 million worth of 13 investor money. That wasn't Raj's money. It was his 14 investors' money. But Raj was responsible for that money and 15 responsible for making sure it was safe. And that meant making 16 sure the banks where it all that money was kept, including 17 Goldman Sachs, were financially stable. 18 Remember, this was July of 2008 when everything was 19 falling apart. Investment banks like Goldman Sachs were in 20 serious trouble. Bear Stearns had collapsed. Lehman Brothers 21 collapsed just a couple of weeks after this call. And people

22 were worried that the same thing might happen to the other 23 investment banks including Goldman Sachs. Raj wanted to make 24 sure the same thing wasn't going to happen to Goldman Sachs 25 while he was holding hundreds of millions of dollars of 200THERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14L8RAJ4 Galleon's investor money. He wasn't doing anything wrong. 1 He was simply being a responsible caretaker for his investors' 2 3 money. That's why he had meeting with Mr. Cohn and that's why 4 he asked Rajat Gupta these questions. 5 Mr. Schutte testified about this. He told you about 6 the scare that Galleon had when Bear Stearns almost went 7 bankrupt holding 200 million of Galleon's investor money. He 8 told you that Galleon was concerned the same thing might happen 9 with Goldman. He told you this was one of the things they 10 discussed with Mr. Cohn at the meeting they had. Mr. Schutte 11 also told you that there had been public discussion around this 12 time about the possibility of Goldman shoring up its asset base 13 by merging with a commercial bank. We showed you the news 14 articles where that had been publicly discussed. You saw them 15 when we examined Mr. Blankfein and Mr. Schutte. Mr. Schutte 16 testified that this was one of the things they discussed with 17 Mr. Cohn when he came over to Galleon. 18 Ladies and gentlemen, this call on July 29 between Raj 19 and Rajat Gupta had nothing to do with insider trading and had 20 nothing to do with a conspiracy to commit insider trading. It 21 had to do with the stability of Goldman Sachs in a volatile 22 market. It's a perfect example of why you need to view all

22 market. It's a perfect example of why you need to view all 23 these recorded calls in context. This is very serious stuff 24 because the government just doesn't get it. It doesn't 25 understand this call.

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14L8RAJ4 Summation - Mr. Dowd 1 All this reflects is Raj getting ready for an 2 important meeting with Goldman's chief operating officer, and 3 that meeting had nothing to do with trading stock. Goldman 4 held hundreds of millions of dollars of Galleon's investor 5 money and Raj was just making sure that money was safe. He did 6 nothing wrong by asking Mr. Gupta these questions, and Mr. 7 Gupta did nothing wrong by answering them. Mr. Gupta wasn't giving Raj information so Raj can trade on it. He was giving 8 9 Raj information because Galleon was a huge Goldman client 10 concerned about Goldman's stability. 11 And Mr. Gupta wasn't violating a fiduciary duty by 12 giving Raj this information. Far from it. Mr. Gupta was 13 acting in Goldman's best interests. He was simply reassuring a 14 concerned client, a concerned major client, that Goldman was 15 considering all available options to remain stable and solvent. 16 Gupta wasn't putting his own interests ahead of Goldman's 17 interests. That's what a breach of fiduciary duty is and 18 that's what the government has to prove. Mr. Gupta was acting 19 in Goldman's best interests and it had nothing to do with 20 insider trading. 21 I ask you to keep these things in mind as you address 22 the government's other allegations about Goldman Sachs. 23 Because all of the government's Goldman Sachs allegations ride 24 on this one call. Their theory is that this one shows that 25 Gupta was willing to give Raj confidential information about SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14L8RAJ4 Goldman. It's the only call with Gupta they played for you. 1 The call has nothing to do with the other Goldman allegations 2 3 except they bootstrap on this one call because they think it 4 showed Gupta doing something wrong. That's not what it shows 5 at all. It shows Raj being responsible in managing investors' 6 money and it shows Gupta being a loyal responsible director of 7 Goldman Sachs. 8 Let's talk about the Berkshire Hathaway investments. 9 Goldman Sachs received an investment of \$5 billion from Warren 10 Buffett's company Berkshire Hathaway in late September 2008. 11 And the deal was announced after the market closed September 12 23, 2008. The government alleges that Mr. Gupta tipped Mr. 13 Rajaratnam about this investment before it was announced. The 14 government claims that Mr. Gupta communicated this information 15 to Mr. Rajaratnam on a telephone call on the afternoon of 16 September 23, 2008, before the investment was announced. That 17 call lasted less than a minute and it wasn't recorded and you 18 don't know what was said. 19 The government wants you to assume that Mr. Gupta told 20 Raj about the Berkshire Hathaway investment. You can't convict 21 Raj based on assumptions. You can only convict him based on 22 the evidence. There is absolutely no evidence that Mr. Gupta 23 said anything about it. Raj did buy shares of Goldman Sachs on 24 the afternoon of September 23, but it wasn't the first time he 25

bought Goldman shares. In fact, he was long in Goldman stock SOUTHERN DISTRICT REPORTERS, P.C.

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	14L8RAJ4 Summation - Mr. Dowd				
1	before the telephone call that afternoon.				
2	Joe, if you could pull up Government Exhibit 71.				
3	This is the chart of Raj's Goldman trades that the				
4	government showed you. It reflects that Raj was already long				
5	in Goldman stock 150,000 shares before the trades were placed				
6	on the afternoon of September 24. Raj had bought 50,000 shares				
7	of Goldman stock that morning. And he bought 100,000 shares of				
8	Goldman the day before. Both of those trades preceded the call				
9	the government is focused on. In fact, both of those trades				
10	preceded the Goldman Sachs board meeting when Mr. Gupta learned				
11	of the Berkshire Hathaway investment. Those trades that Raj				
12	placed on September 22 and the morning of September 23 couldn't				
13	even possibly have had anything to do with the Berkshire				
14	Hathaway investment because no one, not even Mr. Gupta, knew				
15	about it yet.				
16	(Continued on next page)				
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Summation - Mr. Dowd 14TFRAJ5 MR. DOWD: Keep that fact in mind as we look at the 1 chart the government showed you yesterday. Joe, pull up GX 73. 2 3 This is the chart the prosecutor showed you yesterday. The 4 point of the chart is to show also telephone calls between Raj 5 and Mr. Gupta on September 22nd and the morning of 6 September 23rd before each of the trades I just talked about. This simply demonstrates how misleading it is to put calls and 7 8 trades next to each other on charts and suggest one had 9 something to do with the other. Because remember at the time 10 of the two earlier calls and the two earlier trades, Mr. Gupta 11 didn't even know about the Berkshire Hathaway investment. He 12 had no news of any significance to tell Raj in these earlier 13 calls even if he wanted to. Goldman's board didn't learn of 14 the Berkshire deal yet. Remember that whenever the government 15 tries to say there's something important about the mere fact 16 that the telephone call and the trade were close together in 17 time, if you don't know what was said on the call, you can't 18 tie the two together. That's what this chart really shows. 19 The government's chart doesn't even reflect all of 20 Raj's trading in Goldman. The government's chart simply omits 21 Raj's trading before September 22. Raj did trade, we showed 22 you that. We gave you the full picture. Defense Exhibit 23 4679M. These are Raj's other trades. You can see that Raj was 24 actively trading Goldman stock going back to September 16, long 25 before anybody knew about the Berkshire Hathaway investment. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ5 Summation - Mr. Dowd And if you add it up, it shows that Raj was long over 150,000 1 shares before the government alleges he knew about the 2 3 agreement. The government didn't show you that. It's not on 4 their chart. That's because it shows that Raj must have had 5 some other reason for buying Goldman stock. 6 The other reason was TARP. TARP was the troubled 7 asset relief program. It was a law that was being debated in 8 Congress at the time that was entirely potent. Raj believed 9 that TARP was going to be good for Goldman Sachs and the whole 10 financial section. Raj was monitoring TARP with his 11 economists. TARP was a subject of discussion within Galleon. 12 Mr. Schutte told you about that. Mr. Schutte told you Raj led 13 those discussions about TARP. Mr. Schutte told you that 14 passing TARP would be something good for Goldman and something 15 good for the entire financial sector. Mr. Schutte was right 16 and Raj was right, TARP was something good for Goldman. In 17 fact, Mr. Blankfein told the prosecutor that TARP was a lot 18 better for Goldman Sachs than the Berkshire Hathaway 19 investment. Joe, if we could pull up day 10, page 1822, lines 20 3 through 11. 21 "Q. Now, I believe you testified that the Berkshire investment 22 involved a receipt of cash from Mr. Buffet in exchange for 23 stock and warrants. 24 "A. Yes. 25 "Q. Is that comparable to what TARP ended up being in some SOUTHERN DISTRICT REPORTERS, P.C.

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14LFRAJ5 Summation - Mr. Dowd 1 respect? 2 "A. Yes. In fact, TARP was a bigger amount on much more favorable terms. In other words, the government didn't charge 3 4 nearly as much as Warren Buffet did." 5 Because TARP was going to have such impact on the 6 financial industry, Galleon hired a consultant to watch the 7 legislation and report back. And the same day as the telephone 8 call the government is fixated on, Galleon's consultant firm 9 reported back. This is what they said. Government Exhibit 10 3716. This is the e-mail that Galleon received from its 11 consulting firm on September 23rd at 3:29 p.m. that says, "We 12 remain committed to our view that the bill will pass in the 13 coming days." 14 Ladies and gentlemen, that's why Raj bought Goldman 15 stock. The government hasn't even tried to prove otherwise. 16 The government simply asked you to assume that Mr. Gupta told 17 Raj about the Berkshire Hathaway investment. It has absolutely 18 no evidence of that. It just asks you to assume. Please don't 19 assume anything. I just want you to consider what the evidence 20 actually shows. It shows that Raj bought this stock for a 21 reason that had nothing to do with a telephone call from 22 Mr. Gupta. We know that because he was already buying Goldman 23 stock before the telephone call and you know that he had 24 another reason for buying it, TARP. TARP was something good 25 for Goldman Sachs, but it wasn't good for Goldman Sachs alone. SOUTHERN DISTRICT REPORTERS, P.C.

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14LFRAJ5 Summation - Mr. Dowd It was good for the whole financial sector. Mr. Blankfein 1 2 testified to that. Day ten at page 1800. 3 "Q. Goldman Sachs was not the only firm to get money under 4 TARP, was it? 5 "A. Correct. 6 "Q. A number of the country's largest financial institutions 7 received billions of dollars under TARP, correct? 8 "A. Yes. 9 "Q. That was something that was generally good for the 10 financial industry to give people some renewed confidence in 11 it? 12 "A. Yes." 13 TARP was something good for the whole financial sector 14 and that's why Raj didn't buy just Goldman Sachs on the 15 afternoon of September 23rd. He also bought XLF. 16 Mr. Schutte told you about XLF. He told you that XLF 17 was a basket of stocks including shares of companies across the 18 entire financial sector. He told you the reason you buy XLF is 19 to get exposure to the whole financial sector, not just Goldman 20 Sachs. He told you the reason to buy XLF is because you expect 21 good news affecting the whole financial sector, and that's 22 exactly what Raj did. In the afternoon of September 23rd at the very same time that he bought Goldman Sachs, Raj bought 23 24 shares of XLF and he didn't buy just a little, he bought a lot. 25 Raj bought a lot more XLF than Goldman Sachs. Raj bought SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ5 Summation - Mr. Dowd 1 1 million shares of XLF. Joe, can we have Defense Exhibit 4679L? There you see 2 3 Raj's purchase of 1 million shares of XLF compared to just over 4 200,000 shares of Goldman. Yesterday the prosecutor told you 5 that Goldman was the only bank Mr. Rajaratnam bought on 6 September 23rd. He said that our explanation about TARP 7 doesn't make sense because it wasn't clear which banks would be 8 getting the TARP money and Raj didn't buy any other banks other 9 than Goldman. Well, the prosecutor got it exactly wrong. Raj 10 bought stock in every other bank on September 23rd. That's what XLF is, a basket containing stocks across the financial 11 12 sector. You buy XLF precisely because you're expecting good 13 news for the entire financial sector. 14 Raj wasn't the only one at Galleon expecting good news 15 for the financial sector that afternoon. Joe, please turn to 16 page 4679M, third page of 4679M. There you have the trades of 17 Gary Rosenbach, another portfolio manager. Rosenbach was the 18 one who placed Raj's trades for him that day, and there you see 19 that Mr. Rosenbach himself bought 500,000 shares of XLF at the 20 same time. Mr. Rosenbach also bought 200,000 shares of Morgan 21 Stanley and just 50,000 shares of Goldman. Ladies and 22 gentlemen, this pattern of trading proves that Raj was trading 23 on the expectation that news would be good for the financial 24 sector as a whole. That's why he bought XLF, that's why 25 Mr. Rosenbach who placed the trades for him bought XLF and SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 1 Morgan Stanley. Why would Raj in his trading buy shares of XLF 2 and Morgan Stanley if they're expecting an announcement that 3 would be good for Goldman Sachs and only Goldman Sachs? 4 Doesn't make any sense. It's not what happened. They're 5 expecting news to be good for the whole sector, not just 6 Goldman Sachs. They were expecting TARP to pass. 7 Which brings us to the intercepted call that the 8 government played for you. Pull up Government Exhibit 627TR, 9 page 1, line 39 to 43. This is the call between Mr. Rajaratnam 10 and his trader, Ian Horowitz, from the morning of September 24, 11 2008. 12 "Raj: I got a call at 3:58, right? 13 "Yeah. 14 "Saying something good might happen to Goldman, 15 right?" 16 Ladies and gentlemen, from this one telephone call the 17 government wants you to assume that Gupta told Raj that 18 Berkshire Hathaway was going to invest in Goldman Sachs. 19 That's all they're showing you and all they've got. You can't 20 take something good and turn it into Warren Buffet. You can't 21 say that Gupta didn't tell Raj something good about TARP, not 22 when Galleon's people were watching TARP, not that their 23 consultant reported back on that very same day that TARP was 24 going to pass soon. Not when Raj bought a million shares of 25 XLF at the very time he bought the Goldman shares. Not when SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 Raj bought five times the amount of shares in XLF he bought in 1 Goldman Sachs, not when Raj's trader bought 200,000 shares of 2 3 Morgan Stanley and 500,000 shares of XLF the very same time. 4 Not when Raj was already long in Goldman Sachs before the call 5 from Gupta and before Gupta even knew about the Berkshire 6 Hathaway deal. 7 Has the government proved beyond a reasonable doubt 8 that Rajiv Gupta told Raj about the Berkshire Hathaway 9 investment? Not even close. The government carries the burden 10 and they have not proven their case and in that case I must ask 11 you to acquit. 12 Let's take the fourth quarter 2008 earnings. The 13 government alleges that Raj obtained material non-public 14 information from Mr. Gupta concerning Goldman's earnings for 15 the fourth quarter 2008. As usual, the government wants you to 16 focus on one piece of evidence and exclude every other factor 17 in the world. One piece of evidence is Government Exhibit 18 678T. Joe, please pull up Government Exhibit 678T. This is 19 the conversation that Raj had with Galleon portfolio manager 20 David Lau on October 24, 2008, on page 2, lines 14 through 17. 21 "Um, now I heard from somebody who's on the board of 22 Goldman Sachs that they're going to lose \$2 per share. The 23 Street has them making 2.50." 24 That's it. That's the one piece of evidence the 25 government wants you to focus on to the exclusion of everything SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 else. They even want you to ignore what Raj says immediately 1 after this in the very same call. They want you to ignore it 2 3 because it's completely contrary to their theory. Look at what 4 he says. 5 "You know. Yeah. Now, I can get that number, you 6 know. One, they don't report until December. They, I think 7 their quarter ends in November 31, but you know they have these 8 huge marks in ICBC and all that other stuff, right? That, uh, 9 is getting absolutely clobbered, you know?" 10 "Lau: Right. 11 "What he was telling me was that Goldman the quarter's 12 pretty bad. They have zero revenues because their trading 13 revenues are offset by asset losses. And to date they lost \$2 14 per share. They just announced a ten percent cut and you know 15 the basic business is old, but you know this is tough for them. 16 I don't think that's built into the Goldman Sachs stock price. 17 So if it gets to 105, I'm going to -- it's 99 now. It was at 18 102. I was looking for 105. I'm going to whack it, you know." 19 Ladies and gentlemen, that is not evidence of insider 20 trading. That's evidence of a legitimate analysis based on 21 public information. Because what Raj is discussing with David 22 Lau on this call are two pieces of public information, when Raj 23 says he can get the number based on two pieces of public 24 information. Remember, this is October 24. This is two months 25 before earnings are announced. There's a whole month left in SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 the quarter. The number doesn't exist yet. But Raj says he 1 2 can get it from two pieces of public information. Those pieces 3 of public information are Goldman's layoff of 10 percent of its 4 work force and the decline in value of Goldman's investment in 5 the Industrial Commercial Bank of China, ICBC. 6 Raj says he doesn't think Goldman's share price 7 accurately reflects the effect of these two pieces of public 8 information and of course he's right because they both just 9 happened the day before. That's what Raj says right in this 10 call in the part the government doesn't want you to pay 11 attention to. They want you to ignore that part of the call 12 because it shows Raj is in the act of analyzing the company's 13 share price based on public information. It shows him doing 14 exactly what good analysts do. And there's no question that 15 both the layoff and the exposure to ICBC were public. We show 16 you the public information. Joe, please call Defense Exhibit 2811. This is an 17 18 article in the Wall Street Journal dated October 23rd, 2008. 19 That's the day before Mr. Rajaratnam's call to Mr. Lau, and it 20 reports that Goldman is going to lay off 10 percent of its 21 32,500 employees, which is exactly what Raj said on the call 22 with David Lau the next day. It was public. 23 Call up Defense Exhibit 2735. This is Goldman Sachs'

quarterly financial report from the third quarter of 2008. On page 071 it notes that Goldman had the \$7.137 billion SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ5 investment in ICBC, of which 2.6 billion was Goldman's own 1 money. And on page 072 it says this ICBC holding is Goldman's 2 most significant single public investment, which was a huge 3 4 investment. Mr. Blankfein confirmed that during his testimony. 5 That's exactly what Raj said on this call with Mr. Lau, and it 6 was public. 7 Pull up Defense Exhibit 2750. This is a chart showing 8 the decline in ICBC share price and reflects that ICBC had lost 9 37 percent of its value between the time of Goldman's last 10 quarterly report and Raj's conversation with Mr. Lau. ICBC was 11 getting clobbered. And that's exactly what Raj said to 12 Mr. Lau, and it was public. That's how Raj could get the 13 number. 14 Mr. Schutte walked you through the math. He told you 15 exactly how you get \$2 per share. Ladies and gentlemen, that's 16 not insider trading. That's analysis, real good analysis. And it's what you see Raj doing on the phone call with David Lau, 17 18 and that's why you can't just look at one piece of information 19 to the exclusion of everything else. You have to look at the 20 total mix of information. That's what Judge Holwell is going 21 to instruct you, and here the total mix of information enabled 22 Raj to do the math himself and arrive at that \$2 figure. It 23 was public, it wasn't material and the government hasn't even 24 tried to prove otherwise. It just wants you to ignore 25 everything else except one sentence of one telephone call. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 The government also pointed out that Raj sold his 1 2 shares of Goldman Sachs stock on the same day as this call. 3 Well, he had very good reason to. In addition to the layoff, 4 the huge loss in ICBC, there was other bad news for Goldman 5 that day. Goldman's own share price fell 5 percent on 6 October 23rd. We showed you that. Mr. Schutte testified about 7 it.

Second, on the morning of the 24th, before Raj's call 8 9 with Mr. Lau, ICBC issued its own quarterly earnings statement 10 which was bad, which sent the stock even lower. We showed you 11 that, too. Mr. Blankfein testified about it. Professor 12 Jarrell testified that all this public information about 13 Goldman Sachs at this time supported selling the stock. That's why Raj sold his Goldman shares. It wasn't because of anything 14 15 Rajat Gupta told him. He sold his shares because Goldman was getting clobbered from all sides. 16

17 Finally, ladies and gentlemen, you need to consider 18 the full picture of Raj's trading. The government only showed 19 you one piece. Joe, call up Government Exhibit 76. This is 20 the chart of Raj's trading in Goldman Sachs and it stops October 24, 2008. Remember, remember, the government's 21 22 allegation is that Raj conspired with Gupta to obtain material 23 non-public information above Goldman's earnings for the fourth 24 quarter of 2008. Those earnings were not announced until 25 December 17, 2008. But the government hasn't shown you how Raj SOUTHERN DISTRICT REPORTERS, P.C.

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14LFRAJ5 Summation - Mr. Dowd traded in the rest of the quarter, because Raj's trading in the 1 2 rest of the quarter proves there was no such conspiracy. 3 Joe, please call up Defense Exhibit 4679M. This chart 4 shows Raj's trading in the rest of the quarter. Notice Raj's 5 first trade after October 24. He buys 200,000 shares. That's 6 not what you do if you have inside information that the quarter 7 is going to be bad. It doesn't make any sense. And if you add 8 up all the trades shown in this chart, it shows that Raj has 9 zero position in Goldman Sachs by December 15, 2008, that's two 10 days before the earnings announcement. That's not what you do 11 if you have inside information about earnings. You don't go 12 into the announcement with no position at all. It doesn't make 13 sense because it isn't true. 14 Finally, on December 17, Goldman announced its 15 earnings. They didn't announce a loss of \$2 per share, they 16 lost more than twice that. They lost almost \$5 per share. 17 That's why information about company's earnings isn't material 18 in the middle of the quarter because it can change in the 19 remaining half of the quarter, it can change a lot. 20 The government hasn't proven its case with Goldman 21 Sachs because it hasn't proved that Raj received material 22 non-public information from Rajiv Gupta. It hasn't proved that 23 Raj traded on any information. It hasn't proven any benefit by 24 Mr. Gupta or any breach by Mr. Gupta of his fiduciary duties to 25 Goldman. For those reasons you must acquit. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 1 Let's talk about Kris Chellam and Xilinx. The 2 government alleges that Kris Chellam tipped Mr. Rajaratnam in 3 November, December 2006 about Xilinx's revenue for the third 4 quarter of 2006 in advance of Xilinx's business update of 5 December 7, 2006. You heard the allegation, but that's all it is, an allegation. The government hasn't offered any evidence 6 7 to support its claim that Mr. Rajaratnam obtained inside 8 information about this event. 9 You haven't heard from Mr. Chellam. You only heard 10 about Mr. Chellam. What have you heard? Adam Smith claimed he 11 received confidential information about Xilinx from 12 Mr. Rajaratnam. Mr. Rajaratnam received it from Mr. Chellam. 13 That's it. The government has offered absolutely nothing to 14 support or corroborate Mr. Smith's testimony. And you know you 15 can't believe Smith. Smith couldn't even tell you what the 16 information was he allegedly received. He couldn't tell you 17 when he received it. All he could say is he was a portfolio 18 manager in 2006, he traded in Xilinx stock based on information 19 he claims came from Mr. Rajaratnam. He didn't say what the 20 information was or when he got it. He also couldn't tell you 21 whether Raj traded on any information from Chellam. Is that 22 proof beyond a reasonable doubt? It's not even close. 23 You also heard from Mr. Muscha, Xilinx's witness. 24 Mr. Muscha told you that Chellam was the CFO of Xilinx. 25 Mr. Muscha told you that as CFO Chellam was the company's voice SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 to Wall Street. He also agreed that as the CFO, Mr. Chellam 1 was trained according to policies in the company as to what he 2 can and cannot say to investors. Mr. Muscha was the only 3 4 government witness from Xilinx and he told you that for all he 5 knew every conversation between Mr. Chellam and Mr. Rajaratnam 6 was perfectly legal and appropriate. 7 That should be the end of the story, but there's more. 8 On direct the government showed Mr. Muscha a handful of 9 internal Xilinx documents that were sent to Mr. Chellam. The 10 government offered no evidence whatsoever that those documents 11 or the information in those documents was ever provided to 12 Mr. Rajaratnam. In fact, Mr. Muscha admitted to you on the 13 stand that he had no knowledge Mr. Chellam ever shared 14 confidential information in any of the documents outside the 15 company. That should be the end of the story. But there's 16 more. 17 You heard during cross-examination and on the direct 18 of Mr. Schutte that outside analysts based on fundamental 19 research predicted that Xilinx would lower expectations on 20 December 7, 2006. Mr. Muscha and Mr. Schutte testified about 21 those reports. The government also showed you a chart 22 reflecting a bunch of telephone calls potentially involving 23 Mr. Chellam and Mr. Rajaratnam in November-December 2006. You 24 don't know what was said on any of those calls. The government 25 didn't call Mr. Chellam. You don't know if Mr. Rajaratnam and

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Summation - Mr. Dowd 14LFRAJ5 Mr. Chellam spoke to each other. And even if they did, you 1 don't know what was said. They could have talked about 2 3 anything. For example, Mr. Muscha testified that Mr. Chellam 4 left Xilinx in early '07 to go work for Galleon and that's 5 something that would make sense for him and Mr. Rajaratnam to 6 talk about on the telephone in late 2006. You don't know, 7 because the government didn't prove its case, they didn't call Mr. Chellam. For that reason, I would request that you acquit. 8 Krish Panu and @Road. The government also alleges 9 10 Mr. Rajaratnam received material non-public information from 11 Krish Panu about the acquisition of @Road by Trimble before it 12 was officially announced on December 10, 2006. The government 13 claims that Raj bought @Road in Goel's Schwab account on the 14 basis of this information. 15 The entirety of the government's evidence on @Road 16 consists of the following: First, Raj bought and sold @Road 17 shares in Mr. Goel's Schwab account in the six weeks before 18 Trimble announced it was acquiring @Road on December 10, 2006. 19 Second, after the announcement, Raj did not sell @Road shares 20 in Goel's account for ten days. Third, Mr. Panu worked at 21 @Road at the time of the acquisition. Fourth, Mr. Panu later 22 came to work at Galleon, was an investor at Galleon. 23 Ladies and gentlemen, from this sorry set of facts the 24 government expects you to conclude beyond a reasonable doubt 25 Mr. Panu provided material non-public information to Raj in SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

Summation - Mr. Dowd 14LFRAJ5 advance of the acquisition announcement and Raj traded in 1 Goel's account on the basis of that information. There's no 2 3 evidence of that. There's no evidence that Mr. Panu told Raj 4 anything; none, not a shred. Mr. Panu didn't testify. The 5 government didn't call him. There are no recorded phone calls, 6 there are no e-mails, there are no instant messages. There's absolutely zero evidence that Mr. Panu told Raj anything about 7 8 this deal. The evidence that does exist contradicts the government's theory. 9 10 In reality, Raj sold shares of @Road, both at Galleon

and in Goel's account before the acquisition. That's not what you do if you're trading on inside information that @Road is about to be acquired. Doesn't make any sense. It doesn't make any sense because it's not true. What does make sense is what you heard from Mr. Schutte. @Road was Raj's best idea in Galleon's stock picking contest throughout 2006. Raj recommended a long position in @Road.

18 Joe, pull up Defense Exhibit 0328, page 3. This is 19 Galleon's best stock idea contest in March 2006. Raj's top 20 pick, ARDI, which was the ticker symbol for @Road. He 21 recommended a long position in @Road all the way back in March. 22 @Road stock price had gone up substantially the week before 23 Mr. Rajaratnam began selling. Mr. Rajaratnam sold when the 24 price went up, which is a basic and logical investment 25 strategy.

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14LFRAJ5

## Summation - Mr. Dowd

Ladies and gentlemen, the government has offered no evidence to support its allegation on @Road and we've shown you evidence which directly refutes it, and I respectfully request you acquit.

5 Now, the so-called coverup. Yesterday, ladies and 6 gentlemen, Mr. Brodsky said that you know Raj is guilty because of the so-called cover up. He addressed eight things he said 7 Mr. Rajaratnam did to cover up his activities. I've addressed 8 9 each of these things today, but to briefly summarize, number 10 one on the list was the use of the phone, not e-mails. But the 11 government's relied on e-mails and instant messages in a number 12 of occasions in this case. There's no evidence at all other 13 than the uncorroborated, unreliable testimony of Adam Smith to support the idea that Raj told anyone not to put things in 14 15 writing. And all they showed you was one instant message 16 between Raj and Quint Slattery where Raj said he would tell 17 Quint something on the phone. Big deal. Have you ever sent 18 anyone an e-mail or texted saying call me? Are you committing 19 a crime?

And where is Mr. Slattery? The government didn't call him. It's ridiculous, it's grasping at straws. If this case was as serious as the government wanted you to believe, they wouldn't be grasping at straws.

24 Number two on the list was create e-mails. That would 25 be to pass on the call with Panu and Chellam about Spansion. I SOUTHERN DISTRICT REPORTERS, P.C.

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Summation - Mr. Dowd 14LFRAJ5 explained to you why the government has misinterpreted the 1 2 call, and that I everything was true. By the way no e-mail 3 trail was ever created, the government never showed you. Don't 4 you think they would have if there was anything to this 5 allegation? The rest of the testimony of Adam Smith, you know 6 what that's worth. It's worthless. Number three on the list 7 was show a pattern of trading. I've shown that already. All Raj was doing was trading around a core position. But most 8 9 importantly, no effort to hide his trading at all. As the 10 government's own chart showed. Those charts came from Galleon 11 records. You can see every trade Raj made and why. Number 12 four was radio silent. I explained that one, too. Raj was 13 just protecting his own ideas. He was trying to keep his 14 trading strategies from being spread around Wall Street. 15 Number five was conceal payments to inside sources. 16 One thing, Raj didn't have any inside sources, and Raj didn't 17 conceal any payments. Payments to Kumar were transparently 18 documented by Galleon and Instinct. Kumar is the one who

19 concealed it from the IRS. The rest of that call with Rengan, 20 where Rengan himself says he's joking, it came to nothing. 21 Number six is don't use options. I already showed you

Raj did use options on Akamai and Google. How they missed that one on their own two exhibits are beyond me. It just shows you how desperate things are getting.

25

Number seven is use prepaid phones. All you got is SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

14LFRAJ5 Summation - Mr. Dowd Kumar's testimony and that testimony is worthless. There's no 1 evidence to support a corroboration that Raj ever used a 2 3 prepaid phone, ever bought a prepaid phone or ever had anyone 4 buy a prepaid phone. That's nonsense. Number eight is access 5 brokerage account of insider to make trades. This must be 6 about trading in Goel's account. Goel asked his friend to do it. There's no coverup. Again, it was some remark by Kumar, 7 but Kumar's testimony is worthless. He is the worst liar ever 8 9 to take the stand in any courtroom in this building. There's 10 nothing suspicious, ladies and gentlemen. There was no 11 coverup. 12 Ladies and gentlemen, I'm not going to take any more 13 of your time. You've been more than generous. I appreciate

14 it. Raj thanks you for your attention and consideration over 15 the last many weeks. You're not going to hear from me again. 16 The government gets the first word and the last and it's given 17 that advantage because it bears the burden of proof. Remember 18 to hold them to that to when you retire to deliberate. I'm 19 confident you'll agree with me that they haven't proven their 20 case. But I know you'll be fair. I helped pick you. I have a 21 lot of confidence in you. I want to thank you very much.

THE COURT: Thank you, Mr. Dowd. That concludes the defendant's closing argument. We'll take our afternoon break and then Mr. Streeter will give the government's rebuttal. Counsel approach.

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	14LFRAJ5		Summation - Mr. Do	wd
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	14LFRAJ5 Summat	tion - Mr. Dowd				
1	(At the side bar)					
[REDACTED]						
1	(In open court; jury p	present)				
2	THE COURT: Mr. Dowd,	there was one last document you				
3	wanted to refer to?					
4	MR. DOWD: Yes. Than	k you. I'd just like to refer				
5	the members of the jury when I	mentioned that there was no				
6	benefit at Goldman Sachs, I'd	just like to refer to Defense				
7	Exhibit 4689M, if you would.	Thank you very much, your Honor.				
8	I appreciate it.					