Approved:

L10 MAG 1113 ALEXANDER J. WILLSCHER

JULIAN J. MOORE

Assistant United States Attorneys

Before:

HONORABLE DEBRA FREEMAN

United States Magistrate Judge Southern District of New York

: SEALED COMPLAINT

UNITED STATES OF AMERICA

: Violation of 15 U.S.C.

: §§ 78j(b), 78ff; 17 C.F.R. : §§ 240.10b-5 & 240.10b5-2;

: 18 U.S.C. §§ 371, 1343, 2

BONNIE J. HOXIE, YONNI SEBBAG,

a/k/a "Jonathan Cyrus,"

: COUNTY OF OFFENSE:

: NEW YORK

Defendants.

SOUTHERN DISTRICT OF NEW YORK, ss.:

DANIEL R. SIGMOND, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI") and charges as follows:

COUNT ONE

(Conspiracy)

- From at least in or about March 2010 up through and including the present, in the Southern District of New York and elsewhere, BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and wire fraud, in violation of Title 18, United States Code, Section 1343.
- It was a part and object of the conspiracy that BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did

use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

3. It was a further part and an object of the conspiracy that BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, unlawfully, willfully and knowingly, directly and indirectly, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Overt Acts

- 4. In furtherance of the conspiracy and to effect the illegal objects thereof, BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants, committed the following overt acts, among others, in the Southern District of New York and elsewhere:
 - a. On or about March 12, 2010, SEBBAG sent an email offering to sell material, nonpublic information about the Walt Disney Company ("Disney");
 - b. On or about May 11, 2010, HOXIE provided material, nonpublic information about Disney's quarterly earnings report to SEBBAG, who in turn provided it to other individuals;
 - c. On or about May 13, 2010, SEBBAG flew to New York, New York, in order to be paid for material, nonpublic information about Disney

that he had provided to other individuals; and

d. On or about May 14, 2010, SEBBAG met with undercover agents of the FBI and accepted a \$15,000 cash payment.

(Title 18, United States Code, Section 371.)

COUNT TWO (Wire Fraud)

5. From at least in or about March 2010 up through and including the present, in the Southern District of New York and elsewhere, BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, unlawfully, willfully and knowingly would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, to wit, on or about May 8, 2010, SEBBAG caused an e-mail to be sent from California to New York, New York, containing material nonpublic information related to the Walt Disney Company, for the purpose of executing such scheme and artifice.

(Title 18, United States Code, Sections 1343 and 2.)

The basis for my knowledge and the foregoing charge is, in part, as follows:

- 6. I have been a Special Agent with the FBI for approximately five years. I am currently assigned to a squad responsible for investigating violations of the federal securities laws and related offenses. I have participated in numerous investigations of such offenses and I have made and participated in making arrests of individuals for participating in such offenses.
- 7. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained during this investigation, directly or indirectly, from other sources, as indicated below. Because this affidavit is prepared for limited purposes, I have not set forth each and every fact I have learned in connection with this investigation. Where conversations and events are referred to herein, they are related in substance and in part unless indicated otherwise. Where

figures and calculations are set forth herein, they are approximate.

Relevant Entities and Individuals

- 8. Based on information available to the public over the Internet, documents provided by Disney, and law enforcement databases, I have learned that:
 - a. At all times relevant to this Complaint, Disney was a Delaware corporation that was headquartered in Burbank, California. Disney, together with its subsidiaries and affiliates, was an international entertainment and media enterprise with four business segments: media networks, parks and resorts, studio entertainment and consumer products. Disney's securities are traded on the New York Stock Exchange ("NYSE") under the symbol "DIS";
 - b. At all times relevant to this Complaint, BONNIE J. HOXIE, the defendant, was employed as a secretary to Disney's Head of Corporate Communications. HOXIE has been employed at Disney since on or about December 18, 2007;
 - c. At all times relevant to this Complaint, YONNI SEBBAG, a/k/a "Jonathan Cyrus," was a close personal friend of HOXIE.

HOXIE's Access to Inside Information at Disney

9. Disney officials have informed me that BONNIE J. HOXIE, the defendant, as a secretary to Disney's Head of Corporate Communications, had access to material, nonpublic information about many aspects of Disney's business, including Disney's quarterly earnings statements.

Confidentiality

10. I have reviewed Disney's employee manual titled "Standards of Business Conduct". That manual states, among other things, that Disney employees have a duty not to engage in insider trading and not to release material, nonpublic information related to Disney to outside individuals for the purpose of insider trading. Specifically, the manual notes:

The securities laws prohibit trading in stock

or other securities on the basis of material information that has not been disclosed to the public. No one may trade in stock or other securities on the basis of undisclosed material information. Undisclosed material information might include sales and earnings figures, information about major contracts, stock splits, acquisitions or mergers, significant transactions, the sale of an associated company, the commencement of significant litigation, or new projects contemplated by the Company. . . . It is also illegal to provide material non-public information to persons outside the Company who could then use that information in deciding whether to buy or sell the Company's stock or securities. Members and employees should not, without proper authority and confidentiality arrangements, give or release non-public information concerning the Company to anyone not employed by the Company.

11. I have reviewed a document, signed by BONNIE J. HOXIE, the defendant, on or about December 18, 2007, in which she acknowledged her receipt of the Disney "Standards of Business Conduct" employee manual.

OVERVIEW OF THE INVESTIGATION

Based on my training and experience and the facts set forth below, I respectfully submit that there is probable cause to believe that from at least in or about March 2010 up through and including the present, BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants, and others known and unknown, executed a fraudulent scheme designed to misappropriate material, non-public information of Disney in violation of the fiduciary and other duties of trust and confidence owed to Disney. Further, there is probable cause to believe that HOXIE acquired material, non-public information in the course of her employment with Disney, including Disney's quarterly earnings (the "Inside Information"), and then, in violation of her duties of trust and confidence, disclosed the Inside Information to SEBBAG, who in turn disclosed the Inside Information to outside investors for the purpose of trading in advance of the official public announcement of Disney's earnings.

THE SCHEME

- 13. Beginning at least on or about March 5, 2010, an anonymous individual sent a form letter (the "Letter") to multiple hedge funds, capital management companies, and other investment companies throughout the United States and parts of Europe (the "Investment Companies"). The Letter claimed that its sender had access to Inside Information about Disney. The Letter offered to sell the Inside Information to the Investment Companies. During the course of my investigation, I have learned that at least approximately thirty-three different Investment Companies received the Letter. Many of the Investment Companies that received the Letter are based in New York, New York.
 - 14. Specifically, the Letter read as follows:

Hi,
I have access to DISNEY'S (DIS) quarterly
earnings report before its release on 05/03/10.
I am willing to share this information for a
fee that we can determine later. I am sorry
but I can't disclose my identity for
confidentiality reasons but we can correspond
by email if you would like to discuss it. My
email is eilatcap@gmail.com. I count on your
discretion as you can count on mine. Thank you
and I look forward to talking to you.

15. I have been advised by a representative of Google that the e-mail account "eilatcap@gmail.com" (the "E-Mail Account") is registered to the name "jonathan cyrus" and was initially registered on March 2, 2010, from a computer using an internet protocol number assigned to a FedEx Kinko's store located at 5575 South Sepulveda Boulevard, Culver City, California.

<u>Correspondence Between the E-Mail Account and an FBI Agent Acting</u> <u>in an Undercover Capacity Using the Identity "Al Tyson"</u>

- 16. On or about March 11, 2010, an FBI agent acting in an undercover capacity, using the identity "Al Tyson" ("UC-1"), sent an e-mail to the E-Mail Account. UC-1 identified himself as a hedge fund trader who had received the Letter and was interested in discussing the contents of the letter further; the e-mail emphasized that discretion was very important.
- 17. On or about March 12, 2010, the E-Mail Account replied to UC-1. The name associated with the E-Mail Account was

"jonathan cyrus". The sender of the e-mail promised to be very discreet and further wrote: "Tell me what you think about how we should proceed in the most discret [sic] way in terms of the delivery of the docs and the payment? Also, i need to know more about how much you are offering?"

18. On or about March 15, 2010, at approximately 1:52 p.m., UC-1 responded to the E-Mail Account regarding the prior e-mail:

Discretion is most important to me, too. I have access to firm's cash and can arrange document transfer with or without in-person contact. I suppose we can figure that out as we build trust. I cannot commit to a price or even think about value without some information (better yet-a sample) about information/documents you have or can obtain. It is possible to you to describe some particulars or send me some info? Transfer through gmail attachment would work or I could get a P.O. box.

19. On or about March 15, 2010, at approximately 3:55 p.m., UC-1 received an e-mail response from the E-Mail Account. The sender of the e-mail wrote:

I only have access to the earnings report that is delivered to us three days before its official release date. Until then i will not be able to get you any other documents but here is a piece of information i can give away to show good faith and build trust.

Bob Iger is in serious and advanced negotiations with two private equity firms to sell them the ABC network but no price has been determined yet. I will keep aware of any relevant information that could move the stock price in the future.

We stay in touch.

20. On or about March 18, 2010, at approximately 2:09 p.m., UC-1 responded to the E-Mail Account regarding the prior e-mail:

I appreciate the information regarding Bob Iger and the possibility that Disney might sell the ABC Network. However, that information is open

source internet information. What other information do you have access to? Why is the earnings report so important? I don't need the earnings report itself to know if I should buy or short-sell Disney stock, can't you just tell me that information? Is there some type of significant event that will affect the stock? I apologize for all of the questions, but I need to make sure that this is worth the risk. Also, before we go any further, how do I know that you are not a fed?

- 21. On or about March 18, 2010, at approximately 10:08 p.m., UC-1 received a response from the E-Mail Account. Among other things, the sender of the e-mail denied being a federal law enforcement agent and wrote: "I work for Disney, that is all i can tell you. Right now, there is no relevant information i can provide you with but i surely will when there is. If you are not interested in the earnings report then i won't send it to you."
- 22. During the following month, over the course of multiple communications, the individual using the E-Mail Account agreed to provide, in return for a fee, the Inside Information to UC-1 on May 8, 2010, which was three days in advance of the public release of its latest quarterly earnings announcement (the "Quarterly Report").

Correspondence Between the E-Mail Account and FBI Agents Acting in an Undercover Capacity Using the Identity "Stock Trader"

- 23. An FBI undercover agent ("UC-2") using a second e-mail account, registered in the name "Stock Trader", also initiated contact with the E-Mail Account.
- 24. On or about March 26, 2010, at approximately 8:18 p.m., UC-2 received an e-mail response from the E-Mail Account. Among other things, the sender of the e-mail promised that "I can deliver [the Disney earnings] 3 to 4 days before the release. I will email you the report as soon as i have it and you will transfer the money to my account after you get ahold of it... i am looking to build a strong business relationship with you for future quarters and information."
- 25. On or about April 7 and April 8, 2010, UC-2 sent and received e-mails from an individual using the E-Mail Account. In these e-mails, which I have reviewed, UC-2 and the individual, who used the name "jonathan cyrus", made arrangements to speak to each other via cellphone on April 9, 2010, about the possible

sale of the Inside Information.

- On or about April 9, 2010, an FBI agent acting in an undercover capacity ("UC-3") who was posing as "Stock Trader" for purpose of telephone contacts, spoke via cellphone to the individual who identified himself as "John". UC-3 recorded this call and I have listened to it. During the call, UC-3 told "John" that UC-3's name was "Kurt". "John" confirmed that Disney had changed the date that it would be releasing the Quarterly Report from May 3, 2010, until Tuesday, May 11, 2010. UC-3 and "John" agreed that: (a) "John" would provide the Inside Information to UC-3 via e-mail roughly four days before Disney publicly released the Quarterly Report; (b) UC-3 would invest between \$100,000 to \$200,000 to trade securities based on the Inside Information; (c) UC-3 and "John" would split the trading profits fifty-fifty; and (d) after UC-3 reaped the profits from his stock trades based upon the Inside Information, he would meet in person with "John" to pay "John" his portion of the profits in cash.
- 27. On or about April 20, 2010, UC-3 spoke via telephone to an individual who identified himself as "John". During the call, "John" told UC-3 that "John" would e-mail the Quarterly Report to him on Saturday, May 8, 2010. UC-3 told "John" that UC-3 would place the trades based on the Inside Information on Monday, May 10, 2010.
- Account using another assumed identity: "Bill Evers". In addition, a confidential informant for the FBI (the "CI") initiated e-mail contact with the E-Mail Account using another assumed identity: "Oscar". On or about May 5, 2010, UC-2 assumed the identity of "Oscar" from the CI. I have reviewed the e-mail correspondence between the E-Mail Account and both "Bill Evers" and "Oscar". The content of this correspondence is substantially similar to that between the E-Mail Account and both "Al Tyson" and "Stock Trader", which is described in this Complaint. In particular, the individual using the E-Mail Account agreed to provide via e-mail, in return for a fee, the Inside Information to "Bill Evers" and "Oscar" in advance of the public release of the Quarterly Report.

The Release of the Inside Information

29. On May 8, 2010, three days before the public release of the Earnings Report, UC-1, UC-2, and UC-3 (collectively, the "Tippees") all separately received from the E-Mail Account a 107-page document entitled "The Walt Disney

Company Q2 Fiscal 2010 Key Topics Speaking Points" (the "Key Topics Memo"). In the transmittal e-mails, the user of the E-Mail Account wrote that he expected to receive the Quarterly Report two or three hours before the market closed on May 11 and further promised to forward it immediately to the Tippees.

30. All but two pages in the Key Topics Memo were headed "Confidential: For Legal Review Only." Moreover, the cover page noted that "anything in brackets ("[]") is confidential and for the reader's background only." confirmed with a Disney official that the Key Topics Memo is an authentic Disney document. This Disney official further stated that the Key Topics Memo contained Disney's confidential business information. The Key Topics Memo is identified as a collection of talking points that Disney executives could refer to while answering analysts' questions during a conference call that was to be held on Tuesday, May 11, 2010, to discuss the Quarterly Report. The Key Topics Memo did not list what Disney's quarterly Earnings Per Share ("EPS") would be. However it did contain detailed information about the quarterly performance and future prospects of Disney's various business segments, such as the amusement parks division and the media division. During the May 11, 2010, conference call, which I have listened to, much of the information contained in the Key Topics Memo was announced publicly by the Disney executives. Other information -including information appearing in brackets -- was kept confidential by the executives.

May 11, 2010

- 31. I have reviewed e-mails from the Disney work account of BONNIE J. HOXIE, the defendant. In that account, there are many e-mails between HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, based upon which I believe that they are romantically involved with one another. In addition, these e-mails include the following conversations on May 11, 2010, the date of the Disney quarterly earnings announcement, which are discussed below.
- 32. On May 11, 2010, between approximately 12:22 p.m. EDT and 12:25 p.m. EDT six text messages were sent between cellphones belonging to BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants.
- 33. At approximately 1:25 p.m. Eastern Daylight Time ("EDT"), BONNIE J. HOXIE, the defendant, sent an e-mail to YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, in which she wrote: "How are you doing? Bored yet?" SEBBAG responded: "Yeah

- I am". HOXIE replied: "You should have brought a book. I told you that you were going to be waiting . . ."
- 34. At approximately 1:30 p.m. EDT, YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, e-mailed BONNIE J. HOXIE, the defendant: "Just hurry up". HOXIE responded: "I have no control over this. Patience is a virtue."
- 35. At approximately 1:35 p.m. EDT, YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, e-mailed BONNIE J. HOXIE, the defendant: "Get things moving with all the powers you have". HOXIE responded: "Thanks for the flattery. I wish you could come to work every day with me!"
- 36. On May 11, 2010, between approximately 1:55 p.m. EDT and 1:56 p.m. EDT two text messages were sent between cellphones belonging to BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants.
- 37. On May 11, 2010, at approximately 2:14 p.m. EDT, UC-2 (acting as "Bill Evers") received an e-mail response from the E-Mail Account. The sender of the e-mail wrote: "The [Quarterly Report] is taking forever to come in. I know for sure that EPS is \$0.48 and i will send you the report as soon as i get it hoping in the next hour." Around this same time, UC-1 and UC-2 (acting as "Oscar") received e-mails with similar content from the E-Mail Account.
- 38. On May 11, 2010, at approximately 2:15 p.m. EDT, two text messages were sent between cellphones belonging to BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants.
- 39. On May 11, 2010, at approximately 2:17 p.m. EDT, an individual identifying himself as "John" spoke to UC-3. In the telephone conversation, which was recorded, "John" initially apologized that it was taking so long for him to get the Quarterly Report. "John" further told UC-3: "I know for sure that EPS is 48 cents."
- 40. At approximately 3:09 p.m. EDT, YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, e-mailed BONNIE J. HOXIE, the defendant to ask: "is it coming or what?" HOXIE responded: "Patience my dear..." SEBBAG replied: "It is fully used already". HOXIE responded by writing: "What would you suggest I do[?] If I could wave my magic wand and give you what you want I would. However, since that is not going to happen I suggest you call on your inner Buddhist and CHILL the f' out."

- 41. On May 11, 2010, between approximately 3:19 p.m. EDT and 3:29 p.m. EDT five text messages were sent between cellphones belonging to BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants.
- 42. At approximately 3:31 p.m. EDT, BONNIE J. HOXIE, the defendant sent an e-mail to YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, in which she wrote: "But I think you are going to be SOS you will have to work with what you have." SEBBAG responded: "Ok I did with what I have so far, let's hope for the best". HOXIE replied: "You can hope. I don't really care." SEBBAG responded: "You do when I do".
- 43. At approximately 3:41 p.m. EDT, BONNIE J. HOXIE, the defendant, sent an e-mail to YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, in which she wrote: "Let me know when you are leaving I will come down and say goodbye." SEBBAG responded: "I left,going to kinkos,be back.lunch?" HOXIE replied: "Sure let me know when you are back."
- 44. On May 11, 2010, at approximately 3:52 p.m. EDT, UC-2 (acting as "Bill Evers") received an e-mail response from the E-Mail Account. The sender of the e-mail wrote: "you will have to work with what i gave you for now, it looks like it is not coming to me yet". Around this same time, UC-1 and UC-2 (acting as "Oscar") received e-mails with similar content from the E-Mail Account.
- 45. On May 11, 2010, at approximately 4:15 p.m. EDT, after the market had closed for the day, Disney reported that its quarterly EPS was 48 cents which was better than stock analysts' consensus estimates of 46 cents per share and consistent with the Inside Information provided by YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant.
- 46. At approximately 4:38 p.m. EDT, BONNIE J. HOXIE, the defendant, sent an e-mail to YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, in which she wrote: "Where are you?" SEBBAG responded: "At kinko's,u[?]" HOXIE replied: "Ummm. Come back to the lot." SEBBAG responded that he would come back to the "same spot".
- 47. On May 11, 2010, at approximately 4:40 p.m. EDT a cellphone belonging to YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, received an incoming phone, lasting one minute or less, from a cellphone belonging to BONNIE J. HOXIE, the defendant.

- 48. Google officials have identified for me the internet protocol numbers that the E-Mail Account utilized when it sent e-mails to the various Tippees. On many of those occasions, the E-Mail Account was using an internet protocol number that was assigned to a FedEx Kinko's store located at 5575 South Sepulveda Boulevard, Culver City, California. In addition, Google documents demonstrate that when the E-Mail Account sent the e-mails to the Tippees discussed in paragraphs 36 and 40 above, the E-Mail Account was using an internet protocol number that was assigned to a FedEx Kinko's store.
- 49. On May 11, 2010, at approximately 8:35 p.m. EDT, an individual identifying himself as "John" spoke to UC-3 in a recorded telephone conversation, a recording of which I have reviewed. "John" initially apologized that he had not been able to send the Quarterly Report in advance of the earnings announcement. "John" stated:

I'm sorry I wasn't able to send the paper on time. What happens, that in my department, someone else was getting those emails and, I didn't get them myself. So, I mean, next time I'll get them. I'll make sure I'll get them for sure.

"John" then stated that he would fly to New York, New York, that week to receive payment from UC-3 for the trading profits. "John" further clarified that in future quarters, he would be able to provide documents similar to the Key Topics Memo several days in advance of a Disney quarterly earnings announcement and the earnings reports on the day of the announcement.

May 14, 2010

- 50. On or about May 14, 2010, an individual identifying himself as "John" spoke over the telephone with an undercover FBI agent who was posing as "Bill Evers" ("UC-4") and made arrangements to meet UC-4 that day at a location in Long Island, New York.
- 51. Later that day, YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, met UC-4 and a second undercover FBI agent ("UC-5") at the predetermined location in Long Island. This meeting was recorded and I have listened to the recording. At that meeting: (a) SEBBAG identified himself as "Yonni Sebbag"; (b) SEBBAG and UC-4 discussed the success of UC-4's trades based on the Inside Information that SEBBAG previously had provided; (c) SEBBAG and UC-4 agreed that for future deals, UC-4 would give

30 percent of all profits from the insider-trading scheme to SEBBAG; (d) SEBBAG and UC-4 discussed SEBBAG's source of information inside of Disney and her access to other Inside Information about the company; (e) SEBBAG and UC-4 discussed SEBBAG opening a bank account in Israel into which SEBBAG would accept payment for his portion of the profits from the scheme; (f) UC-4 paid SEBBAG \$15,000 in cash for the Inside Information that SEBBAG previously had provided; and (g) SEBBAG explained that he had been nervous in advance of the meeting that UC-4 and UC-5 worked for the FBI or the Securities and Exchange Commission.

- 52. During the meeting, YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendant, discussed the source of his information inside of Disney. Among other things, SEBBAG stated that:
 - a. His source at Disney (the "Tipper") is an assistant to one of the top five executives at Disney;
 - b. The Tipper has access to e-mails that contained sensitive information about Disney's business, and "we made a deal that she'll get me all the emails all the time";
 - c. The Tipper had access to Disney press releases before they were publicly announced and that SEBBAG could provide that information to UC-4 in advance SEBBAG explained: "[I]t is information that I get on the spot. That person won't email me the document, so I'll tell you verbally what it is, and then you'll have to, you know, take my word for it. I'll not always have the document";
 - d. Describing the Tipper, SEBBAG stated: "I feel like this is a one-time life opportunity for me to have access to such information";
 - e. SEBBAG assured UC-4 that the Tipper would provide Inside Information about Disney to SEBBAG on a regular basis: "It's not [a one-time deal]. For as long as [the Tipper] is in place, we're continuing. And I'll make sure that that person stays in place, in her position. . . . Because some chunk of my money, I'm going to give it, I'm going to give it to her. . . . So she stays in place and I'll make sure that, you know, she doesn't want to be promote, she doesn't want to be

promoted, she doesn't want to change the partners"; and

f. SEBBAG stated that he had the utmost trust in the Tipper, "and she trusts me a lot too. And I told her that, you know, God forbid anything happen, you know, I'll cover you . . . "

WHEREFORE, deponent prays that arrest warrants be issued for BONNIE J. HOXIE and YONNI SEBBAG, a/k/a "Jonathan Cyrus," the defendants, and that they be imprisoned or bailed as the case may be.

DANIEL R. SIGMOND

SPECIAL AGENT

FEDERAL BUREAU OF INVESTIGATION

Sworn to before me this 25th day of May, 2010

HONORABLE DEBRA FREEMAN

UNITED STATES MAGISTRATE JUDGE SOUTHERN DISTRICT OF NEW YORK