

UNITED STATES OF AMERICA	:	Crim. No. 05-_____ ()
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	:	
v.	:	18 U.S.C. §§ 371 & 2;
	:	15 U.S.C. §§ 78j(b) and 78ff;
	:	17 C.F.R. § 240.10b-5
JACK GAGLIO	:	

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE

(Conspiracy)

Suprema Specialties, Inc.

1. At all times relevant to this Information, Suprema Specialties, Inc. was a New York corporation with its corporate headquarters, and a processing plant, located in Paterson, New Jersey. Suprema had three wholly-owned subsidiaries at which it manufactured and processed cheese for sale: Suprema Specialties West, Inc., located in Manteca, California; Suprema Specialties Northwest, Inc., located in Blackfoot, Idaho; and Suprema Specialties, Northeast, Inc., located in Ogdensburg, New York (collectively referred to herein as "Suprema" or "the Company"). Suprema was engaged in the business of manufacturing, processing, and distributing a variety of purportedly all natural cheese

products throughout the United States and elsewhere. Suprema's products consisted primarily of mozzarella, ricotta, and provolone cheeses and grated and shredded parmesan and romano cheeses. Suprema sold its products to supermarkets and other retail establishments; food service industry distributors, which, in turn, sold the products to restaurants, hotels, and caterers, among others; and food manufacturers, which used the products in the preparation of prepared foods, such as frozen pizza.

2. In or about April 1991, Suprema held an initial public offering, issuing approximately 1,000,000 shares of common stock. Suprema's common stock was publicly traded on the over-the-counter market beginning in approximately April 1991.

Commencing in or about March 1993 through in or about March 2002, Suprema's common stock was traded under the symbol "CHEZ" on the NASDAQ stock market, an electronic securities market administered by the National Association of Securities Dealers.

3. On or about December 19, 2001, Suprema's Chief Financial Officer and Controller each resigned. On or about December 21, 2001, Suprema issued a press release announcing the resignations and stating that Suprema was undertaking a review of its prior reported financial results. On that same day, the NASDAQ suspended trading on Suprema stock; trading on Suprema stock never resumed. On or about February 24, 2002, Suprema filed a voluntary petition for reorganization under Chapter 11 of the

Bankruptcy Code, which was converted to a Chapter 7 liquidation shortly thereafter. On or about March 1, 2002, NASDAQ delisted Suprema's stock. Suprema and its subsidiaries are now defunct entities.

The Defendant and His Companies

4. At all times relevant to this Information, A&J Cheese Co. ("A&J") was a corporation with its principal place of business in Upland, California. At all times relevant to this Information, A&J was in the business of buying and selling cheese products.

5. At all times relevant to this Information, Noble JG Cheese, LLC ("Noble") was a corporation with its principal place of business in Etiwanda, California. At all times relevant to this Information, Noble was in the business of buying and selling cheese products.

6. At all times relevant to this Information, Wall Street Cheese, LLC ("WSC") was a corporation with its principal place of business in Corona, California. At all times relevant to this Information, WSC was in the business of buying and selling cheese products.

7. At all times relevant to this Information, California Goldfield Cheese Trading LLC ("Goldfield") was a corporation with its principal place of business in Alta Loma, California. At all times relevant to this Information, Goldfield was in the business

of buying and selling cheese products.

8. At all times relevant to this Information, defendant JACK GAGLIO was a resident of Rancho Mirage, California. Defendant GAGLIO was the founder, president, and 50% owner of A&J, a 50% owner of Noble, a 50% owner of Goldfield, and a 25% owner of WSC.

**The Securities and Exchange Commission and
Suprema's Required Public Disclosures**

9. At all times relevant to this Information, the Securities and Exchange Commission ("SEC") was an independent agency of the United States government that was charged by law with preserving honest and efficient markets in securities.

10. In order to sell securities to members of the public and maintain public trading of its securities in the United States, Suprema was required to comply with provisions of the federal securities laws, including the Securities Exchange Act of 1934 ("the Act"), and rules and regulations promulgated thereunder, that were designed to ensure that a company's financial and business information was accurately recorded and disclosed to members of the investing public. Among other things, these laws and regulations required Suprema to: (a) file with the SEC, prior to the sale of its shares to the public, a registration statement that described the Company's business and included financial statements audited by an independent accountant; (b) file with the SEC annual financial statements

audited by an independent accountant on Form 10-K and unaudited interim quarterly financial statements on Form 10-Q that disclosed its financial condition and the results of its business operations; (c) report non-recurring material events affecting the Company's business and financial condition; (d) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that the Company's transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") and other applicable criteria; and (e) make and keep books, records, and accounts that accurately and fairly reflected the Company's business transactions.

11. At all times relevant to this Information, the rules and regulations of the SEC required that a company whose stock was publicly traded prepare and disclose annual financial statements that had been audited by an independent public accountant. At all times relevant to this Information, Suprema employed the services of an independent accountant to perform, among other things, an audit of the required annual financial statements. An audit by an independent public accountant included examining, on a test basis, evidence supporting the amounts and disclosures in a company's financial statements. One of the tests that an accountant performed to substantiate a company's accounts receivable was to request that the company's

customers verify that the customers truly owed the amount reflected as an account receivable in the company's books and records. This procedure was known as "audit confirmation."

Suprema's Bank Loans

12. At all times relevant to this Information, Suprema was a party to a revolving loan agreement with a consortium of banks (referred to subsequently as "the Suprema Banks") as a means of financing its business (the "revolving loan agreement"). Most of the banks that were parties to the revolving loan agreement were insured by the Federal Deposit Insurance Corporation.

13. The revolving loan agreement provided that Suprema could borrow up to approximately eighty percent of its eligible accounts receivable (that is, amounts it was owed by customers for sales to those customers) and up to approximately forty percent of the book value of certain of its inventory. The revolving loan agreement also provided, among other things, that Suprema could not borrow against any invoice that was outstanding for more than ninety days and could not borrow on an invoice unless the product reflected on that invoice had, in fact, been shipped and delivered to the customer.

14. The revolving loan agreement also required Suprema to furnish the Suprema Banks on a monthly basis with an accounts receivable aging report and an accounts payable aging report, which listed the outstanding receivables and payables

respectively by date and customer, and an inventory report, which included a complete aggregate dollar value of all inventory held by Suprema for the previous month. The revolving loan agreement further required Suprema to provide a Borrowing Base Certificate to the Suprema Banks each month listing the eligible receivables and inventory. Under the revolving loan agreement, the Borrowing Base Certificate had to include a certification by an officer of Suprema that the information provided to the Suprema Banks regarding its receivables and inventory was true and correct in all material respects.

15. To obtain funds under the revolving loan agreement, Suprema was required to deliver a Borrowing Notice to the Suprema Banks, which set forth the amount of the loan requested and the requested borrowing date. Under the revolving loan agreement, each Borrowing Notice constituted a warranty and representation by Suprema that the accounts receivable against which it was borrowing under the Borrowing Notice were genuine, represented bona fide transactions completed in the ordinary course of business, and were in all respects what they purported to be.

16. The revolving loan agreement further required that Suprema submit to the Suprema Banks all quarterly reports on Form 10-Q and all annual reports on Form 10-K substantially contemporaneously with their filing with the SEC and that the financial statements, as incorporated in those SEC filings, be

prepared in accordance with GAAP.

17. Due to Suprema's seeming financial success, the Suprema Banks increased Suprema's credit line dramatically over the years. For example, under the initial revolving loan agreement in 1994, Suprema could borrow up to a maximum of \$6 million. By January 1997, the credit line had more than tripled to \$20 million. The credit line was further increased to \$35 million in December 1998, \$55 million in September 1999, and \$85 million in March 2000. In December 2000 and September 2001, the credit line was increased to \$111 million and \$130 million respectively. By October 2001, Suprema could borrow up to \$140 million.

The Conspiracy

18. From at least as early as in or about 1997 through at least as late as in or about February 2002, in the District of New Jersey, and elsewhere, defendant

JACK GAGLIO

and others did knowingly and willfully combine, conspire, confederate and agree with others to commit offenses against the United States, that is:

- a. to use and employ, directly and indirectly, by the use of means and instrumentalities of interstate commerce, the mails, and the facilities of national securities exchanges, manipulative and deceptive devices and contrivances in contravention of Title 17,

Code of Federal Regulations, Section 240.10b-5 ("Rule 10b-5"), in connection with the purchase and sale of Suprema securities, by (i) employing devices, schemes, and artifices to defraud; (ii) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon investors, contrary to Title 15, United States Code, Sections 78j(b) and 78ff, and Rule 10b-5;

b. to devise a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, to place and cause to be placed in authorized depositories for mail matter, and to take and receive therefrom, matters and things to be sent and delivered by the Postal Service and by commercial interstate carriers, and to knowingly cause to be delivered by mail and such carriers according to the directions thereon and at the places at which they were directed to be delivered by the persons to whom they were

addressed, such matters and things, contrary to Title 18, United States Code, Section 1341;

c. to execute a scheme and artifice to defraud a financial institution, and to obtain money and property owned by and under the custody and control of a financial institution by means of false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344; and

d. to, directly and indirectly, (a) make and cause to be made materially false and misleading statements; and (b) omit to state, and cause others to omit to state, material facts necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading to accountants in connection with (i) audits and examinations of the financial statements of Suprema, which was an issuer registered pursuant to Section 12 of the Securities Exchange Act of 1934, and which were required by law to be made; and (ii) the preparation and filing of documents and reports required to be filed with the SEC, contrary to Title 17, Code of Federal Regulations, Section 240.13b2-2 and Title 15, United States Code, Section 78ff.

The Objects of the Conspiracy

19. It was a principal object of the conspiracy to fraudulently inflate Suprema's sales by creating false invoices and other documents designed to make it appear as if Suprema had sold and shipped product to companies owned by, controlled by, or acting at the behest of, defendant GAGLIO, including but not limited to A&J, Noble, WSC and Goldfield (collectively referred to as "the Gaglio Companies"), when it had not.

20. It was a further object of the conspiracy to record those bogus sales in Suprema's books and records and to present the fraudulently inflated sales and accounts receivable in documents submitted to the Suprema Banks, to the SEC and to the investing public in order to obtain more money from the Suprema Banks pursuant to the revolving loan agreement and to make Suprema appear more successful and profitable to the Suprema Banks and the investing public than it actually was.

21. It was a further object of the conspiracy to disguise and conceal the fraud by orchestrating sham circular transactions between Suprema and certain companies owned by, controlled by, or acting at the behest of defendant GAGLIO (the "Related Companies") to make it appear as if Suprema's fraudulent invoices to the Gaglio Companies had been paid.

22. It was a further object of the conspiracy to cause defendant GAGLIO to sign false audit confirmations on behalf of

A&J, or to cause others, at the direction and behest of defendant GAGLIO, to sign false audit confirmations on behalf of other Gaglio Companies, to conceal the fact that Suprema had recorded false and fictitious sales and accounts receivable on Suprema's books and records, as well as in documents submitted to the SEC and the investing public.

23. It was a further object of the conspiracy to fraudulently inflate the value of Suprema's inventory by Suprema's purchasing or otherwise obtaining imitation-cheese, or non-cheese, products and re-labeling them as premium cheese, to make it appear as if Suprema had more valuable inventory than it actually had, and thereby to misrepresent the value of Suprema's inventory in documents submitted to the banks, the SEC and the investing public.

Means and Methods of the Conspiracy

24. Among the means and methods employed by defendant GAGLIO and his co-conspirators to carry out the conspiracy were those set forth in paragraphs 25 through 45 below.

Creation of Fictitious Sales

25. From approximately in or about 1997 through approximately in or about January 2002, co-conspirators within Suprema created fraudulent documents, including purchase orders, invoices, and bills of lading, purportedly evidencing sales to one or more of the Gaglio Companies, which sales never took

place. False purchase orders were created to make it appear as if the Gaglio Companies had ordered product from Suprema. Subsequently, bills of lading and other documents were created and signed to make it appear as if the product purportedly ordered by the Gaglio Companies had been shipped. The creation of the false bills of lading resulted in the creation of false invoices, which were sent - usually by U.S. Mail - to the Gaglio Companies purportedly seeking payment for the fictitious shipments of product. The creation of the fraudulent invoices caused false sales and corresponding false accounts receivable to be entered on the books and records of Suprema, which consequently led to an overstatement of revenue and assets in Suprema's financial statements.

Fraudulent Circular Transactions

26. To conceal their fraud, the co-conspirators devised a sophisticated scheme to make it appear that payment on the fraudulent invoices had been received. Because the sales were fictitious, defendant GAGLIO and the Gaglio Companies needed money to pay the invoices sent by Suprema. Accordingly, the co-conspirators at Suprema devised a way to provide defendant GAGLIO and the Gaglio Companies with money that they could use to appear to pay Suprema's fraudulent invoices. They did that generally by having the Related Companies generate and send fraudulent invoices, and often bills of lading, to Suprema, purportedly

evidencing sales and shipments of product from those Related Companies to Suprema; in fact, these sales and shipments never took place. Suprema sent checks to the Related Companies, often by overnight courier service, in purported payment of those fraudulent invoices. Drawing on monies from the checks Suprema had sent to the Related Companies, defendant GAGLIO subsequently sent checks, or caused checks to be sent, to Suprema, also often by overnight courier service, to pay Suprema's fraudulent invoices to the Gaglio Companies.

27. These fraudulent circular paper transactions resulted in a flow of funds from Suprema to the Related Companies and from the Gaglio Companies back to Suprema. Typically, checks were sent from Suprema to the Related Companies in amounts greater than the corresponding checks sent from the Gaglio Companies to Suprema. The difference in the checks usually represented a payment to the Gaglio Companies and/or the Related Companies for participating in the fraudulent scheme. Funds for the checks sent by Suprema to the Related Companies were drawn on Suprema's line of credit, which increased as Suprema's accounts receivable grew.

28. Between in or about 1997 and in or about January 2002, Suprema recorded more than approximately \$350 million in sales to the Gaglio Companies on its books and records. Most of these sales were fabricated by defendant GAGLIO and his co-conspirators

at Suprema.

Inflation and Relabeling of Suprema's Inventory

29. Between at least as early as 1999 and approximately January 2002, defendant JACK GAGLIO, and others not named as defendants herein, also participated in a scheme to inflate the value of Suprema's inventory. This scheme enabled Suprema to borrow more money under the revolving loan agreements, to conceal from Suprema's auditors and others the fraudulent invoicing scheme and to conceal the fact that Suprema possessed less inventory, or less valuable inventory, than it claimed to have in documents submitted to the banks and in its filings with the SEC.

30. On various occasions from at least as early as 1999 through approximately January 2002, defendant JACK GAGLIO, with the knowledge of and at the direction of co-conspirators within Suprema's management, shipped large quantities of imitation cheeses and other non-cheese products to Suprema or its outside warehouses. The shipments of these products usually occurred in the months leading up to the end of Suprema's fiscal year.

31. Defendant JACK GAGLIO agreed with co-conspirators within Suprema's management that payment for such products could be made on extended terms, such that although the product was shipped to Suprema before the end of the fiscal year, Suprema would not have to pay for it until the next fiscal year.

32. These products were typically packaged without

descriptive labels affixed to each carton so that, upon receipt, the products could be re-labeled as higher-priced real, premium cheese.

33. The relabeled product was falsely recorded on Suprema's books and records as if it were the higher-priced real cheese, not the imitation cheese or other non-cheese product that it in fact was. Through this practice, defendant JACK GAGLIO and co-conspirators within Suprema's management caused Suprema to fraudulently inflate its inventory as reported in its books and records and in its financial statements.

34. As of approximately December 31, 2001, the books and records of Suprema indicated that Suprema possessed inventory worth more than \$60 million. Much of that recorded inventory, although listed as real cheese, was actually imitation cheese or non-cheese products. The inventory, which the coconspirators had claimed was worth more than \$60 million, was later sold as part of the Chapter 7 liquidation of Suprema for less than \$2 million.

False Representations to the Banks

35. At various times relevant to this Information, the co-conspirators at Suprema submitted fraudulent Borrowing Base Certificates, fraudulent accounts receivable aging reports, which included the fabricated sales to the Gaglio Companies, and fraudulent inventory reports, which included the re-labeled imitation cheese product, to the Suprema Banks to obtain more

money from the Suprema Banks under the revolving loan agreements than Suprema was entitled to borrow. The Borrowing Base Certificates, which were certified as true and accurate by co-conspirators within Suprema management, as well as the aging reports and inventory reports, were false in that they included the fictitious sales to the Gaglio Companies and the mislabeled and overvalued inventory.

36. At various times relevant to this Information, the co-conspirators at Suprema regularly sent, or caused to be sent, Borrowing Notices to the Suprema Banks seeking funds pursuant to the revolving loan agreement, knowing that, among other things, the accounts receivable against which Suprema was seeking to borrow, and Suprema's inventory, had been fraudulently inflated.

37. At various times relevant to this Information, the co-conspirators at Suprema further falsely represented to the Suprema Banks that Suprema's financial statements were true and accurate in all material respects and that they had been prepared in accordance with GAAP, knowing that Suprema's financial statements included bogus sales and inflated inventory.

False Statements in Suprema's Annual and Quarterly Filings

38. At various times relevant to this Information, Suprema, pursuant to its obligations under the federal securities laws and regulations, filed with the SEC quarterly reports on Form 10-Q and annual reports on Form 10-K, in which it detailed, among

other things, the purported results of its business operations, its financial condition and performance, and its business practices. Each of these filings (hereinafter "the Financial Statements") incorporated Suprema's financial statements and contained material misstatements regarding Suprema's financial condition, its business practices, and its past financial performance, among other things. Co-conspirators within Suprema's management also disseminated false financial information to members of the investing public in Company press releases and in statements made to securities industry analysts. As set forth above and below, Suprema's statements to the SEC, to the Suprema Banks, to Suprema's auditors, and to members of the investing public were riddled with misrepresentations as part of a concerted and purposeful effort by co-conspirators within Suprema's management to mislead the Suprema banks and the investing public into believing the Company was a vibrant and rapidly growing concern.

39. Through the fraudulent conduct described above, the co-conspirators caused Suprema to report millions of dollars in fraudulently inflated sales to the Gaglio Companies between at least in or about 1997 and in or about September 2001. The Financial Statements included false information concerning Suprema's accounts receivable, net sales, and total assets (including inventory), among other things. These false

statements in the Financial Statements presented a materially false and misleading picture of Suprema's true financial and business condition, thereby operating as a fraud and deceit upon investors in Suprema's common stock.

40. The Financial Statements also falsely stated, among other things, that they presented fairly Suprema's financial position and results of operations, that they had been prepared pursuant to the rules and regulations of the SEC and in accordance with GAAP, and that sales of cheese products were not recognized until the products were shipped.

False Statements in Suprema's Registration Statements

41. In or about August 2000, September 2001, October 2001, and November 2001, co-conspirators within Suprema's management caused Suprema to file with the SEC registration statements, and amendments thereto, in connection with two secondary offerings of common stock for sale to the public (the "Registration Statements"). The Registration Statements described the Company's business and included financial statements for several years prior to the respective offering of stock.

42. In or about August 2000 and November 2001, the SEC declared Suprema's Registration Statements effective, which allowed the respective secondary offerings to occur. In the August 2000 secondary offering, Suprema sold 1,100,000 shares of its common stock to members of the public at a cost of \$8.00 a

share, resulting in total proceeds to Suprema, after the deduction of underwriting fees and commissions, of \$8,096,000. In the November 2001 secondary offering, Suprema sold 3,500,000 shares of common stock at \$12.75 a share, yielding total proceeds to Suprema, after the deduction of underwriting fees and commissions, of \$41,510,000.

43. The Registration Statements filed with the SEC in 2000 and 2001 falsely reported Suprema's accounts receivable, total net sales, and total assets, among other things. As the co-conspirators within Suprema's management well knew, the accounts receivable, total net sales, and total assets contained in the Registration Statements were substantially overstated because of the fraudulent practices described above.

The Impact on the Price of Suprema's Common Stock

44. As a result of the false and misleading statements made by Suprema concerning its business and financial condition, its past financial performance, and its business practices, the price of Suprema's common stock was inflated artificially. In or about August 2000, when Suprema conducted a secondary offering of Suprema common stock, the stock was offered at approximately \$8.00 per share. By November 2001, when Suprema had another offering of stock, Suprema's common stock was offered at \$12.75 per share. By December 2001, just prior to the suspension of trading of Suprema stock, Suprema's common stock was trading as

high as approximately \$14.00 per share.

The False Audit Confirmations

45. In the course of the annual audit of Suprema's financial statements, co-conspirators within Suprema's management directed defendant GAGLIO to submit, and to cause the submission of, false audit confirmations to Suprema's auditors on behalf of A&J and other Gaglio Companies. The audit confirmations sought verification by A&J and other Gaglio Companies that legitimate sales had occurred and that the amounts reflected on Suprema's financial statements as receivables were in fact due and owing by A&J and other Gaglio Companies. As defendant GAGLIO and his co-conspirators well knew, the sales and receivables figures set forth on the audit confirmations for A&J and other Gaglio Companies were false. Defendant GAGLIO signed the false audit confirmations to conceal the fact that Suprema had recorded false and fictitious sales and accounts receivables from A&J on its books and records and consequently in its financial statements. Similarly, the false audit confirmations signed by principals and employees of other Gaglio Companies served to conceal the fact that Suprema had recorded false and fictitious sales and accounts receivables from the Gaglio Companies on its books and records and consequently in its financial statements.

Overt Acts

46. In furtherance of the conspiracy and to effect its unlawful objects, defendant JACK GAGLIO and others committed the following overt acts, among others, in the District of Jersey and elsewhere:

- a. On or about August 5, 1997, defendant JACK GAGLIO signed, or caused to be signed, a false audit confirmation letter on behalf of A&J.
- b. On or about June 29, 1998, defendant JACK GAGLIO signed, or caused to be signed, a false audit confirmation letter on behalf of A&J.
- c. On or about June 29, 1999, defendant JACK GAGLIO signed or caused to be signed, a false audit confirmation letter on behalf of A&J.
- d. On or about August 5, 1999, defendant JACK GAGLIO caused to be signed a false audit confirmation letter on behalf of one of the Gaglio Companies.
- e. Between on or about April 12, 2001 and on or about June 21, 2001, defendant JACK GAGLIO caused approximately 84 truckloads of artificial cheese product to be delivered to Suprema in New Jersey.
- f. On or about June 5, 2001, defendant JACK GAGLIO transmitted, or caused to be transmitted, a fax letter to an employee of one of the Related Companies.

- g. On or about September 4, 2001, defendant JACK GAGLIO transmitted, or caused to be transmitted, four faxes to Suprema in Paterson, New Jersey.
- h. On or about September 24, 2001, defendant JACK GAGLIO sent, or caused to be sent, by U.S. Mail or interstate courier service, eight Noble checks totaling approximately \$2,920,000 to Suprema.
- i. From on or about September 28, 2001 to on or about October 3, 2001, defendant JACK GAGLIO deposited, or caused to be deposited, four Suprema checks to one of the Related Companies totaling approximately \$2,946,225.
- j. In or about December 2001, defendant JACK GAGLIO met in California with co-conspirators within Suprema's management.
- k. On or about December 10, 2001, defendant JACK GAGLIO sent, or caused to be sent, by U.S. Mail or interstate courier service, a letter to a member of Suprema's management in Paterson, New Jersey.
- l. On or about January 2, 2002, defendant JACK GAGLIO signed, or caused to be signed, a false audit confirmation on behalf of A&J.

All in violation of Title 18, United States Code, Section
371.

COUNT TWO

(Securities Fraud)

47. The allegations contained in paragraphs 1 through 17 and 24 through 45 of Count One of this Information are hereby realleged as if set forth at length herein.

48. From in or about 1997 through in or about January 2002, in the District of New Jersey and elsewhere, defendant

JACK GAGLIO

did knowingly and willfully, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, use and employ devices, schemes and artifices to defraud, make untrue statements of material fact and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon persons in connection with the purchase and sale of Suprema securities, in connection with the purchase and sale of Suprema securities, all as set forth in substance in paragraphs 24 through 45 of Count 1 of this Information.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.

CHRISTOPHER J. CHRISTIE
United States Attorney