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10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 MOHAMMED MARK AMIN, ROBERT
17 REZA AMIN, MICHAEL MAHMOOD
18 AMIN, SAM SAEED PIRNAZAR, MARY
19 TERESA COLEY, AND ALI
20 TASHAKORI,

21 Defendants.

22 **Case No. CV12-3960 MWF (CWK)**
23 **COMPLAINT FOR VIOLATIONS**
24 **OF THE FEDERAL SECURITIES**
25 **LAWS**

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27
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FILED
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CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES

1 Plaintiff Securities and Exchange Commission (“Commission”) alleges as
2 follows:

3 **SUMMARY OF THE ACTION**

4 1. This case involves insider trading in the securities of DuPont Fabros
5 Technology, Inc. (“DFT”), a developer and manager of data centers, by relatives
6 and friends of Mohammed Mark Amin (“Mark”), a DFT director. After the market
7 close on February 11, 2009, DFT issued its 2008 earnings release highlighting that
8 it had obtained three new loans and entered into three new leases, causing the price
9 of DFT stock to rise 36% to \$5.40 a share.

10 2. Mark learned material, nonpublic information regarding DFT’s
11 pending loans and leases during a December 22, 2008 DFT board meeting and a
12 January 7, 2009 telephone call with DFT’s CEO. Shortly after the January 7, 2009
13 telephone call, Mark tipped this material, nonpublic information to his first cousin
14 Michael Mahmood Amin (“Michael”) and his long-time friend, employee, and
15 personal business manager Sam Saeed Pirnazar (“Pirnazar”). From January 8
16 through February 10, 2009, Michael purchased a net total of 145,000 DFT shares
17 for insider trading profits of \$318,646, and Pirnazar purchased a total of 10,500
18 shares for insider trading profits of \$19,915.

19 3. In addition, on February 4, 2009, Mark received materials for a
20 special DFT board meeting to approve DFT’s new loans. The next morning, Mark
21 tipped this material, nonpublic information to his brother, Robert Reza Amin
22 (“Reza”), who within minutes of the tip began buying DFT stock. Reza also tipped
23 his close friends and business partners Mary Teresa Coley (“Coley”) and Ali
24 Tashakori (“Tashakori”). From February 5 through February 11, 2009, Reza
25 purchased 214,600 DFT shares, Coley purchased 20,050 DFT shares, and
26 Tashakori purchased 15,000 DFT shares, for insider trading profits of \$241,767,
27 \$23,690, and \$14,479, respectively.

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1 4. By engaging in the conduct alleged in this Complaint, Mark, Michael,
2 Pirnazar, Reza, Coley and Tashakori (the "Defendants") violated the antifraud
3 provisions of the federal securities laws. Specifically, the Defendants violated
4 Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules
5 10b-5(a) and (c) thereunder [15 U.S.C. § 78j(b); 17 C.F.R. §§ 240.10b-5(a) & (c)].

6 **JURISDICTION AND VENUE**

7 5. The Commission brings this action pursuant to Sections 21(d) and
8 21A of the Exchange Act [15 U.S.C. §§ 78u(d) & 78u-1].

9 6. This Court has jurisdiction over this action pursuant to Sections
10 21(d)(1), 21(e), 21A and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), 78u(e),
11 78u-1, & 78aa].

12 7. In connection with the conduct described herein, Defendants, directly
13 or indirectly, made use of the means or instrumentalities of interstate commerce, or
14 the mails, or the facilities of a national securities exchange.

15 8. Venue is proper in this district pursuant to Section 27 of the Exchange
16 Act [15 U.S.C. § 78aa], because certain of the transactions, acts, practices, and
17 courses of business constituting violations of the federal securities laws occurred
18 within this district, and the Defendants all reside within this district.

19 **DEFENDANTS**

20 9. Mohammed Mark Amin, age 61, lives in Los Angeles, California. Mark
21 was a DFT director from 2007 to February 2011. Mark is a motion picture executive
22 with his own production company. He is credited as the producer or executive
23 producer for more than 75 Hollywood movies including "Frida," "Eve's Bayou," and
24 four movies in the "Leprechaun" series.

25 10. Robert Reza Amin, age 50, lives in Los Angeles, California. Reza is
26 Mark's younger brother.

27 11. Michael Mahmood Amin, age 51, lives in Los Angeles, California.
28 Michael is Mark's and Reza's first cousin.

1 12. Sam Saeed Pirnazar, age 61, lives in Manhattan Beach, California.
2 Pirnazar is a long-time friend of Mark and during the relevant period was Mark's
3 personal business manager.

4 13. Mary Teresa Coley, age 62, is a British citizen who lives in Los Angeles,
5 California. Coley has a long-time close personal and business relationship with Reza
6 and a long-time personal relationship with Mark.

7 14. Ali Tashakori, age 50, lives in Rolling Hills, California. Tashakori is a
8 self-employed licensed general contractor. During the relevant period, he was
9 engaged primarily in various construction projects for Mark and Reza.

10 **RELEVANT ENTITY**

11 15. Dupont Fabros Technology, Inc. is a Maryland real estate investment
12 trust headquartered in Washington, D.C. DFT owns, develops, operates, and
13 manages facilities that maintain computer servers supporting companies such as
14 Microsoft, Yahoo!, Facebook, and Google. DFT common stock trades on the New
15 York Stock Exchange under the symbol "DFT" and is registered with the
16 Commission pursuant to Section 12(b) of the Exchange Act.

17 **THE DEFENDANTS' FRAUDULENT CONDUCT**

18 **Insider Trading in DFT**

19 **Mark's Affiliation with DFT**

20 16. Mark has been a DFT director since it became a public company in
21 October 2007. Mark is related by marriage to DFT's CEO, has known the CEO for
22 at least 20 years, and was asked by the CEO to be on DFT's board because of
23 Mark's experience with public companies.

24 17. As a DFT director, Mark owed a duty to DFT not to trade on or
25 convey material, nonpublic information to a corporate outsider for a direct or
26 indirect personal gain. In this regard, Mark was bound by, and on November 17,
27 2007, participated in the board's approving, DFT's "Policy Against Trading on the
28 Basis of Inside Information," which stated:

1 During the course of your employment with (the "Company") [sic],
2 you may receive important information that is not yet publicly
3 available, i.e. not disclosed to the public in a press release or SEC
4 filing ("inside information"), about the Company or about other
5 publicly-traded companies with which the Company has business
6 dealings.

7 For anyone to use such information to gain personal benefit, or to pass
8 on or "tip," the information to someone who does so, is illegal. There
9 is no "de minimis" test. Use of inside information to gain personal
10 benefit and tipping are as illegal with respect to a few shares of stock
11 as they are with respect to a large number of shares. You can be held
12 liable both for your own transactions and for transactions effected by
13 a tippee, or even a tippee of a tippee.

14 18. As a DFT director, Mark was also subject to DFT's blackout policy,
15 which prohibited officers and directors from trading in DFT stock except for a
16 "window period" commencing on the third day following the issuance of DFT's
17 quarterly or annual earnings release through two weeks before the end of the
18 quarter.

19 19. Mark also received a December 16, 2008 email to DFT's officers and
20 directors that had the subject line "Trading Window Closing" and that stated, "The
21 trading window closes effective close of business tomorrow, Wednesday,
22 December 17th, and will not re-open again until we issue our [Q3 2009] earnings
23 in 2009." The email specifically stated that board members could not purchase or
24 sell any DFT stock without preclearance.

25 **DFT's Material, Nonpublic Information Regarding New Leases and Loans**

26 20. DFT develops, owns, operates, and manages wholesale data centers --
27 highly specialized, secure facilities provided to tenants under long-term leases.
28 DFT's tenants, such as Google, Microsoft, and Facebook, use DFT's data centers

1 to house computer servers. Two factors critical to DFT's business success are its
2 obtaining of loans to finance the construction and operation of its data centers and
3 its leasing of the data centers. In early 2009, DFT entered into three new leases
4 and obtained three new loans.

5 21. On February 5, 2009, DFT entered into three new leases, one for data
6 center "ACC4" and two for data center "ACC5," construction of which was to be
7 completed in Q3 2009. As a result of these leases, ACC4 was 94% leased and
8 ACC5 was 57% pre-leased.

9 22. Despite the tight credit market in 2008 and 2009, DFT obtained \$180
10 million in loans under new or existing credit facilities through transactions that
11 were finalized in early 2009. On February 6, 2009, DFT entered into two loan
12 agreements with First Credit Bank, a \$25 million loan to complete the construction
13 of data center ACC5 and a \$5 million loan to pay a portion of the construction cost
14 for data center "SC1." Then on February 10, 2009, DFT increased the amount on
15 an existing loan with a syndicate of banks led by KeyBank. The original loan was
16 for \$100 million and was secured by ACC4. Under an "accordion feature" in the
17 original loan, DFT increased the loan amount to \$250 million by "swapping" loan
18 obligations under a construction loan secured by data center "CH1" to the ACC4
19 loan. As part of this swap transaction, the additional loan proceeds were used to
20 pay off the CH1 construction loan and the CH1 data center was retained as
21 additional security for the ACC4 loan. Information concerning DFT's success in
22 leasing its data center space was extremely important to the syndicate banks that
23 were considering the ACC4 swap transaction because the lease payments drove
24 DFT's cash flow and, beginning in December 2008, the banks were kept updated
25 about leasing status. As a result of these loans, DFT had no debt scheduled to
26 mature until 2011.

27 23. Although the leases and loans were not finalized until early February
28 2009, from mid-December 2008 through mid-January 2009 DFT's CEO was

1 receiving information indicating that DFT was substantially likely to close the
2 leases and loans in the near future. With respect to the leases, the CEO knew by
3 December 18, 2008, that two of DFT's prospective lessees had signed Letters of
4 Intent ("LOIs") with DFT to enter into leases and, by the night of January 6, 2009,
5 that the third prospective lessee had signed an LOI. Although the LOIs were not
6 binding leases, they demonstrated that the parties had come to an understanding on
7 the general outlines of formal contracts and, at DFT, the receipt of signed LOIs
8 were viewed as significant events.

9 24. With respect to the First Credit loans, DFT's CEO received
10 contemporaneous notice that DFT wired a \$300,000 loan fee to First Credit on
11 December 26, 2008. First Credit issued draft loan commitment letters to DFT
12 addressed to DFT's CEO on December 31, 2008. The CEO signed the final First
13 Credit loan commitment letters on January 8, 2009.

14 25. With respect to the KeyBank loan, DFT's CEO originated and
15 proposed to KeyBank the idea for the swap structure of the transaction on
16 November 26, 2008. The CEO received from KeyBank in a December 8, 2008
17 email an estimated closing date for the loan of January 12, 2009 and, in a January
18 8, 2009 email, an assurance that KeyBank was "still tracking for a month end
19 closing". On January 20, 2009, the CEO was advised that all of the banks
20 participating in the KeyBank loan syndicate had given preliminary or final
21 approval to the swap structure except one. On January 27, 2009, the CEO learned
22 that KeyBank likely had another bank willing to replace the one bank that had not
23 yet given its preliminary or final approval to the swap transaction. On February 4,
24 2009, the CEO learned that all banks in the syndicate had approved the swap
25 transaction.

26 **Mark's Initial Knowledge of the DFT Material, Nonpublic Information**

27 26. At a special board meeting on December 22, 2008, DFT's outside
28 directors, including Mark, were advised of material, nonpublic information

1 regarding DFT's pending lease and loan negotiations. With respect to the leases,
2 the DFT board was told about the two new executed LOIs for the ACC4 and ACC5
3 leases and would have been told about the third LOI being negotiated. The board
4 was also provided with a summary of the terms of the First Credit loans and
5 authorized DFT's officers to enter into letters of intent for the First Credit loans.
6 The board also authorized DFT's officers to explore proposals concerning the
7 KeyBank loan renegotiation.

8 27. At 2:24 p.m. (all referenced times are Pacific Standard Time) on
9 January 7, 2009, Mark had an 11-minute telephone call with DFT's CEO. Mark
10 and DFT's CEO discussed material, nonpublic information regarding the then-
11 current status of DFT's pending leases and loans.

12 **Mark's Tipping of Michael and Pirnazar and Michael's and Pirnazar's**
13 **Insider Trading in DFT**

14 28. Michael is a first cousin to Mark and Reza and has had a close
15 personal and business relationship with both of them. They have attended family
16 gatherings at each other's homes and have invested in real estate projects together
17 and, in 2007 and 2008, Michael made two loans to Mark totaling \$1,500,000.
18 Michael knew throughout the relevant period that Mark was a DFT director.

19 29. Mark and Pirnazar have had a long-time personal and business
20 relationship. They met while undergraduates in the early 1970s and were in
21 intermittent contact until Mark hired Pirnazar to work for him at his company in
22 1987. Pirnazar has been acting the CFO of Mark's film production company and
23 his personal business manager since April 2007. In these roles, Pirnazar had
24 frequent conversations with Mark and almost unfettered access to Mark's business
25 affairs, including full access to Mark's office, computer files, electronic calendar,
26 and email. Pirnazar handled all aspects of Mark's business and personal finances,
27 including Mark's stock transactions and clearing his DFT trades with DFT's
28 general counsel's office, and he knew that Mark was a DFT director and that Mark

1 was in a DFT blackout period from mid-December 2008 until after DFT's fourth
2 quarter 2008 earnings release in February 2009.

3 30. On January 7, 2009, shortly after Mark had talked with DFT's CEO,
4 Mark breached his duty to DFT by using the material, nonpublic information
5 regarding DFT's pending leases and loans for personal gain. Specifically, Mark
6 tipped Michael and Pirnazar with the material, nonpublic information regarding
7 pending leases and loans.

8 31. Shortly after Mark's January 7, 2009 call with DFT's CEO, Mark
9 asked Michael to lend him money and discussed purchasing DFT stock. From
10 3:38 p.m. to 3:48 p.m. on January 7, 2009, Mark and Michael had two calls lasting
11 a total of 9 minutes and 44 seconds with Pirnazar during which they discussed how
12 Michael could purchase 100,000 DFT shares for Mark (who was prohibited by
13 DFT's blackout policy from trading in DFT at this time) and Michael and decided
14 that Michael would purchase the shares for the both of them in Michael's name.
15 During these conversations, Mark conveyed material, nonpublic information
16 regarding DFT's pending new leases and loans to Michael and Pirnazar.

17 32. Michael knew or should have known that Mark breached his fiduciary
18 duty to DFT and its shareholders by conveying to Michael the material, nonpublic
19 information regarding DFT's pending new leases and loans and therefore owed his
20 own fiduciary duty to DFT and its shareholders to not trade on material, nonpublic
21 DFT information. Michael breached that fiduciary duty by buying DFT stock.
22 Specifically, on January 8, 2009, the day after Mark tipped Michael, Michael
23 purchased 100,000 DFT shares for \$326,384. From January 9, 2009 through
24 February 5, 2009, Michael purchased an additional net 45,000 DFT shares for
25 \$155,226, specifically: 5,000 shares on January 12, 2009, for \$15,559; 5,000
26 shares on January 13, 2009, for \$14,500; 5,000 shares on January 14, 2009, for
27 \$13,750; 5,000 shares on January 20, 2009, for \$14,250; 5,455 shares on January

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1 29, 2009, for \$21,275; 24,545 shares on January 30, 2009 for \$94,726 (he also sold
2 10,000 shares for \$36,744); and 5,000 shares on February 5, 2009, for \$18,000.

3 33. Pirnazar knew or should have known that Mark breached his fiduciary
4 duty to DFT and its shareholders by conveying to Pirnazar the material, nonpublic
5 information regarding DFT's pending new leases and loans and therefore owed his
6 own fiduciary duty to DFT and its shareholders to not trade on material, nonpublic
7 DFT information. Pirnazar breached that fiduciary duty to DFT and its
8 shareholders by buying DFT stock. From January 13, 2009, through February 10,
9 2009, Pirnazar purchased a total of 10,500 DFT shares at a total cost of \$36,785,
10 specifically: 3,500 shares on January 13, 2009, for \$10,638; 1,000 shares on
11 January 14, 2009, for \$2,750; 1,000 shares on January 20, 2009, for \$2,850; 1,500
12 shares on February 6, 2009, for \$5,985; 1,000 shares on February 9, 2009, for
13 \$4,120; 1,500 shares on February 10, 2009, for \$6,270, and 1,000 shares on
14 February 10, 2009, for \$4,172. Pirnazar purchased the 1,500 shares on February 6
15 and 9, 2009, through an account that was held in his mother's name but over which
16 he had trading authority.

17 34. In the alternative, if Mark spoke with Pirnazar about his and
18 Michael's trading in DFT stock in Pirnazar's capacity as his business manager and
19 not to convey a tip of the information, Pirnazar breached his fiduciary duty to Mark
20 when he purchased the DFT stock from January 13, 2009, through February 10,
21 2009. Pirnazar, as a long-time friend and personal business manager of Mark,
22 knew or reasonably should have known to maintain the confidentiality of the
23 information that Mark conveyed to him.

24 35. At 3:21 p.m. on February 11, 2009, DFT announced that its Q4 2008
25 earnings were \$.10 per share, compared with \$.12 per share the year before and
26 analysts' estimates of \$.08 per share. The positive news highlighted in the
27 earnings release concerned the three new leases and the three new loans discussed
28 above. Several analysts issued reports commenting on DFT's improved leasing

1 and liquidity position, and either maintained or upgraded their DFT stock
2 recommendations to “buy” or “outperform.” DFT’s February 11 release had a
3 material positive effect on the price and trading volume of DFT stock. On
4 February 12, 2009, the day after the announcement, DFT stock closed at \$5.40, up
5 36% from the February 10 closing price of \$3.97, with a trading volume of 2.5
6 million shares, up 264% from the February 10 trading volume of approximately
7 .68 million shares.

8 36. By purchasing their DFT shares after being tipped by Mark with
9 material, nonpublic information regarding DFT’s pending new leases and loans but
10 before the February 11 release, Michael received insider trading profits of
11 \$318,646, and Pirmazar received insider trading profits of \$19,915 (\$15,970 in his
12 accounts and \$3,945 in mother’s account).

13 **Mark’s Additional Knowledge of the DFT Material, Nonpublic Information**

14 37. At 10:57 a.m. on February 4, 2009, Mark received an email from
15 DFT’s general counsel concerning a special DFT board meeting on February 5.
16 The email specifically stated that a table summarizing the terms of the three loans
17 and the three proposed resolutions approving the loans were attached to it.

18 38. On February 5, the DFT board met at 2:00 p.m. and unanimously
19 approved the resolutions approving the three new loans. Mark attended the
20 meeting via teleconference.

21 **Mark’s Tipping of Reza and Reza’s Insider Trading in DFT**

22 39. Reza and Mark are brothers and have close personal and business
23 relationships. They live only a few miles from each other, talk on the telephone
24 almost daily, and see each other two or three times a week. They also invest
25 together in various real estate ventures, and Reza had invested in Mark’s company,
26 Trimark Pictures. Reza knew that Mark was a DFT director.

27 40. On February 5, 2009, Mark breached his duty to DFT by using the
28 material, nonpublic information regarding DFT’s pending leases and loans for

1 personal gain. Specifically, Mark tipped Reza with the material, nonpublic DFT
2 information regarding the pending leases and loans. At 9:04 a.m. on Thursday,
3 February 5, 2009, Reza had a four-minute telephone call with Mark. During this
4 call, Mark tipped Reza with the material, nonpublic information that he had
5 learned regarding DFT's pending new leases and loans.

6 41. Reza knew or should have known that Mark breached his fiduciary
7 duty to DFT and its shareholders by conveying to Reza the material, nonpublic
8 information regarding DFT's pending new leases and loans and therefore owed his
9 own fiduciary duty to DFT and its shareholders to not trade on or to convey to
10 others material, nonpublic DFT information for personal gain. Reza breached that
11 fiduciary duty to DFT and its shareholders by buying DFT stock. At 9:25 a.m. on
12 Thursday, February 5, 2009, just 17 minutes after completing his telephone call
13 with Mark, Reza began purchasing DFT shares, eventually purchasing by February
14 10, 2009, a net total of 214,600 DFT shares at a total cost of \$917,074.
15 Specifically, Reza purchased 26,300 shares on February 5, 2009, for \$94,630;
16 4,100 shares on February 6, 2009, for \$14,350; 48,200 shares on February 9, 2009,
17 for \$208,100; and 136,000 on February 10, 2009, for \$599,994.

18 42. By purchasing the DFT shares after being tipped by Mark of material,
19 nonpublic information regarding DFT's pending new leases and loans but before
20 the February 11 release, Reza received insider trading profits of \$241,767.

21 **Reza's Tipping of Coley and Coley's Insider Trading**

22 43. Coley and Reza have a close personal and business relationship. They
23 have an adult daughter, and Coley occasionally attended Mark and Reza's family
24 gatherings. Coley and Reza have been business partners in a small chain of video
25 stores for almost a quarter century, and Coley has invested in real estate projects
26 with Reza. They also telephoned each other frequently throughout the relevant
27 period; from January 2, 2008 through February 11, 2009, Coley and Reza

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1 exchanged at least 831 telephone calls. Coley knew or should have known
2 that Mark was a director of or was affiliated with DFT.

3 44. After Reza was tipped by Mark of material, nonpublic information
4 regarding DFT's pending new leases and loans on February 5, 2009, as alleged
5 above, Reza breached his fiduciary duty to DFT and its shareholder by using the
6 material, nonpublic information regarding DFT's pending leases and loans for
7 personal gain. Specifically, Reza tipped Coley with the material, nonpublic DFT
8 information regarding the pending leases and loans. As further alleged below,
9 Reza also substantially assisted Coley in her opening a new brokerage account and
10 purchasing 20,050 DFT shares for a total of \$84,650. Specifically:

11 a. At 6:03 p.m. on February 5, 2009, Reza had a six-minute
12 telephone call with Coley.

13 b. At 10:46 a.m. on February 6, 2009, Reza brought Coley into the
14 local branch office of E*Trade Financial where Reza maintained some of his
15 brokerage accounts (the "Branch Office"), so that Coley could open a new
16 brokerage account.

17 c. Between 8:30 a.m. and 12:48 p.m. on February 9, 2009, Reza
18 and Coley exchanged a total of eight telephone calls, which lasted a total of 20
19 minutes.

20 d. At 1:44 p.m. on February 9, 2009, Coley hand delivered an
21 \$85,000 cashier's check to the Branch Office and instructed the brokers that she
22 wanted the check cleared by the next morning so she could buy stocks.

23 e. At 9:31 a.m. on February 10, 2009, Reza called Coley and they
24 had an eight-minute call.

25 f. At 9:38 a.m. on February 10, 2009, during her eight-minute call
26 with Reza, Coley placed an order to purchased 3,000 DFT shares for \$12,902.

27 g. At 9:42 a.m. on February 10, 2009, Reza went into the Branch
28 Office to have a flag removed from Coley's account that restricted trading in the

1 account until Coley's \$85,000 cashier's check cleared. At 9:43 a.m. on February
2 10, 2009, Reza called Coley and had a three-minute call with her.

3 h. At 10:16 a.m. on February 10, 2009, Coley purchased 3,000
4 shares for \$12,880.

5 i. From 10:16-:18 a.m. and at 11:00 a.m. on February 10, 2009,
6 Coley and Reza exchanged telephone calls.

7 j. At 11:03 a.m. on February 10, 2009, Coley purchased 3,000
8 DFT shares for \$12,993.

9 k. From 11:04-:07 a.m. and at 11:31 a.m. on February 10, 2009,
10 Coley and Reza exchanged telephone calls.

11 l. At 11:33 a.m. on February 10, 2009, Coley purchased 3,000
12 DFT shares for \$12,520.

13 m. At 11:55 a.m. on February 10, 2009, Reza called Coley and
14 they had a two-minute call.

15 n. From 12:26 to 12:59 p.m. on February 10, 2009, Coley
16 purchased a total of 8,050 DFT shares for \$33,285.

17 45. Coley knew or should have known that the material, nonpublic DFT
18 information that Reza conveyed to her was improperly obtained and therefore that
19 she owed her own fiduciary duty to DFT and its shareholders not to trade on the
20 material, nonpublic DFT information. Coley breached that duty to DFT and its
21 shareholders by buying DFT stock.

22 46. By purchasing the DFT shares after being tipped by Reza of material,
23 nonpublic information regarding DFT's pending new leases and loans but before
24 the February 11 release, Coley received insider trading profits of \$23,690.

25 **Reza's Tipping of Tashakori and Tashakori's Insider Trading**

26 47. Tashakori, a building contractor, has close personal and business
27 relationships with Reza and Mark. He has known Reza and Mark for
28 approximately 20 years and has attended Amin family gatherings. In addition,

1 throughout the relevant period, he was involved in various construction projects
2 with Reza and Mark, which accounted for about 75% of his overall workload.
3 From January 2, 2008 through February 11, 2009, Mark and Tashakori telephoned
4 each other at least 202 times. Reza and Tashakori telephoned each other even
5 more frequently during this period, exchanging at least 1,456 calls. Tashakori
6 knew or should have known that Mark was a director or was affiliated with DFT.

7 48. After Reza was tipped by Mark of material, nonpublic information
8 regarding DFT's pending new leases and loans on February 5, 2009, as alleged
9 above, Reza breached his fiduciary duty to DFT and its shareholders by using the
10 material, nonpublic for personal gain. Specifically, Reza tipped Tashakori with the
11 material, nonpublic DFT information regarding the pending leases and loans. As
12 further alleged below, Reza also substantially assisted Tashakori in his opening a
13 new brokerage account and purchasing 15,000 DFT shares for a total of \$66,521.
14 Specifically:

15 a. At 1:52 p.m. on February 5, 2009, Tashakori opened a new
16 brokerage account at the Branch Office on Reza's recommendation.

17 b. From 9:59 a.m. to 1:41 p.m. on February 6, 2009, Reza and
18 Tashakori exchanged five calls lasting a total of 19 minutes.

19 c. At 2:02 p.m. on February 6, 2009, Tashakori delivered a
20 \$100,000 cashier's check to the Branch Office.

21 d. At 10:42 a.m. on February 9, 2009, Tashakori called his
22 brokerage firm to clear his \$100,000 cashier's check so he could start purchasing
23 stock.

24 e. At 10:56 a.m. on February 9, 2009, Tashakori called Reza and
25 had a seven-minute conversation.

26 f. At 11:14 a.m. on February 9, 2009, Tashakori was told by his
27 brokerage firm that the hold on his cashier's check was removed and he could
28 begin buying stock.

1 g. At 11:54 a.m. on February 9, 2009, Tashakori called Reza and
2 had a six-minute conversation.

3 h. At 12:04 p.m. on February 9, 2009, Tashakori purchased
4 10,000 DFT shares for \$44,903.

5 i. From 12:11 to 1:19 p.m. on February 9, 2009, Tashakori and
6 Reza exchanged six calls lasting a total of 19 minutes.

7 j. At 7:30 and 7:50 a.m., Tashakori, in two orders, purchased a
8 total of 5,000 shares for \$21,618.

9 49. Tashakori knew or should have known that the material, nonpublic
10 DFT information that Reza conveyed to him was improperly obtained and
11 therefore that he owed his own fiduciary duty to DFT and its shareholders not to
12 trade on the material, nonpublic DFT information. Tashakori breached that
13 fiduciary duty to DFT and its shareholders by buying DFT stock.

14 50. By purchasing the DFT shares after being tipped by Reza of material,
15 nonpublic information regarding DFT's pending new leases and loans but before
16 the February 11 release, Tashakori received insider trading profits of \$14,479.

17 **CLAIM FOR RELIEF**

18 **FRAUD IN CONNECTION WITH THE**

19 **PURCHASE OR SALE OF SECURITIES**

20 **Violations of Section 10(b) of the Exchange Act**

21 **and Rules 10b-5(a) and (c) Thereunder**

22 51. The Commission realleges and incorporates by reference paragraphs 1
23 through 50 above.

24 52. Each of the Defendants, by engaging in the conduct described above,
25 directly or indirectly, in connection with the purchase or sale of a security, by the
26 use of means or instrumentalities of interstate commerce, of the mails, or of the
27 facilities of a national securities exchange, with scienter:

28 a. employed devices, schemes, or artifices to defraud; or

1 b. engaged in acts, practices or courses of business which
2 operated or would operate as a fraud or deceit upon other
3 persons.

4 53. By engaging in the conduct described above, each of the Defendants
5 violated, and unless restrained and enjoined will continue to violate, Section 10(b)
6 of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder
7 [17 C.F.R. §§ 240.10b-5(a) &(c)].

8 **PRAYER FOR RELIEF**

9 WHEREFORE, the Commission respectfully requests that the Court:

10 **I.**

11 Issue findings of fact and conclusions of law that the defendants committed
12 the alleged violations.

13 **II.**

14 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),
15 permanently enjoining the Defendants and their agents, servants, employees,
16 attorneys, and those persons in active concert or participation with them, who
17 receive actual notice of the order by personal service or otherwise, from violating
18 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder,
19 17 C.F.R. § 240.10b-5.

20 **III.**

21 Enter an order, pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C.
22 § 78u(d)(2), prohibiting Mark from acting as an officer or director of any issuer
23 that has a class of securities registered pursuant to Section 12 of the Exchange Act,
24 15 U.S.C. § 781, or that is required to file reports pursuant to Section 15(d) of the
25 Exchange Act, 15 U.S.C. § 78o(d).

26 **IV.**

27 Order the Defendants to disgorge, with prejudgment interest, the illegal
28 trading profits described herein, including, as to each Defendant, their own illegal

1 trading profits, and, as to each tipper, the illegal trading profit of their direct and
2 indirect tippees.

3 **V.**

4 Order each Defendant to pay a civil penalty under Section 21A of the
5 Exchange Act, 15 U.S.C. § 78u-1.

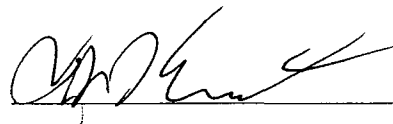
6 **VI.**

7 Retain jurisdiction of this action in accordance with the principles of equity
8 and the Federal Rules of Civil Procedure in order to implement and carry out the
9 terms of all orders and decrees that may be entered, or to entertain any suitable
10 application or motion for additional relief within the jurisdiction of this Court.

11 **VII.**

12 Grant such other and further relief as this Court may determine to be just and
13 necessary.

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15 DATED: May 7, 2012



16
17 David J. Van Havermaat
18 Attorney for Plaintiff
19 Securities and Exchange Commission
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