



*United States Attorney
Southern District of New York*

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**TRADER PLEADS GUILTY IN FEDERAL COURT
TO A \$300,000 SECURITIES AND WIRE FRAUD**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that DANIEL E. EMMENEGGER, a trader on the floor of the American Stock Exchange, pled guilty today in Manhattan federal court to securities and wire fraud charges in connection with a scheme to defraud his employer, Susquehanna International Group, LLP ("Susquehanna"), a specialist firm and member of the American Stock Exchange.

In his guilty plea, EMMENEGGER admitted to using his position as a trading assistant, and later as a market maker with Susquehanna, to cause his firm to execute numerous index option trades at off-market prices, resulting in a loss to Susquehanna of more than \$300,000. EMMENEGGER pled guilty to one count of securities fraud and four counts of wire fraud. The Indictment charged EMMENEGGER with causing Susquehanna to make trades in index options at off-market prices with accounts that EMMENEGGER controlled at a Connecticut broker-dealer, thereby profiting at

Susquehanna's expense.

For example, as charged in the Indictment, EMMENEGGER purchased option contracts from his firm at a price of \$31.50 while the prevailing market price for the contract was approximately \$58.60. On the following day, EMMENEGGER sold the contracts back to his firm at a price of \$55.00, while the prevailing market price for the contract was approximately \$46.40. EMMENEGGER pled guilty to executing trades in this manner from July 2002 through March 2004.

EMMENEGGER, a Swiss citizen, was arraigned and pled guilty today before United States District Judge GERARD E. LYNCH.

EMMENEGGER faces a maximum sentence of 20 years' imprisonment on each of the five counts, and fines of as much as \$5 million on the securities fraud offense and \$250,000 or twice the gross gain or loss resulting from the wire fraud offenses. Sentencing is scheduled for July 23, 2004, at 2:30 p.m. before Judge LYNCH.

Mr. KELLEY commended the efforts of the Criminal Investigators of the United States Attorney's Office in this matter, and thanked the United States Securities and Exchange Commission for its assistance. Mr. KELLEY noted that Susquehanna brought these issues to the attention of the United States Attorney's Office and cooperated in the investigation.

Assistant United States Attorney SCOTT L. MARRAH is in charge of the prosecution.