



*United States Attorney
Southern District of New York*

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**FORMER TRADER SENTENCED TO 33 MONTHS
IN FEDERAL PRISON FOR SECURITIES AND WIRE FRAUD**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that DANIEL E. EMMENEGGER, a former trader on the floor of the American Stock Exchange, was sentenced today in Manhattan federal court to 33 months in prison as a result of his participation in a scheme to defraud his employer, Susquehanna International Group, LLP ("Susquehanna"), a specialist firm and member of the American Stock Exchange.

The sentence followed EMMENEGGER'S April 2004 guilty plea to one count of securities fraud and four counts of wire fraud. According to the Indictment filed against him, as well as his statements in connection with his guilty plea, EMMENEGGER used 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. According to the Indictment and his statements, EMMENEGGER caused 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. In his guilty plea, EMMENEGGER admitted executing such trades from July 2002 through March 2004.

United States District Judge GERARD E. LYNCH, who sentenced EMMENEGGER, also ordered him to pay restitution in the amount of \$301,092.

Mr. KELLEY thanked the United States Securities and Exchange Commission for its assistance in this case.

Mr. KELLEY also noted that Susquehanna cooperated in the investigation.

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