

FILED
2/4/2025

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THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

No. 25 CR 30-3

v.

Hon. John F. Kness
District Court Judge

ROBERT QUATTROCCHI

AGREEMENT TO DEFER PROSECUTION

The UNITED STATES OF AMERICA, by its attorney, MORRIS PASQUAL, Acting United States Attorney for the Northern District of Illinois, and the defendant, ROBERT QUATTROCCHI, and his attorney, MASON FLOYD, hereby agree to the following:

Defendant has been charged by indictment with securities fraud and conspiracy to commit securities fraud, 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 371. By signing this agreement, defendant agrees that, pursuant to Title 18, United States Code, Section 3161(h)(2), the period during which this prosecution is delayed pursuant to this Agreement is to be excluded in computing the time within which the trial in this case must commence under the Speedy Trial Act. Defendant knowingly waives his right to assert that his trial did not occur within the time limits prescribed by the Speedy Trial Act for 18 months or until the end of his cooperation, whichever is longer.

The United States Attorney will move the district court, pursuant to Title 18, United States Code, Section 3161(h)(2), to defer the prosecution of defendant on the indictment for 18 months or until his cooperation with the government is completed, whichever is later, for the purpose of allowing defendant to demonstrate his good conduct during this period. For the purpose of demonstrating his good conduct, defendant agrees to abide by the conditions and requirements of this Agreement set out below.

Conditions of Pretrial Diversion

1. Defendant shall not violate any federal, state, or local law (excluding minor traffic and parking infractions). Defendant shall immediately contact his pretrial diversion supervisor if arrested and/or questioned by any law enforcement officer.

2. Defendant shall attend school or work regularly at a lawful occupation or otherwise comply with the terms of the special program described below. If defendant loses his job, defendant shall notify his pretrial diversion supervisor at once. Defendant shall consult his pretrial diversion supervisor prior to job changes.

3. Defendant shall report to his pretrial diversion supervisor as directed, comply with his or her instructions, and keep him/her informed of defendant's whereabouts.

4. Defendant shall participate in, and abide by, any and all programs and examinations as directed by the assigned pretrial diversion supervisor.

5. Defendant shall continue to reside in his current judicial district. If you intend to move out that district, you shall inform your pretrial diversion supervisor so the Pretrial Services Office and the government can determine whether it is possible and appropriate to transfer responsibility for your supervision.

6. Defendant shall not travel outside the Northern District of Illinois without first obtaining the approval of your pretrial services officer.

7. Defendant shall not possess or apply for any Firearm Owner's Identification card.

8. Defendant shall complete 50 documented hours of community service. The specific type of community service performed must be approved by both Pretrial Services and the government.

9. Defendant agrees that he will fully and truthfully cooperate in any matter in which he is called upon to cooperate by a representative of the United States Attorney's Office for the Northern District of Illinois. This cooperation shall include providing complete and truthful information in any investigation and pre-trial preparation and complete and truthful testimony in any criminal, civil or administrative proceeding.

10. During the period of this Agreement, defendant shall pay any civil disgorgement, penalties, and interest owed to the United States Securities and Exchange Commission.

Defendant agrees to be supervised by the pretrial services office and be subject to the Conditions of Pretrial Diversion set forth above for a period of 18 months. Defendant acknowledges that the government will not move to dismiss the

indictment in this case until defendant's cooperation is complete. Defendant agrees that his cooperation may be required beyond the 18 months of supervision and that, following the expiration of the supervision period, he will still be subject to any pretrial release order entered by the Court.

Admissions by Robert Quattrocchi

By signing this Agreement, defendant admits the following facts and agrees that these admissions may be used against him in any proceeding for any purpose, including as admissions, in the event that the government subsequently determines that he has breached this Agreement and the United States resumes or institutes prosecution of the charge against defendant in the indictment, or any other charge:

Beginning in or around December 2021, and continuing until in or around February 2022, in the Northern District of Illinois, Eastern Division, and elsewhere, Robert Quattrocchi conspired with Anthony Marsico, Arthur Pizzello, and Timothy Carey, to commit an offense against the United States, that is, to willfully use and employ, by the means and instrumentalities of interstate commerce and the facilities of national securities exchanges, directly and indirectly, in connection with the purchase and sale of securities, a manipulative and deceptive device and contrivance, in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing a device and scheme to defraud; and (b) engaging in an act, practice, and a course of business which operated and would operate as a fraud and deceit upon any person, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a), and Title 17, Code of Federal Regulations, Section 240.10b-5.

More specifically, Quattrocchi was friends with Marsico, Pizzello, and Carey and they all belonged to the same golf club. Quattrocchi knew that Marsico was an employee at Company A and had access through his employment to material nonpublic information about Company A.

In or around December 2021, Pizzello told Quattrocchi to buy stock in Company B. In particular, Pizzello told Quattrocchi that Company A would acquire Company B, and that this information came from "our friend," who Quattrocchi understood to be Marsico. Pizzello further told Quattrocchi that the information was confidential and not to tell anyone else. Pizzello told Quattrocchi that Pizzello was only telling this information to Quattrocchi and Carey.

Between December 2021 and January 2022, Quattrocchi started purchasing shares of Company B stock. Specifically, on or about January 4, 2022, while on the phone with Pizzello, Quattrocchi made his first purchase of Company B stock. Quattrocchi had never before purchased Company B stock and had never heard of

the company before Pizzello told him about it. Quattrocchi also continued to speak with Pizzello about purchasing Company B's stock throughout the month of January 2022. Quattrocchi also monitored the price of Company B's stock during January 2022, and sold some of the stock at certain points when he noticed that Company B's stock price was more than what he had initially paid for the stock. Quattrocchi though held onto the majority of his Company B.

On or about February 1, 2022, Company A publicly announced its acquisition of Company B. On January 31, 2022, at the close of the trading day, Company B's stock was trading at approximately \$1.64 a share. On February 1, 2022, at the close of the trading day and after the acquisition announcement, Company B's stock was trading at approximately \$2.34, which was a 42.2% increase in the price of Company B's stock. After the acquisition announcement, Quattrocchi sold his Company B stock and made approximately \$27,678 in profits.

In total, Quattrocchi used material nonpublic information that he learned from Pizzello about Company A's acquisition of Company B in December 2021 and January 2022 to purchase 61,607 shares of Company B stock across approximately 39 separate transactions.

Further Agreements Between the Parties

If, at any point during the period of this Agreement, defendant violates any condition of this Agreement, the Acting United States Attorney may unilaterally revoke or modify any conditions of this Pretrial Diversion Agreement and/or change the period of supervision, which shall in no case exceed twenty-four months. The Acting United States Attorney may release defendant from supervision at any time. The Acting United States Attorney may at any time within the period of defendant's supervision initiate prosecution for this offense should defendant violate the conditions of this Agreement. In this case the government will furnish defendant with notice specifying the conditions of the Agreement which defendant has violated. Determination of whether defendant has violated this Agreement shall be within the sole discretion of the Acting United States Attorney.

If defendant successfully completes this diversion program and fulfills all the terms and conditions of the Agreement, the government will move the Court to dismiss the indictment against defendant.

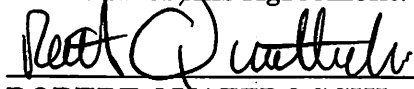
Defendant understands that this Agreement is a public document and may be disclosed to any party.

Defendant understands that pursuant to Title 18, United States Code, Section 3161(h)(2), this Agreement is subject to approval by the Court. Should the Court refuse to approve, and thereby reject, this Agreement, neither party shall be bound to any term of this Agreement, and no admissions in this Agreement may be used against defendant.

Waiver of Claims Arising From Delay

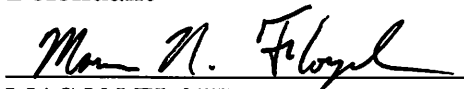
I, ROBERT QUATRROCCHI, assert and certify that I am aware of the fact that the Sixth Amendment to the Constitution of the United States provides that in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial. I also am aware that Rule 48(b) of the Federal Rules of Criminal Procedure provides that the Court may dismiss an indictment, information, or complaint for unnecessary delay in presenting a charge to the Grand Jury, filing an information or in bringing a defendant to trial. I hereby request the United States Attorney for the Northern District of Illinois to defer any prosecution of me for violation of Title 18, United States Code, Section 371 (conspiracy to commit securities fraud) until the completion of my cooperation, and to induce the United States Attorney to defer such prosecution I agree and consent that any delay from the date of this Agreement to the date of initiation of prosecution, as provided for in the terms expressed herein, shall be deemed to be a necessary delay at my request, and I waive any defense to such prosecution on the ground that such delay operated to deny my rights under Rule 48(b) of the Federal Rules of Criminal Procedure and the Sixth Amendment to the Constitution of the United States to a speedy trial or to bar the prosecution by reason of the running of the statute of limitations for a period of months equal to the period of this agreement.

Defendant acknowledges that he has read this Agreement and has carefully reviewed each provision with his attorney. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.



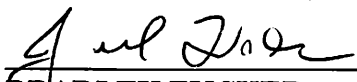
ROBERT QUATTROCCHI
Defendant

Date: 2-4-25



MASON FLOYD
Attorney for Robert Quattrocchi

Date: 2-4-2025



BRADLEY TUCKER
JARED HASTEN
Assistant U.S. Attorneys

Date: 2-4-25