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CAST OF LEMRICK COURT CHARACTERS OUGHT TO BE IN PICTURES

By STEVE DUNLEAVY

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LEMIRICK NELSON
Third trial over stabbing.

Quijano, a heck of a lawyer, shared one legal argument that had my jaw dropping on my chest.

May 11, 2003 -- THE cast of characters in the case of Lemrick Nelson is there for Hollywood to take - whether it draws on "Law & Order" or Damon Runyon.

The Runyon side is represented by defense attorney Peter Quijano, "Peter Perfect."

He wears tailor-made suits, looks like a movie star and wears a pair of cherry-colored custom-made cowboy boots.

He is obsessed with his Scotch terrier, "Watson," who listens to all of Peter Perfect's legal arguments before he goes to court.

Conceding that Nelson was the stabber in the death of Yankel Rosenbaum, he said, "This is not a murder trial. Part of the elements of this case is whether Nelson deprived Yankel of his civil rights, preventing him to walk down a public street.

"The crowd wasn't shouting 'Get the Jew off the street.' "

True, they got Yankel Rosenbaum off the sidewalk as he ran for his life down President Street, until Lemrick Nelson assured he would never walk down a street, any street, in his life again.

His co-counsel, Richard Jasper, told me with a smile, "Oh, Pete is very colorful, but you've got to be careful of the quiet ones like me."

The prosecution is represented by two young prosecutors, Christina Dugger and Lauren Resnick.

Their careers followed almost parallel paths: stunning performances at law school, clerking for top judges and now prosecuting one of the most racially sensitive cases in New York history.

Then, of course, there is Norman Rosenbaum, brother of slain Yankel. He is a top

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international tax lawyer and dresses in traditional Orthodox garb.

When Norman speaks, listeners don't know if he is speaking or if I am. We both are Australians.

After 12 years of this ugly story, Norman has seen it all and suppresses his anger and his emotions, with the exception of one subject.

That is, Carmel Cato, West Indian-born man and the father of Gavin Cato. His 7-year-old son was crushed to death in the tragic accident that triggered the inferno of Crown Heights in 1991.

"Mr. Cato is an immaculate man, a powerhouse of morality, decency, hard work and someone who is intent on healing wounds," said Norman.

Every day, Lemrick Nelson Sr. sits in the courtroom, with 12 years of tragedy etched on his face.

How could his boy have done this?

"My boy tells me not to speak to anyone, but sir, please have a good day," he said.

The jury crosses racial lines, with eight African-Americans and four whites.

We all pray that while the jury crosses racial lines, they do not stand behind them. Because this is where Brooklyn can show Los Angeles that they don't give favor to the O.J. Simpsons of this world because of the color of their skin.

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May 11, 2007

6 Former Workers at a Day Trading Firm Are Acquitted

By JENNY ANDERSON

A federal jury in Brooklyn yesterday acquitted two former stockbrokers and four former employees of the A. B. Watley Group, a day trading firm, of securities fraud in what became known as the “squawk box” case.

The brokers were accused of allowing, in exchange for kickbacks, a group of day traders to listen to and to trade on confidential information about customer trades that was broadcast over an interoffice intercom, or squawk box.

The jury remained deadlocked on a final charge of conspiracy to commit securities fraud, and at the government’s request, the judge declared a mistrial. Prosecutors will now have to decide whether to retry the conspiracy charge, which carries a maximum prison sentence of 25 years.

“We feel incredibly vindicated,” said Jeffrey C. Hoffman, a lawyer for David G. Ghysels Jr., a former broker for Lehman Brothers who was one of the defendants. “We said from the beginning it was an unfair way to treat these people, because there were no rules determining the use of squawk boxes in all the policy manuals and all the rules and regulations so carefully applied in the industry.”

A seventh defendant, Timothy O’Connell, a former Merrill Lynch stockbroker, was found guilty of witness tampering and making false statements but acquitted of securities fraud. Mr. O’Connell’s lawyer could not be reached for comment last night.

The defendants had faced a total of 41 charges.

The partial verdict is a blow to the government, coming at a time when the number of insider trading cases has surged. Whether involving trading in stocks or options ahead of deals or ahead of large trades or trading in the relatively new credit default swap market, where traders can buy an insurancelike product against the likelihood of default, cases about the misuse of inside information have been a focus of federal regulators. In recent days, authorities have brought three separate insider cases, involving trading in places as far-flung as Hong Kong and

Pakistan, as well as in the United States.

And yesterday's partial verdict was somewhat surprising given that federal prosecutors had obtained at least 10 guilty pleas earlier in the case.

A spokesman for the United States attorney's office in Brooklyn declined to comment.

The squawk box case highlighted a contentious issue on Wall Street: the value of information about trade flow. According to the federal indictment and a complaint filed by the Securities and Exchange Commission, a group of day traders at A. B. Watley cut a deal with brokers at top brokerage firms, including Lehman Brothers, Citigroup and Merrill Lynch to listen in on squawk-box conversations regarding big purchases and sales of stocks.

The day traders, the government argued, profited on that information by front-running, or buying or selling according to what the customers were doing. If a big customer like the mutual fund giant Fidelity Investments was selling, for example, the stock price would be expected to fall. Conversely, if a big client was buying stock, the price would probably rise. The government said that the brokers were given kickbacks in the form of cash and commissions that were generated through fake trades.

In response, lawyers for the defendants argued that the conduct described by the government was not explicitly prohibited at the firms, that the information was not confidential and that no customers were harmed.

"There were no clear prohibitions on conduct here," said Roland G. Riopelle, a lawyer at Sercarz & Riopelle who represented Robert F. Malin, the president of A. B. Watley.

The decision was particularly surprising considering the number of guilty pleas and the fact that a major architect of the arrangement scheme was the government's pivotal witness.

John J. Amore, who joined A. B. Watley in 2002 and was once its chief executive, pleaded guilty to mail fraud and conspiracy to commit securities fraud in 2004.

Mr. Amore testified that he paid brokers to provide open-line access to squawk boxes starting in 2000 and later at A. B. Watley. When asked how the squawk box revenue helped the firm, Mr. Amore said, "It took an insolvent firm and brought it to life."

The other defendants who were acquitted are Kenneth E. Mahaffy, a former broker at Merrill Lynch and Citigroup; Linus N. Nwaigwe, a compliance director at A. B. Watley who had previously worked as a compliance examiner for NASD; Michael A. Picone, a former chief

operating officer at A. B. Watley; and Keevin H. Leonard, a former supervisor of day traders at A. B. Watley.

All of the defendants continue to face civil charges from the S.E.C.

If the government decides to retry the conspiracy charge, it needs only to prove that the defendants intended to commit securities fraud. "All the government has to do is prove that the defendants and at least one other person agreed to commit the crime, planned to commit the crime, not that they committed the crime," said Evan Barr, a former federal prosecutor who is now a lawyer at Steptoe & Johnson.

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Lawyers: Trading executives were tricked by con man

Wed May 2, 2007 4:46PM EDT

By Emily Chasan

NEW YORK, May 2 (Reuters) - Executives at now-defunct day trading firm A.B. Watley Inc. did not willfully participate in an illegal scheme to front-run trades from brokerage "squawk boxes," but were tricked by their firm's one-time chief executive, their lawyers argued on Wednesday.

"Squawk boxes" are desktop loudspeakers that traders use to announce institutional orders to buy and sell large blocks of securities, so that their firms' brokers can locate another client who wants to take the other side of the trade.

Prosecutors accuse former stock brokers at Merrill Lynch (MER.N: Quote, Profile, Research, Citigroup (C.N: Quote, Profile, Research and Lehman Brothers Holdings Inc. (LEH.N: Quote, Profile, Research of taking bribes in exchange for allowing day traders at A.B. Watley to listen to their firm's squawk boxes through open telephone lines.

They charge that the Watley day traders generated at least \$650,000 from 2002 to 2004 in illegal trading profits by buying or selling ahead of the large orders they heard about on the boxes -- an illegal practice known as "front-running."

But in closing arguments at U.S. district court in Brooklyn on Wednesday lawyers told a jury Watley's former chief executive, John Amore, masterminded the entire scheme and tricked the other executives he worked with.

Amore pleaded guilty to securities fraud charges in 2004 and is cooperating with the government in exchange for leniency.

"He (Amore) told them, 'I can help you out, I can help you save your business,'" said Roland Riopelle, an attorney representing former A.B. Watley President Robert Malin. "They didn't know they were committing a fraud and he used them, used them like pawns."

'VERSION OF THE TRUTH'

Amore testified last month that he had told people at A.B. Watley that their use of the boxes was a "gray area" of the law. The Watley executives believed him, their lawyers said.

"Amore would give them the song and dance. My client didn't believe it was a song and dance," said Thomas Dunn, an attorney for Keevin Leonard, who supervised Watley's traders

But also in his testimony last month, Amore revealed a checkered past. He said at one time he had been involved in a front-running scheme with a New York Stock Exchange clerk, and had lied to investors in a hedge fund he ran about his education and the fund's performance.

In their closing arguments, defense lawyers characterized his testimony as just another story Amore was trying to tell the jury.

"The government chose to believe its own version of the truth, Amore's version of the truth," said Peter Quijano, a lawyer representing Watley's former compliance officer, Linus Nwaigwe. "They were seduced, conned by Amore, like he had conned and lied to so many of them before."

SELF REPORTED

Defense attorneys also attempted to poke holes in the government's case by pointing out that Nwaigwe, who had once worked for the National Association of Securities Dealers (NASD), had voluntarily told government regulators he had concerns Amore was embezzling from A.B. Watley.

"If Linus was any part of this conspiracy, if senior management was any part of this conspiracy he never would have self reported," Quijano said. "He would have known he would be starting them on a trail that would lead them back to themselves."

Prosecutors contend former Watley executives had self reported to cover up and throw off regulators.

In the government's rebuttal, Prosecutor Michael Asaro said the government's case rests on their belief that the brokers and traders knew about the front-running.

Each defendant could get a maximum of 25 years in jail and fines of \$250,000 on each of the conspiracy and securities fraud charges they face.

The jury, which will also evaluate the the three former brokers accused in the case, is expected to begin deliberations on Thursday.

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MALE CHEST REDUCTION

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'Gorgeous' trial 'win'

By ZACH HABERMAN

It wasn't pretty — but "Vinnie Gorgeous" will take it.

The former acting boss of the Bonanno crime family, Vincent "Vinnie Gorgeous" Basciano, was convicted yesterday of attempting to murder a man running a rival gambling operation and a number of illegal gambling charges that could put him away for up to 20 years.

But after six days of deliberations, a Brooklyn federal jury could not decide whether he committed the 2001 murder of Frank Santoro, a decision that brought a sly smirk to the defendant's face as the verdict was read.

The debonair don — who seems to never have a single hair out of place and is always tan despite having been in prison for years — immediately locked eyes with prosecutor Greg Andres.

He is accused of trying to have Andres killed for decimating the Bonanno family through numerous convictions. Basciano will go



'VINNY GORGEOUS'
Spit verdict thrills mobster.

to trial on those charges next year.

The two glared at each other for a few seconds before Basciano turned away grinning. Basciano, 46, skirted a possible life sentence with the hung jury, which came after one juror said he just didn't believe the mob stool pigeons who were paraded onto the witness stand during the ten-week trial.

The panel sent out a note yesterday afternoon that said only one person was holding out on a conviction, leading Judge Nicho-

las Garauis to accept a partial verdict. Basciano was found guilty of trying to kill rival numbers runner David Nuñez, who is currently in prison for child molestation.

"I think it's a good result for Vinnie," his lawyer, Barry Levin, said. "He is good spirits."

Levin said the holdout's meaning sends a message to the feds: "Stop making deals with human garbage. What the jury said is, 'We don't believe the rats.'"

The pair will be sentenced on Sept. 22.

The most damaging turn-of-coat testimony against Basciano came from Dominick Cicale — his former protégé.

Cicale testified he and Basciano murdered Santoro in February 2001 because Santoro had plotted to kidnap one of Basciano's sons.

Patrick DeFilippo, a Bonanno capo, was also convicted yesterday of trying to kill Nuñez, but like his co-defendant, was able to skirt more serious charges. zach.haberman@nypost.com

Court kicks sick brick guy

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May 15, 2003

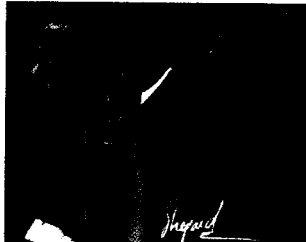
Mr. Peter Quijano, Esq.
Quijano & Ennis, P.C.
432 Park Avenue South, Suite 700
New York, N.Y. 10016



5/13/02



4/8/03 #1 pretrial



4/8 #2



4/28 #1 Opening



4/28 #2 Opening



4/28 #3 Witness



4/28 #4 TV Witness



5/6 #1 Closing



5/6 #2 Closing



5/7 #1 Closing



5/7 #2 Rebuttal



5/7 #3 Charge



5/8 Delib 1



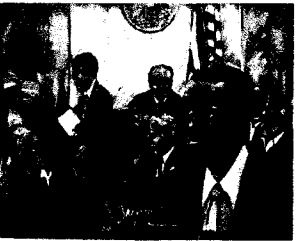
5/9 Delib 2



5/12 Delib 3



5/13 Delib 4



5/14 #1 Verdict



5/14 #2 Verdict



5/14 #3 Verdict

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