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UNITED STATES OF AMERICA, :
-v- :
VINCENT F. CHIARELLA, :
Defendant. :
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INDICTMENT
77 Cr.

COUNTS ONE THROUGH SEVENTEEN

The Grand Jury charges:

1. From on or about September, 1975 up to and including December, 1976, in the Southern District of New York, VINCENT F. CHIARELLA, the defendant, unlawfully, wilfully and knowingly did, directly and indirectly, by use of means and instrumentalities of interstate commerce and the mails, in connection with the purchase and sale of securities, (a) employ devices, schemes and artifices to defraud; (b) obtain money and property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engage in transactions, practices, and courses of business which would operate as a fraud and deceit upon the sellers of the aforementioned securities.

2. Among the means by which the defendant VINCENT F. CHIARELLA committed said offenses were the following:

a) On or about September 3, 1975, the defendant, VINCENT F. CHIARELLA, while employed in the composing room of Pandick Press, Inc., obtained material non-public information indicating that a tender offer was to be made in the near future for the common stock of USM Corporation. On or about

September 5, 1975, the defendant, VINCENT F. CHIARELLA, purchased in his own brokerage account 200 shares of the common stock of USM Corporation and in an account in the name of Lawrence Chiarella, his father, 100 shares of the common stock of USM Corporation without disclosing the material non-public information he had obtained in connection with his employment. On or about September 9, 1975, after Emhart Corporation publicly announced that it was making a tender offer for the common stock of USM Corporation, CHIARELLA sold the shares in USM Corporation in his own account at a profit of approximately \$648.64 and the shares in Lawrence Chiarelli's account at a profit of approximately \$370.47.

b) On or about February 4, 1976, the defendant, VINCENT F. CHIARELLA, while employed in the composing room of Pandick Press, Inc., obtained material non-public information indicating that Colgate-Palmolive Company proposed in the near future to merge with Riviana Foods, Inc. From on or about February 5, 1976 to February 10, 1976, the defendant, VINCENT F. CHIARELLA, purchased in his brokerage account 2300 shares of the common stock of Riviana Foods, Inc., without disclosing the material non-public information he had obtained in connection with his employment. From on or about February 26 to March 16, 1976 after Colgate-Palmolive Company publicly announced that it was merging with Riviana Foods, Inc., CHIARELLA sold his shares in Riviana Foods Inc., at a profit of approximately \$8948.55.

c) On or about October 6, 1976, the defendant, VINCENT F. CHIARELLA, while employed in the composing room of Pandick Press, Inc., obtained material non-public information indicating that a tender offer was to be made in the near

future for the common stock of Food Town Stores Inc. On or about October 11, 1976, the defendant, VINCENT F. CHIARELLA, purchased in his brokerage account 1100 shares of the common stock of Food Town Stores Inc., without disclosing the material non-public information he had obtained in connection with his employment. From on or about October 21 to December 1, 1976, after Establishment Delhaize Freres et Cie publicly announced that it was making a tender offer for the common stock of Food Town Stores, Inc., CHIARELLA sold and tendered his shares in Food Town Stores, Inc., at a profit of approximately \$2990.30.

d) On or about October 10, 1976, the defendant, VINCENT F. CHIARELLA, while employed in the composing room of Pandick Press, Inc., obtained material non-public information indicating that a tender offer was to be made in the near future for the common stock of Booth Newspapers, Inc. On or about October 21, 1976, the defendant, VINCENT F. CHIARELLA, purchased in his brokerage account 100 shares of the common stock of Booth Newspapers, Inc., without disclosing the material non-public information he had obtained in connection with his employment. On or about October 22, 1976, after Times Mirror Company publicly announced that it was making a tender offer for the common stock of Booth Newspapers, Inc., CHIARELLA sold his shares in Booth Newspapers, Inc., at a profit of approximately \$914.56.

e) On or about November 9, 1976, the defendant, VINCENT F. CHIARELLA, while employed in the composing room of Pandick Press, Inc., obtained material non-public information indicating that a tender offer was to be made in the near future for the

common stock of Sprague Electric Company. On or about November 10, 1976, the defendant, VINCENT F. CHIARELLA, purchased in his brokerage account 2200 shares of the common stock of Sprague Electric Company, without disclosing the material non-public information he had obtained in connection with his employment. On or about November 15, 1976, after General Cable Corp. publicly announced that it was making a tender offer for the common stock of Sprague Electric Company, CHIARELLA sold his shares in Sprague Electric Company, at a profit of approximately \$16,138.87.

3. On or about the dates hereinafter set forth in the Southern District of New York, VINCENT F. CHIARELLA, the defendant, unlawfully, wilfully and knowingly did use and cause to be used means and instrumentalities of interstate commerce and the mails pursuant to and in furtherance of the scheme alleged in paragraph 2, by sending and causing to be sent to himself letters confirming purchases of shares of common stock:

<u>COUNT</u>	<u>APPROXIMATE DATE</u>	<u>SECURITY</u>	<u>NO. OF SHARES</u>
1	Sept 5, 1975	USM Corporation	200
2	Sept 5, 1975	USM Corporation	100
3	Feb 5, 1976	Riviana Foods, Inc.	200
4	Feb 6, 1976	Riviana Foods, Inc.	300
5	Feb 6, 1976	Riviana Foods, Inc.	200
6	Feb 6, 1976	Riviana Foods, Inc.	500
7	Feb 9, 1976	Riviana Foods, Inc.	400
8	Feb 9, 1976	Riviana Foods, Inc.	500
9	Feb 10, 1976	Riviana Foods, Inc.	100
10	Feb 10, 1976	Riviana Foods, Inc.	100
11	Oct 11, 1976	Food Town Stores, Inc.	200
12	Oct 11, 1976	Food Town Stores, Inc.	900

<u>COUNT</u>	<u>APPROXIMATE DATE</u>	<u>SECURITY</u>	<u>NO. OF SHARES</u>
13	Oct 21, 1976	Booth Newspapers, Inc.	100
14	Nov 10, 1976	Sprague Electric Company	1200
15	Nov 10, 1976	Sprague Electric Company	1500
16	Nov 10, 1976	Sprague Electric Company	200
17	Nov 10, 1976	Sprague Electric Company	300

(Title 15, United States Code, Section 78j(b) and 78ff,
Rule 10b-5 [17 C.F.R. §240.19b-5] and Title 18, United
States Code, Section 2.)

FOREMAN

ROBERT B. FISKE, JR.
United States Attorney

INDICTMENT