


Lawyers, others plead not guilty to massive US insider trading scheme

By Nate Raymond

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[1/5] Lorenzo Nourafchan and Nicolo Nourafchan arrive to the federal courthouse, where they are facing charges with participating in an insider trading scheme in which attorneys at major law firms passed... [Purchase Licensing Rights](#)  [Read more](#)



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Fifteen defendants, including lawyers, plead not guilty to insider trading-related charges

Prosecutors allege scheme netted tens of millions, involved tips on nearly 30 mergers

Nine people have already pleaded guilty in connection with the investigation

BOSTON, June 1 (Reuters) - Fifteen people, including a lawyer who worked at several major law firms, pleaded not guilty on Monday to U.S. charges that they participated in a decade-long scheme in which attorneys fed an insider trading ring tips about nearly 30 underway mergers.

Nicolo Nourafchan, who had worked at the law firms Sidley Austin, Latham & Watkins and Goodwin Procter, was among the defendants who appeared in federal court in Boston to enter pleas to securities fraud and other charges.

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Thirty people in total have been charged with participating in the decade-long scheme, which prosecutors say netted tens of millions of dollars and was orchestrated by Nourafchan and personal injury attorney Robert Yadgarov.

Yadgarov also entered a not guilty plea, along with Nourafchan's brother, Lorenzo, the founder of a fractional CFO and accounting firm. He is paying Nicolò Nourafchan's attorney fees under an arrangement a judge warned risked creating a potential conflict of interest.

"You may have different interests as this goes on," U.S. Magistrate Judge Judith Dein said.

Martin Weinberg, a lawyer for Nicolò Nourafchan, in a statement said his client "asserted his innocence to each allegation at his arraignment today and we intend a vigorous and compelling defense."

According to authorities, the scheme began in 2014 not long after Nicolò Nourafchan graduated from Yale Law School and landed a job at Sidley Austin.

Prosecutors said Nourafchan, while working at Sidley and other law firms, tipped Yadgarov and others off to impending corporate transactions in exchange for kickbacks generated from any trading profits.

Nourafchan and Yadgarov also recruited other attorneys into the scheme to feed tips to them, including one who worked at Wachtell, Lipton, Rosen & Katz and another who was employed by Weil, Gotshal & Manges and Willkie Farr & Gallagher.

The latter, Gabriel Gershowitz, secretly pleaded guilty last year and is now a cooperating witness in the case. Guilty pleas for eight other people dating back to 2024 were unsealed the day prosecutors announced the case on May 6.

Many of the defendants are Jewish, and an indictment alleged that they spoke in coded messages related to their backgrounds while discussing merger tips, referring to one deal as a "flight to Israel" and another as a "rabbi."

Among the defendants is Joseph Suskind, a Florida resident in the insurance adjusting business charged with trading in 2022 on tips about SailPoint's agreement to be bought by Thoma Bravo and iRobot's later-abandoned deal to be acquired by Amazon.com Inc. Defense lawyer Michael Kendall called him innocent.

"Evidence is more important than press releases," Kendall told reporters after Suskind's arraignment. "We look forward to the trial."

Reporting by Nate Raymond in Boston; Editing by Alistair Bell

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