

Department of Justice

U.S. Attorney's Office

District of Connecticut

FOR IMMEDIATE RELEASE

Tuesday, November 28, 2017

Weston Man Guilty of Insider Trading

John H. Durham, United States Attorney for the District of Connecticut, and Patricia M. Ferrick, Special Agent in Charge of the New Haven Division of the Federal Bureau of Investigation, today announced that a federal jury in Hartford has found EDWARD J. KOSINSKI, 70, of Weston, guilty of insider trading offenses. The trial before U.S. District Judge Vanessa L. Bryant began on November 13 and the jury returned its verdict this afternoon.

According to the evidence presented during the trial, on January 29, 2014, KOSINSKI entered into a Clinical Study and Research Agreement with an authorized agent of Regado Biosciences, Inc., formerly a Delaware corporation whose common stock traded on the NASDAQ under the ticker symbol "RGDO." KOSINSKI, as a principal investigator for Regado's clinical trial, was required to maintain in strict confidence all confidential information he received from Regado or its agent during the course of the clinical trial. In May 2014, KOSINSKI owned 40,000 shares of Regado common stock.

On June 29, 2014, KOSINSKI and other principal investigators received an email from the clinical trial team stating that there had been several allergic reactions during the clinical trial, the acceptance of new subjects was put on hold and the Data and Safety Monitoring Board ("DSMB") would be reviewing the recent events. On June 30, 2014, while in possession of this non-public information, KOSINSKI sold his 40,000 shares of Regado common stock for between \$6.59 and \$7.00 per share. On July 2, 2014, after the close of the market, Regado publicly announced that the DSMB initiated an unplanned review of the clinical trial and patient enrollment had been suspended until the DSMB completed its review. On July 3, 2014, the stock fell \$3.95 from the day's previous closing price, to close at \$2.81.

By selling his shares of Regado stock, KOSINSKI avoided a loss of approximately \$160,000.

On July 29, 2014, KOSINSKI and other principal investigators received an email from the clinical trial team stating that a death occurred in the clinical trial and that the trial was on hold. On July 31, 2014, while in possession of this material, non-public information, KOSINSKI purchased 50 Regado common stock put option contracts with a strike price of \$2.50. On August 25, 2014, before the market opened, Regado publicly announced that it permanently halted the clinical trial and the price of Regado common stock fell approximately 60 percent. KOSINSKI then purchased 5,000 shares of Regado common stock for approximately \$1.13 per share and exercised his put options, netting more than \$3,000.

KOSINSKI was convicted of two counts of securities fraud-insider trading, an offense that carries a maximum term of imprisonment of 20 years on each count. A sentencing date is not scheduled.

KOSINSKI is released on a \$500,000 bond pending sentencing.

This matter was investigated by the Federal Bureau of Investigation and is being prosecuted by Assistant U.S. Attorneys Heather Cherry and Jonathan Francis.

In a related federal civil matter, KOSINSKY has been charged by the Securities and Exchange Commission. (Securities and Exchange Commission v. Edward J. Kosinski 3:16-cv-01322)

Topic(s):Securities, Commodities, & Investment Fraud
Financial Fraud**Component(s):**[USAO - Connecticut](#)