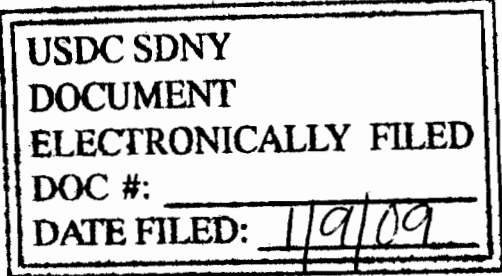


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK  
----- X



UNITED STATES OF AMERICA :  
  
-v- :  
  
DAVID A. STOCKMAN, :  
J. MICHAEL STEPP, :  
DAVID R. COSGROVE, and :  
PAUL C. BARNABA, :  
  
Defendants. :  
----- X

NOLLE PROSEQUI  
  
07 Cr. 220 (BSJ)

1. The filing of this nolle prosequi will dispose of the above-referenced case with respect to defendants David A. Stockman, J. Michael Stepp, David R. Cosgrove, and Paul C. Barnaba.

2. On March 21, 2007, Indictment 07 Cr. 220 (BSJ) was filed, charging:

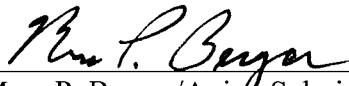
(i) David A. Stockman with conspiracy to commit securities fraud, to make false filings with the SEC, to falsify books and records, to lie to the auditors, to commit wire fraud, to commit bank fraud, and to obstruct justice, in violation of Title 18, United States Code, Section 371; securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; bank fraud, in violation of Title 18, United States Code, Section 1344; wire fraud, in violation of Title 18, United States Code, Section 1343; and obstruction of an agency proceeding, in violation of Title 18, United States Code, Section 1505;

(ii) J. Michael Stepp with conspiracy to commit securities fraud, to make false filings with the SEC, to falsify books and records, to lie to the auditors, and to obstruct justice, in violation of Title 18, United States Code, Section 371; 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 obstruction of an agency proceeding, in violation of Title 18, United States Code, Section 1505; (iii) David R. Cosgrove with conspiracy to commit securities fraud, to make false filings with the SEC, to falsify books and records, and to lie to the auditors, in violation of Title 18, United States Code, Section 371; and 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 (iv) Paul C. Barnaba with conspiracy to commit securities fraud, to make false filings with the SEC, to falsify books and records, and to lie to the auditors, in violation of Title 18, United States Code, Section 371; and 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.

3. After a renewed assessment of the evidence, including evidence and information acquired after the filing of the Indictment, it has been concluded that further prosecution of David A. Stockman, J. Michael Stepp, David R. Cosgrove, and Paul C. Barnaba would not be in the interests of justice.

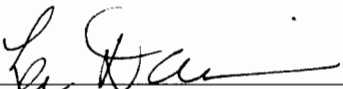
4. In light of the foregoing, we recommend that an order of nolle prosequi be filed as to defendants David A. Stockman, J. Michael Stepp, David R. Cosgrove, and Paul C. Barnaba with respect to Indictment 07 Cr. 220 (BSJ).



Marc P. Berger/Anjan Sahni/Josh Klein  
Assistant United States Attorneys  
Telephone Number: (212) 637-2207/2491/2397

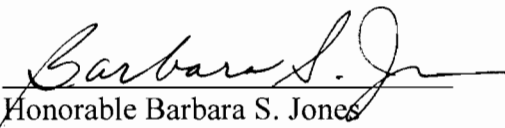
Dated: New York, New York  
January 9, 2009

Upon the foregoing recommendation, I hereby direct, with leave of the Court, that an order of nolle prosequi be filed as to defendants David A. Stockman, J. Michael Stepp, David R. Cosgrove, and Paul C. Barnaba with respect to Indictment 07 Cr. 220 (BSJ).

  
LEV L. DASSIN  
Acting United States Attorney  
Southern District of New York

Dated: New York, New York  
January 9, 2009

SO ORDERED:

  
Honorable Barbara S. Jones  
United States District Judge  
Southern District of New York

Dated: New York, New York  
January 9, 2009