

## Ex-Congressman's Son Dodges Prison For Insider Trading

By **Stewart Bishop**

*Law360, New York (January 23, 2020, 8:52 PM EST)* -- The son of former New York Rep. Christopher Collins on Thursday avoided a prison term for trading on inside information leaked from his father in order to avoid losses in Australian biotech stock, a result the judge deemed “a tremendous break.”

At an afternoon sentencing hearing, U.S. District Judge Vernon Broderick in Manhattan sentenced Cameron Collins, 27, to five years probation and 500 hours of community service, and fined him \$150,000. He was also ordered to spend six months of his probation in home confinement.

The hearing came just days after the elder Collins was sentenced to over two years in prison for using his position as a board member of Australian biotech company Innate Immunotherapeutics to help his son and others avoid nearly \$768,000 in losses.

Prosecutors had sought a “substantial” term of incarceration for Cameron Collins, albeit less than the 26-month stretch the former congressman was sentenced to last week. But Judge Broderick appeared to place the lion's share of the blame for the scheme on Christopher Collins.

Cameron Collins and his future father-in-law in October pled guilty to securities fraud conspiracy days after Christopher Collins, a Republican who represented an upstate New York district between Buffalo and Rochester until his September resignation, admitted to conspiracy and lying to the FBI.

Prosecutors said after Christopher Collins learned that a test of Innate’s experimental multiple sclerosis drug had gone badly, he passed the inside information to his son in a June 2017 call from the White House lawn, allowing him to dump a chunk of shares in the biotech company before the news was public. Cameron Collins also passed the inside information to his fiancée’s father, Stephen Zarsky, who is due to be sentenced on Friday.

While Judge Broderick made clear that Cameron Collins’ conduct was more than a “spur of the moment lapse in judgment,” noting that he lied to the FBI about the crime some 10 months after the fact, the judge said none of it would have happened had the elder Collins not called his son, relayed the inside information and encouraged him to trade on it.

“There’s no question that but for that call, from my view, there’s no evidence that you would have begun trading those shares,” Judge Broderick said.

Cameron Collins faced an advisory sentencing guidelines range of about three to four years in prison, while the U.S. Probation Department recommended a six-month custodial term.

In pushing for an incarceratory term for Cameron Collins, Assistant U.S. Attorney Scott Hartman acknowledged the defendant's young age at the time of the crime, 24, but said that doesn't absolve him.

"This was not a single sale of stock," Hartman said. "This was conduct that took place over a number of days ... with time for Cameron Collins to contemplate his own actions."

An attorney for Cameron Collins, Thomas Hanusik of Crowell & Moring LLP, noted his client, who is an electrical engineer, exercised terrible judgment but he wasn't like some other insider trading defendants who are sophisticated Wall Street professionals engaging in extended schemes.

Hanusik said the criminal conduct was an aberration from an otherwise exemplary life.

"He didn't initiate this series of events, he didn't call his father and say 'what happened with Innate?'" Hanusik said. "He trusted his father."

In an emotional statement to the court, Cameron Collins described himself as being in a panicked state after his father called him with the Innate news, in part because he had recommended that his fiancée's father invest in the company, but said he knew what he did was wrong.

"I wish I could go back and make the right decisions," he said. "What I did was wrong, I'll never deny that. Dead wrong."

After handing down the sentence, Judge Broderick appeared to warn court watchers not to read too much into his leniency in this action going forward.

"I'm only doing this based on the facts and circumstances of this case," the judge said.

Hanusik declined to comment after the hearing. A spokesman for the Manhattan U.S. attorney's office likewise declined to comment on the sentencing late Thursday.

The government is represented by Max Nicholas, Scott Hartman and Damian Williams of the U.S. Attorney's Office for the Southern District of New York.

Cameron Collins is represented by Thomas Hanusik and Rebecca Ricigliano of Crowell & Moring LLP.

The case is U.S. v. Collins et al., case number 1:18-cr-00567, in the U.S. District Court for the Southern District of New York.

--Editing by Amy Rowe.