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IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF CONNECTICUT

SECURITIES AND EXCHANGE COMMISSION,	)	
Plaintiff,	)	
v.	)	Civil No.
	)	**COMPLAINT**
RICHARD CURTISS,	)	
Defendant.	)	

Plaintiff, the United States Securities and Exchange Commission, alleges as follows:

NATURE OF ACTION

1. This action arises from the defendant's violations of the federal insider trading laws. Specifically, defendant Richard Curtiss ("Curtiss") traded Gerber Scientific, Inc. ("Gerber") stock between March 1, 2000, and March 24, 2000, on the basis of material, nonpublic information that Gerber was preparing to announce a joint venture with another company and, later, that Gerber's earnings would be below public expectations. At all relevant times, Curtiss was Gerber's director of corporate development with direct responsibility for negotiating the joint venture and with advance knowledge of corporate earnings. In breach of his fiduciary duty or other duty of trust and confidence owed to Gerber and its shareholders, Curtiss both bought and sold Gerber stock based on material nonpublic information that he obtained by virtue of his position at Gerber.

2. Curtiss realized profits and avoided losses totaling $26,625 as a result of his trading.

3. By engaging in the conduct described in this Complaint, Curtiss violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. 240.10b-5].

4. Accordingly, the Commission seeks a judgment: (1) permanently enjoining defendant Curtiss under Sections 21(d)(1) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and 78u(e)] from further violations of Section 10(b) of the Exchange

Act and Exchange Act Rule 10b-5; (2) requiring Curtiss to disgorge the amount of his ill-gotten gains and losses avoided, with prejudgment interest; (3) imposing monetary penalties against Curtiss under Section 21A of the Exchange Act [15 U.S.C. § 78u-1], and (4) permanently barring Curtiss under Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

JURISDICTION AND VENUE

5. This Court has jurisdiction over this action under Sections 21(d)(1), 21(e), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), 78u(e), 78u-1 and 78aa]. Venue is proper under Section 27 of the Exchange Act and 28 U.S.C. § 1391(d) because Gerber, whose securities Curtiss traded, is a Connecticut corporation with its corporate headquarters in South Windsor, Connecticut.

6. In making his purchases and sales of Gerber securities, Curtiss used the means or instrumentalities of interstate commerce, or the facilities of a national securities exchange, and/or the mails.

DEFENDANT

7 Defendant Richard Curtiss, age 62, resides in South Chatham, Massachusetts.

RELEVANT ENTITY

8. Gerber is a provider of sign-making, specialty graphics, apparel and flexible materials, and optical lens processing goods and services. At all relevant times, Gerber's stock was registered with the Commission under Section 12(b) of the Exchange Act [15 U.S.C. § 78l(b)] and traded on the New York Stock Exchange.

STATEMENT OF FACTS

9. At all relevant times, Curtiss was employed as Gerber's director of corporate development. Curtiss was responsible for locating potential mergers and acquisitions and developing other business opportunities for Gerber. In his capacity as director of corporate development, Curtiss also received material, nonpublic information about earnings results and other significant corporate developments at Gerber.

10. In his capacity as director of corporate development and a corporate insider, Curtiss had a fiduciary duty, or other duty of trust or confidence, owed to Gerber and its shareholders. This included a duty not to trade Gerber shares on the basis of material, nonpublic information provided to Curtiss in confidence due to his employment at Gerber.

A. Curtiss trades in advance of a March 7, 2000, announcement of a proposed joint venture

11. By January 2000, Curtiss was responsible for coordinating Gerber's efforts to enter into a proposed on-line apparel venture with another company. The negotiation and planning for the joint venture was material, nonpublic information until March 7, 2000, when the business arrangement was made public by Gerber and the joint venture partner.

12. On March 1 and 2, 2000, while he was working on a draft of the press release announcing the proposed on-line apparel venture, and in breach of his fiduciary or other duty of trust and confidence to Gerber and its shareholders, Curtiss purchased a total of 2,000 shares of Gerber stock at an average price of $15.375 per share for his personal benefit on the basis of the material, nonpublic information he possessed about the proposed venture.

13. Gerber did not publicly announce its plan to form the on-line apparel venture until March 7, 2000. The price of Gerber stock closed that day at $17.4375 per share, up $0.9375 from the previous day's closing price. Curtiss thus enjoyed a profit at that time of $4,125.

14. Curtiss executed his purchase of Gerber stock (a) knowing that he was trading on the basis of material, nonpublic information, or (b) with reckless disregard as to whether the information on which he made the stock purchase was material and nonpublic.

B. Curtiss trades in advance of Gerber's April 26, 2000 announcement of lowered earnings

15. By March 24, 2000, Curtiss learned that Gerber was likely to miss earnings expectations for the fourth quarter of its 2000 fiscal year. At the time, Gerber had not announced this information publicly. This information about the likely earnings miss by Gerber was material, nonpublic information.

16. On March 24, 2000, Curtiss, in breach of his fiduciary or other duty of trust and confidence to Gerber and its shareholders, sold 2,500 shares of Gerber stock at $20.50 per share for his personal benefit on the basis of the material, nonpublic information that Gerber's likely earnings for the fourth quarter of its 2000 fiscal year would fall below public estimates.

17. On April 26, 2000, Gerber announced that its fourth quarter results would likely be lower than expected. Gerber's stock price closed that day at $11.50 per share, down $3.94 from the previous day's close. Curtiss avoided losses of $22,500 by trading in advance of the April 26, 2000, earnings announcement.

18. Curtiss executed his sale of Gerber stock (a) knowing that he was trading on the basis of material, nonpublic information, or (b) with reckless disregard as to whether the information on which he made the stock sale was material and nonpublic.

CLAIM FOR RELIEF

Curtiss' Violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5

19. The Commission incorporates the allegations in paragraphs 1-18 as though fully set forth in this paragraph.

20. When Curtiss bought and sold Gerber securities, as described in paragraphs 11 through 18 above, he did so in knowing or reckless disregard that he was trading on the basis of material, nonpublic information in breach of the fiduciary or other duty of trust and confidence that he owed to Gerber and its shareholders. As a consequence, Curtiss violated Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5.

23. Curtiss will, unless restrained and enjoined, continue to engage in the transactions, acts, practices, and courses of business alleged in this complaint, or in similar transactions, acts, practices and courses of business, in violation of the federal securities laws.

PRAYER FOR RELIEF

WHEREFORE, the Commission requests that the Court enter a judgment:

a. permanently restraining and enjoining Curtiss, his agents, servants, employees, representatives, attorneys, affiliates and all persons in active concert or participation with them who receive actual notice of the Court's permanent injunction, from future violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5;

b. imposing civil monetary penalties against Curtiss, under Section 21A of the Exchange Act [15 U.S.C. § 78u-1];

c. requiring Curtiss to disgorge the amount of all profits and losses avoided from the unlawful trading alleged in this complaint, with prejudgment interest;

d. permanently barring Curtiss under Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)]; and

e. granting the Commission such further relief as justice requires.

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