



Case No.: T20210081

**IN THE CROWN COURT AT SOUTHWARK**

1 English Grounds, London, SE1 2HU

16 February 2024

**BEFORE HIS HONOUR JUDGE BAUMGARTNER**  
**THE HON. RECORDER OF WESTMINSTER**

**BETWEEN:**

**REX**

**- v -**

**MOHAMMED ZINA**

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**SENTENCING REMARKS**

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**Peter Carter KC with Rachel Barnes KC (instructed by the Financial Conduct Authority)**  
**for the Prosecution**

**Brendan Kelly KC with Vivienne Tanchel (instructed by Bivonas Law) for the Defendant**

## HIS HONOUR JUDGE BAUMGARTNER:

1. Mohammed Zina, you may remain seated for the moment. I shall ask you to stand when I pass sentence.
2. I must sentence you today following your convictions of insider dealing as set out in Counts 1 to 6 of the Indictment, and of fraud by false representation as set out in Counts 7 to 9 of the Indictment.
3. You were convicted at trial yesterday by the jury's unanimous verdicts of guilty on each of those Counts. I am bound by the verdicts returned by the jury on those Counts, and I must give effect to those verdicts in passing the sentence of the Court which must inevitably follow, based upon the evidence which I left to the jury to consider in its deliberations. I must, insofar as I can, form a view about the facts upon which the jury reached its verdicts, and I shall do so.

## Facts

4. At the times material to the Indictment, you worked as an analyst in the Conflicts Resolution Group (“CRG”) for the financial investment firm Goldman Sachs International. Throughout that period, you used confidential, price sensitive information you had in the course of your work at Goldman Sachs so as to gain an unlawful advantage when dealing in shares of the six publicly quoted companies in Counts 1 to 6 of the Indictment. You made a profit of about £140,000. It would have been greater had not the Financial Conduct Authority stopped you before the final share trade realised its profit.
5. In order to finance the extent of your share dealing, you took out three loans from Tesco Bank, falsely claiming that the loans were to be used for “*setting up home*” (Count 6) or for “*home improvements*” (Counts 8 and 9). The first loan – for £25,000 – was taken in your name. The application for the loan fraudulently declared that it was intended to be used for “*setting up home*”. Instead, you used £20,000 of it to fund your dealing in shares in Alternative Networks plc in Count 2. The second loan – for £35,000 – was taken out by you in your brother Suhail's name. The purpose was fraudulently declared to be “*home improvements*”. Instead, again you used it to fund your dealing in shares in Alternative Networks in Count 2. The third loan – for £35,000 – was taken out in your name. Again, the purpose was fraudulently declared to be “*home improvements*”. Instead, those funds were used to fund your dealing in shares in Shawbrook Group plc in Count 4. The first two loans were repaid from part of the proceeds of your dealing in shares. By the time you were arrested in December 2017, the third loan had not been repaid in full.
6. The insider dealing in the shares in Counts 1 to 6 was done using a Halifax Share Dealing trading account in your brother Suhail's name, and trading accounts at brokers Hargreaves Lansdown and IG in your sister Shenaz's name. That dealing spanned 46 instances of individual trades. You knew that you should tell Goldman Sachs of any shares which you bought or sold, and you used these accounts to conceal the fact that it was you who carried out the trading through them. You knew you should not deal in those shares. That is why you used accounts in the names of your brother and sister in order to cloak your own involvement, bringing them into suspicion. You managed the

transfers of money between the various accounts. The profits would have been even greater – by about £50,000 – had you been able to sell the shares in Snyder’s Lance Inc. after the public announcement and the consequent increase in value of those shares. It was only the fact of your arrest on 5 December 2017 that prevented you from realising that additional sum.

7. The total profit from trading in the six indicted stocks across all three trading accounts was about £140,000 – £42,000 through the Halifax Share Dealing trading account in your brother’s name, and £98,000 through the Hargreaves Lansdown and IG trading accounts in your sister’s name.
8. Goldman Sachs’s reputation depends on absolute trust in its employees given privileged access to inside information. You were under no illusion about the importance of the confidentiality of the information to which you had access. You betrayed the trust of your employer as well as cheating honest investors in the shares you traded using the inside information you saw at work within the CRG. What you did strikes at the very heart of our financial markets, and the trust and confidence the public places in them.

## **Sentencing Guidelines**

### Counts 1 to 6

9. There is no specific Sentencing Guideline for the insider dealing offences in Counts 1 to 6. The maximum sentence is 7 years’ imprisonment. The General Guideline on Overarching Principles applies, as does, by analogy, the Guideline for Theft in as far as it sets out the approach to be taken in assessing breach of trust and property values.
10. I have considered and applied the factors set out by Lord Judge CJ in *McQuoid* [2009] EWCA Crim 1301, at [14]. At [8] and [9], the Lord Chief Justice said this:

“[8] Those who involve themselves in insider dealing are criminals: no more and no less. The principles of confidentiality and trust, which are essential to the operations of the commercial world, are betrayed by insider dealing and public confidence in the integrity of the system which is essential to its proper function is undermined by market abuse. Takeover arrangements are normally kept secret. Very few people are permitted to have advance knowledge of them. Those who are entrusted with advance knowledge are entrusted with that knowledge precisely because it is believed that they can be trusted. When they seek to make a profit out of the knowledge and trust reposed in them, or indeed when they do so recklessly, their criminality is not reduced or diminished merely because they are individuals of good character.

[9] ... profits from even a single transaction of insider dealing can be very high indeed. We therefore emphasise that this kind of conduct does not merely contravene regulatory mechanisms. If there ever was a feeling that insider dealing was a matter to be covered by regulation, that impression should be rapidly dissipated. The message must be clear: when it is done deliberately, insider dealing is a species of fraud; it is cheating. Prosecution in open and public court will often, and perhaps much more so now than in

the past, be appropriate. Although those who perpetrate the offence may hope, if caught, to escape with regulatory proceedings, they can have no legitimate expectation of avoiding prosecution and sentence.”

### *Culpability*

11. As far as culpability goes, it falls at the lower end of Category A higher culpability, for the following reasons:
- (a) the nature of your employment in the CRG, and the breach of trust: a core feature of your employment in the CRG was not to divulge or misuse confidential information, including material non-public information, and your access to the highly confidential CABS system, a position of trust;
  - (b) your behaviour, which was deliberate and dishonest: you were aware of your responsibilities in relation to the confidential information accessible through your role in the CRG, including the training you received relating to the use of confidential information and the annual compliance attestations you made, including the Market Abuse Regulation attestation;
  - (c) your motivation, to make a profit;
  - (d) the relative planning and sophistication: in accessing CABS information and in your wider research, by which you would have known the price sensitive nature of the secret information in the CABS system; the setting up and use of your brother and sister’s trading and bank accounts; and obtaining unsecured loans to fund trading;
  - (e) the involvement of others: the use of trading and bank accounts in your brother and sister’s names; and obtaining an unsecured loan in your brother’s name; and
  - (f) the sustained period of offending: activity started relatively soon after you joined the CRG, over 17 months from July 2016 to December 2017, brought to a halt only by detection and arrest. This comprised 46 buy trades relating to six companies.

### *Harm*

12. Turning to harm, the harm caused by your offending is very high given:
- (a) the total profit figure (net of brokerage fees) was about £140,000;
  - (b) the impact of this offending on the overall public confidence in the integrity of the financial markets given your position within the bank; and
  - (c) the impact on the bank’s reputation.
13. Taking all that into account, I consider your offending in Counts 1 to 6 falls to be assessed at the lower end of Category A high culpability and Category 1 harm, given the total profit of about £140,000 was over £100,000. That and the guideline authorities indicate a starting point of 3 years’ imprisonment.

### *Aggravating features*

14. There are no aggravating features.

### *Mitigating features*

15. I find the following mitigating features:
- (a) you were the most junior member of the CRG. You had just three years' experience at the bank: just over a year as an intern, between June 2011 and August 2012; 21 months as an analyst in Derivatives and Clearing Operations, between July 2014 and April 2016, and as an analyst the CRG from April to May 2016 before your offending began in July 2016;
  - (b) you were aged 28-29 years old at time of the offending, and of good character;
  - (c) the impact upon you personally and your family, given your mother's illness and subsequent death; and the delay in between arrest, summons, first appearance, and trial.

### Counts 7 to 9

16. The Sentencing Guideline for Fraud, Bribery and Money Laundering Offences applies to Counts 7 to 9.

### *Culpability*

17. Your culpability falls within Category B, given (a) the involvement of your brother Suhail through influence, although unknowingly on his part, (b) medium sophistication and planning, (c) the loans were applied for over a number of months, between September 2016 and February 2017, and (d) your offending was motivated by personal gain by obtaining funds to "scale up" your trading activities.

### *Harm*

18. I assess harm in terms of risk of loss. In this case, I cannot accept the submission that no risk of loss remained, even though the loans were repaid in full. In my judgment, it did. The only reason why the loans were repaid was because of your use of inside information. I do not consider any move down to the next category is warranted for the following reasons:
- (a) the September monies from the first and second loans totalled £60,000. This falls within Category 3 harm, which ranges from £20,000 to £100,000. Of the £60,000, £50,500 was used to purchase Alternative Networks shares;
  - (b) you bought those shares at the height of the Alternative Networks share price, which fell dramatically on 27 September 2016. Whilst the share price (almost) rebounded following the leak on 20 November 2016 and the RNS announcement on 21 November, there was a continuing risk of trading, even on the basis of

inside information. Ultimately, you made a small loss on this stock. The loans were repaid at the end of December 2016; and

- (c) the proceeds of third loan (£35,000) was used to purchase stock which was not the subject of the Indictment. There are inherent risks in investing on the stock market. In your case, you were doing this at least in part illegally and so you were at risk of detection and arrest. You were also doing this contrary to the very clear rules of your employment, and you were at risk of detection and loss of employment. Both of these represented risks to your financial position.

- 19. The starting point for a Category 3B case, based on a fraud valued at £50,000, is a sentence of 18 months' imprisonment, with a range of 26 weeks' imprisonment to 3 years' imprisonment.

#### *Aggravating features*

- 20. Your use of the proceeds of the fraud in the first and second loans for criminal purposes is an aggravating feature.

#### *Mitigating features*

- 21. The mitigating features I identified for Counts 1 to 6 apply equally here.
- 22. You are 35 years old. You were 29 years old when arrested on 5 December 2017; you had just turned 28 when this offending first began. You have spent the last 6 or so years with this matter hanging over your head. In sentencing you I have taken into account the delay in bringing you to trial.
- 23. You were of good character before these convictions, and the Court has heard about the exemplary life you led aside this offending. But, as you have heard, criminality of this sort is not reduced or diminished merely because you are of previous good character. I cannot help but feel pity for you, because you have thrown away what was undoubtedly a promising career in banking – something that many young people dream of – for the sake of easy gain. It has been a hard lesson for you to learn that an honest life does not work like that. Your reputation now is lost, and it is likely you will never be trusted to work in a position of such responsibility again. I have taken all that into account in reaching a sentence that is just in all the circumstances. I will take a merciful course.

#### **Totality**

- 24. The Guideline on Totality applies. I have adjusted the overall sentence in the way I shall shortly mention such that it just and proportionate to your overall offending.

#### **Confiscation**

- 25. I order that confiscation proceedings are postponed until after sentencing.
- 26. I order the following timetable for confiscation proceedings.

- (a) The Prosecution to serve a written Request for Information on the Defendant pursuant to s.18 of the Proceeds of Crime Act 2002 at this hearing today.
- (b) The Defendant to serve a reply in writing to the written Request for Information pursuant to s.18(3) of the Act, to be served on the Prosecution and the Court, by 4pm on 12 April 2024. The Defendant is expressly warned that if he fails without reasonable excuse to comply with this direction, then, pursuant to s.18(4) of the Act, the Court may draw such inference as it believes is appropriate.
- (c) The Prosecution to serve upon the Court and the Defendant a written statement pursuant to s.16 of the Act, together with any relevant extracts concerning any potential s.10A interested parties, by 4pm on 7 June 2024.
- (d) The Defendant and any potential s.10A interested parties to serve upon the Court and the Prosecution a written Response pursuant to s.17 of the Act, together with any witness statements and documents, by 4pm on 2 August 2024.
- (e) The Prosecution to serve upon the Defendant and the Court a written Response to the Defendant's Response by 4pm on 13 September 2024.
- (f) The matter be listed for mention before me on 27 September 2024.

### **Sentence**

- 27. Mohammed Zina, please stand up.
- 28. The offences in Counts 1 to 9 are so serious that only custodial sentences can follow. The least possible sentences I can impose having regard to the seriousness of these offences are ones of 22 months' imprisonment on Counts 1 to 6, and 18 months' imprisonment on Counts 7 to 9. Ordinarily, the sentences in Counts 7 to 9 should run consecutively to those in Counts 1 to 6, but in passing sentences of 22 months' imprisonment on Counts 1 to 6 I have adjusted those sentences upwards to reflect the overall criminality involved, such that the sentences will run concurrently on each Count to take into account totality. The overall sentence therefore is one of 22 months' imprisonment.
- 29. You will serve up to half of your sentence in custody and then you will be released. You will serve the remainder on licence. You must keep to the terms of your licence and commit no further offence or you will be liable to be recalled and you may then serve the rest of your sentence in custody.
- 30. You may go with the dock officers.