

# Brokers plead guilty to insider trading of Stryker stock

Mass Device

*A pair of brokers plead guilty to charges of insider trading in Stryker Corp. stock ahead of its 2011 acquisition of Orthovita.*



A pair of brokers pleaded guilty to federal insider trading charges yesterday, admitting that they used tips from a former [Stryker](#) [1] marketing executive to make illicit trades ahead of the medical device company's 2011 acquisition of Orthovita.

Lawrence Grum and Michael Castelli each admitted to 2 counts of conspiracy to commit securities fraud, federal prosecutors said. Grum also copped to 4 counts of securities fraud and Castelli admitted to 5 counts of securities fraud, according to the office of new Jersey district attorney Paul Fishman.

Grum and Castelli allegedly acted on tips from former Stryker marketing executive Mark Foldy about the impending, [\\$316 million deal](#) [2] [for Orthovita in May 2011](#) [2], [according to the feds](#) [3], who alleged that the scheme generated \$1.7 million in illegal profits and kickbacks.

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<http://www.mdtmag.com/news/2013/11/brokers-plead-guilty-insider-trading-stryker-stock>

### Links:

[1] <http://www.massdevice.com/company/stryker-corp>

[2] <http://www.massdevice.com/news/stryker-snaps-orthovita-316-million>

[3] <http://www.justice.gov/usao/nj/Press/files/Grum,%20Lawrence%20and%20Castelli,%20Michael%20Plea%20News%20Release.html>