

SEC drops options case vs former McAfee lawyer

March 19 2009, By JORDAN ROBERTSON , AP Technology Writer

(AP) -- The Securities and Exchange Commission says it has dropped its lawsuit against McAfee Inc.'s former general counsel which accused him of illegally tampering with stock options.

SEC lawyers disclosed Thursday in a filing with the U.S. District Court in San Francisco that they are dismissing their case against Kent Roberts, who was fired from the computer-security software maker in 2006.

The dismissal means Roberts doesn't face any more government charges in connection with an accounting mess at the Santa Clara, Calif.-based company stemming from so-called "backdating" of [stock options](#).

The government had alleged that Roberts manipulated his stock options to boost their value by nearly \$200,000. However, he didn't sell the shares, so he didn't profit from the changes.

The dismissal of the civil case wasn't entirely unexpected.

In October, Roberts was acquitted of two [criminal fraud](#) charges in a parallel case to the SEC's filed by the Justice Department. Jurors couldn't come to a decision on a third charge of falsifying accounting books. All criminal charges were dismissed.

Backdating means someone has altered the paperwork for employees' stock option awards, so those awards look like they were awarded earlier than they actually were when the company's stock price was lower,

which makes the options more valuable when they're cashed out.

It's not illegal if investors are told about the practice, but many companies didn't do that, triggering internal investigations, restatements and criminal charges in some cases.

In McAfee's case, the scandal led to the CEO's resignation and the firing of the company's president.

An [SEC](#) lawyer didn't immediately return a call after business hours Thursday from The Associated Press.

Roberts said in a statement through his lawyers that the last three years have been "a very trying time for me and my family. I trusted in God that the truth would come out."

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