

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF RAJEEV THAKUR

**STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) allege that:

I. THE RESPONDENT

1. Rajeev Thakur (“Thakur”) was a resident of Ontario and is a former employee of Celestica Inc. (“Celestica”).

II. OVERVIEW

2. Between January 28, 2003 and February 20, 2003, between April 21, 2004 and April 23, 2004, and between July 20, 2005 and July 22, 2005, Thakur purchased and sold securities of Celestica (the “Trades”). At the time of the Trades, Thakur was in a special relationship with Celestica with knowledge of material information with respect to Celestica that had not been generally disclosed.

III. BACKGROUND TO ALLEGATIONS

(a) Celestica

3. Celestica delivers electronic manufacturing services. It operates a highly sophisticated manufacturing network providing a broad range of services to leading Original Equipment Manufacturers. In 2005, it had revenue in excess of USD 8.4 billion. It is a reporting issuer in

Ontario and its shares are traded on the TSX and the NYSE. As a reporting issuer, Celestica is obliged to provide periodic reporting of its financial results pursuant to the provisions of the *Securities Act*, R.S.O. 1990, c-S-5, as amended (the “Act”).

(b) Thakur in Special Relationship with Celestica

4. At the time he made the Trades, Thakur was in a special relationship with Celestica. He was a manager with Integrated Services and a Director of Business Processing Outsourcing Strategies at Celestica. In 2002, Thakur had completed 3½ years in a position as a manager in Investor Relations at Celestica. During the time that he held this position, Thakur was exposed to the market’s response to earnings announcements.

5. Since 2001, Thakur had unauthorized access to the emails of all employees of Celestica including senior management and executives.

IV. PARTICULARS OF ALLEGATIONS

(a) The 2003 Trades

6. On January 28, 2003, Celestica announced its Q4 2002 results. The earnings were weaker than expected and the economic outlook predicted by the company was soft.

7. As a result of the announcement, Celestica’s share price fell by 22% from USD 14.74 to USD 11.50.

8. Thakur purchased, through his trading account at BMO InvestorLine, 851 put option contracts (each put option contract represents 100 underlying shares) between January 21, 2003 and January 24, 2003, (2 to 5 trading days prior to the announcement) for CAD 150,197.62. On February 20, 2003, Thakur exercised the put option contracts for the exercise price of CAD 22.56. The transaction was covered by the purchase of 70,000 Celestica shares, 11,888 of his own Celestica shares and by borrowing 3,212 Celestica shares at an average price of CAD 18.387.

9. Thakur sold the underlying shares for approximately CAD 355,122.31 and, as a result of the 2003 trades, earned a net profit of approximately CAD 204,924.69 ($355,122.31 - 150,197.62$ (cost of acquisition of put option contracts) = 204,924.69).

(b) The 2004 Trades

(i) Part A

10. On April 22, 2004, Celestica announced improved results for Q1 2004. As a result of the announcement, Celestica's share price increased 17.6% from USD 16.75 to USD 19.69.

11. Thakur purchased 65,900 shares of Celestica through the BMO trading account at CAD 22.25 to CAD 22.71 on April 21 and April 22, 2004 (the day before, and the day of, the announcement). On April 23, 2004, the day after Celestica's announcement, Thakur sold the 65,900 shares at prices varying from CAD 26.68 per share to CAD 27.05 per share.

12. As a result of these trades, Thakur made a profit of approximately CAD 282,000 in the trading account.

(ii) Part B

13. On April 16, 2004 and April 21, 2004, Thakur sold a total of 125,800 units of BMO Premium Money Market Fund to facilitate a trade in his BMO InvestorLine RRSP account where he purchased 5,700 Celestica shares for a total cost of CAD 127,153. On April 23, 2004, he then sold the 5,700 Celestica shares for CAD 151,051. He then repurchased 150,000 units of BMO Money Market Fund. By effecting these trades in Celestica shares, Thakur made a profit of approximately CAD 23,898 ($151,051 - 127,153 = 23,898$) in the RRSP account.

(c) The 2005 Trades

14. On July 21, 2005, Celestica announced lower revenues and earnings for Q2, 2005 as compared to the same period in the prior year.

15. As a result of the announcement, the price of Celestica shares declined 16% from USD 14.37 to USD 12.17.

16. On July 20, 2005 and July 21, 2005, Thakur shorted 45,000 shares and covered his position on July 22, 2005 (the day after the announcement). As a result of these trades, Thakur made a profit of approximately CAD 131,233.60.

(d) Unauthorized Access to Celestica Email

17. At the time that he made the trades, Thakur had obtained unauthorized access to the email of every person employed at Celestica from his sister who was employed in the IT Department at Celestica. This included access to email of senior management and executives concerning Celestica's pending public announcements, which provided Thakur with knowledge of material information about Celestica at the time he made the Trades.

V. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

18. Thakur purchased and sold securities of Celestica while in a special relationship with Celestica and with knowledge of material undisclosed information about Celestica contrary to section 76(1) of the Act and he acted contrary to the public interest.

19. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, Ontario, this 9th day of January, 2009.