

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

-v.- :

INFORMATION

DANNY KUO, :

S1 12 Cr. 121 (RJS)

Defendant. :

- - - - - x

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The United States Attorney charges:

Relevant Entities and Individuals

1. From in or about April 2008 through in or about mid-January 2012, DANNY KUO, the defendant, was employed as an analyst at a wealth management company headquartered on the West Coast ("Investment Firm A").

2. At all times relevant to this Information, Dell, Inc. ("Dell") was a public technology company whose stock traded on the Nasdaq Stock Market. Further, at all times relevant to this Information, Dell's policies prohibited the unauthorized disclosure of Dell's confidential information.

3. At all times relevant to this Information, NVIDIA Corporation ("Nvidia") was a public technology company whose stock traded on the Nasdaq Stock Market. Further, at all times relevant to this Information, Nvidia's policies prohibited the unauthorized disclosure of Nvidia's confidential information.

The Insider Trading Scheme

4. From in or about 2008 through in or about 2010, DANNY KUO, the defendant, and others known and unknown, conspired to engage in insider trading. In furtherance of the conspiracy, KUO obtained material, nonpublic information ("Inside Information") from certain other coconspirators who worked as analysts at one or more hedge funds and investment firms in New York, New York and elsewhere (the "Analyst Coconspirators"), for the purpose of executing profitable securities transactions on the basis of the Inside Information for the benefit of Investment Firm A. In addition, in furtherance of the conspiracy, DANNY KUO, the defendant, obtained Inside Information directly and indirectly from employees of certain publicly traded technology companies (the "Technology Companies"), and provided such Inside Information to the Analyst Coconspirators.

5. The Inside Information obtained by DANNY KUO, the defendant, and the Analyst Coconspirators, included information relating to earnings, revenues, gross margins, and other confidential financial information of the Technology Companies.

6. The Inside Information obtained by DANNY KUO, the defendant, and the Analyst Coconspirators, was obtained in violation of: (i) fiduciary and other duties of trust and confidence owed by the employees of the Technology Companies to their employers; (ii) expectations of confidentiality held by the

Technology Companies; and (iii) written policies of the Technology Companies regarding the use and safekeeping of Inside Information.

7. As part of the scheme, DANNY KUO, the defendant, provided the Inside Information he obtained from the Analyst Coconspirators and the Inside Information he obtained, directly and indirectly, from sources at Technology Companies, to a portfolio manager at Investment Firm A ("Portfolio Manager 1"). Portfolio Manager 1 executed transactions and caused others to execute transactions in the securities of certain Technology Companies based, in whole or in part, on the Inside Information that KUO obtained from both the Analyst Coconspirators and his own sources. Investment Firm A thereby earned illegal profits and illegally avoided losses.

8. For example, from in or about 2009 through in or about 2010, DANNY KUO, the defendant, obtained Inside Information regarding Nvidia (the "Nvidia Inside Information"). KUO obtained the Nvidia Inside Information from a friend who worked at another technology company ("Individual 1"). Individual 1 in turn obtained the Nvidia Inside Information from an employee at Nvidia. KUO obtained the Nvidia Inside Information, which included financial information concerning Nvidia's revenue and gross margin numbers, before that information was made public by Nvidia's quarterly earnings announcements. KUO gave Individual 1 cash and

other items of value in exchange for the Inside Information concerning Nvidia and other Technology Companies.

9. DANNY KUO, the defendant, provided the Nvidia Inside Information to the Analyst Coconspirators and to Portfolio Manager 1. Portfolio Manager 1 executed trades based, in whole or in part, on the Nvidia Inside Information, thereby earning illegal profits and illegally avoiding losses for Investment Firm A.

10. In addition, from in or about 2008 through in or about 2009, DANNY KUO, the defendant, obtained Inside Information concerning Dell from one of the Analyst Coconspirators (the "Dell Inside Information"). KUO, in turn, passed the Dell Inside Information to Portfolio Manager 1. Portfolio Manager 1 executed trades based, in whole or in part, on the Dell Inside Information, thereby earning illegal profits and illegally avoiding losses on behalf of Investment Firm A.

The Conspiracy

11. From at least in or about 2008 through in or about 2010, in the Southern District of New York and elsewhere, DANNY KUO, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Object of the Conspiracy

Securities Fraud

12. It was a part and an object of the conspiracy that DANNY KUO, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Means and Methods of the Conspiracy

13. Among the means and methods by which DANNY KUO, the defendant, the Analyst Coconspirators, Portfolio Manager 1, and others known and unknown, would and did carry out the conspiracy were the following:

a. KUO obtained Inside Information directly and indirectly from employees of the Technology Companies that had been disclosed by those employees in violation of fiduciary and other duties of trust and confidence that they owed to their employers.

b. KUO and the Analyst Coconspirators shared with each other Inside Information that they obtained directly and indirectly from employees of the Technology Companies.

c. KUO provided the Inside Information that he obtained from the Analyst Coconspirators and from his own sources to Portfolio Manger 1, knowing that Portfolio Manager 1 would execute or cause others to execute securities transactions based, in whole or in part, on the Inside Information.

d. Portfolio Manager 1 executed and caused others to execute securities transactions for the benefit of Investment Firm A in various Technology Companies based, in whole or in part, on the Inside Information provided by KUO.

Overt Acts

14. In furtherance of the conspiracy, and to effect the illegal object thereof, DANNY KUO, the defendant, the Analyst Coconspirators, Portfolio Manager 1, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about August 18, 2008, KUO obtained Inside Information concerning Dell from a coconspirator who was an analyst at a hedge fund located in Stamford, Connecticut.

b. On or about February 10, 2009, KUO sent an email containing Inside Information concerning Nvidia to various analysts, including two analysts who worked at hedge funds located in New York, New York.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Securities Fraud)

The United States Attorney further charges:

15. The allegations contained in paragraphs 1 through 10 and 13 through 14 are repeated and realleged as though fully set forth herein.

16. From in or about 2008 through in or about 2009, in the Southern District of New York and elsewhere, DANNY KUO, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material

facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, KUO obtained Inside Information concerning Dell from a coconspirator who worked at a hedge fund in Stamford, Connecticut, and relayed such Inside Information to Portfolio Manager 1, who, in turn, effected securities transactions based, in whole or in part, on such Inside Information.

(Title 15, United States Code, Sections 78j(b) & 78ff;
Title 17, Code of Federal Regulations, Section 240.10b-5;
and Title 18, United States Code, Section 2.)

COUNT THREE

(Securities Fraud)

The United States Attorney further charges:

17. The allegations contained in paragraphs 1 through 10 and 13 through 14 are repeated and realleged as though fully set forth herein.

18. From in or about 2009 through in or about 2010, in the Southern District of New York and elsewhere, DANNY KUO, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities,

did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, KUO obtained Inside Information concerning Nvidia indirectly from an employee at Nvidia, and relayed such Inside Information to Portfolio Manager 1, who in turn effected securities transactions based, in whole or in part, on such Inside Information.

(Title 15, United States Code, Sections 78j(b) & 78ff;
Title 17, Code of Federal Regulations, Section 240.10b-5;
and Title 18, United States Code, Section 2.)

FORFEITURE ALLEGATION

19. As a result of committing the foregoing securities fraud offenses alleged in Counts One, Two and Three of this Information, DANNY KUO, the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the securities fraud offenses, including but not limited to the following:

Money Judgment

a. At least a sum of money in United States currency which was derived from proceeds traceable to the commission of the securities fraud offenses.

Substitute Assets Provision

20. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

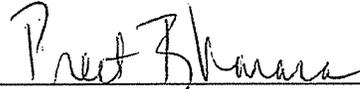
d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any

other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981; Title 28, United States Code, Section 2461; Title 18, United States Code, Sections 371 and 2; Title 15, United States Code, Sections 78j(b) and 78ff; and Title 17, Code of Federal Regulations, Section 240.10b-5).



PREET BHARARA
United States Attorney

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(18 U.S.C. §§ 371, 2
15 U.S.C. §§ 78j(b), and 78ff)

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United States Attorney.
