



***United States Attorney
Southern District of New York***

FOR IMMEDIATE RELEASE

December 4, 2007

CONTACT: U.S. ATTORNEY'S OFFICE

**YUSILL SCRIBNER,
REBEKAH CARMICHAEL
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**FORMER MORGAN STANLEY FINANCIAL ANALYST AND HER HUSBAND,
FORMER HEDGE FUND ANALYST, SENTENCED TO 18 MONTHS
IN PRISON FOR INSIDER TRADING SCHEME**

Wife's Tips To Husband Net \$600,000

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that JENNIFER WANG, 31, was sentenced to 18 months in prison for providing her husband with material, nonpublic information -- which she stole from her former employer, Morgan Stanley -- relating to acquisitions of three publicly traded companies. WANG's husband RUBIN CHEN, 34, was also sentenced to 18 months' imprisonment for trading based on the information provided by WANG. The sentences were imposed by United States District Judge COLLEEN McMAHON in Manhattan federal court. WANG and CHEN each pleaded guilty in September to one count of conspiring to commit insider trading and three counts of insider trading. WANG, formerly a vice president and financial analyst at Morgan Stanley, and CHEN, a former vice president and analyst at another financial services company responsible for managing hedge fund investments, netted over \$600,000 from the scheme.

At today's proceeding, Judge McMAHON stated that the prohibition on insider trading was a "bright-line rule" that is "indoctrinated" to all who work on Wall Street. Before imposing sentence, Judge McMAHON also stated that insider trading "cheats the entire investing public. It is a serious crime. . . . Only a sentence of incarceration promotes respect for this law."

According to documents previously filed in this case and statements made during Wang's and Chen's guilty plea proceedings:

From December 2005 through March 2007, WANG and CHEN traded in the securities of Town and Country Trust, Glenborough Realty Trust, and Genesis Health Care, based on material

nonpublic information WANG obtained from Morgan Stanley regarding those companies. WANG and CHEN conducted their trading in an account, the existence of which they hid from their respective employers, established in the name of WANG's mother.

While WANG was at Morgan Stanley, the company was advising its subsidiary, Morgan Stanley Real Estate ("MSRE"), on the acquisition of Town and Country Trust and Glenborough Realty Trust. WANG had access to documentation regarding MSRE's attempted but unsuccessful acquisition of Town and Country, and successful acquisition of Glenborough, prior to any public disclosure of MSRE's bids for the companies. Additionally, in December 2006, Morgan Stanley's Principal Transactions Group received information relating to financing a potential acquisition of Genesis, and WANG obtained access to a shared computer drive that contained information relating to the potential acquisition. WANG passed the information she obtained from Morgan Stanley to her husband CHEN. Trading in these three securities based on the material, nonpublic information netted over \$600,000.

WANG and CHEN, both of Englishtown, New Jersey, resigned earlier this year from their respective employers following a Securities and Exchange Commission inquiry and internal investigations conducted by Morgan Stanley and by CHEN's employer.

In addition to 18 months in prison for each defendant, Judge McMAHON imposed one year of supervised release for WANG, two years of supervised release for CHEN, and ordered them to forfeit \$611,248 in illegal gains from the insider trading scheme. Because WANG and CHEN have a baby, Judge McMAHON staggered their sentences so that CHEN serves his term of imprisonment before WANG begins to serve her sentence.

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the efforts of the Federal Bureau of Investigation and the Philadelphia Office of the Securities and Exchange Commission in the investigation of this case.

Assistant United States Attorney REED MICHAEL BRODSKY is in charge of the prosecution.

07-298

###