



*United States Attorney  
Southern District of New York*



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**MANHATTAN U.S. ATTORNEY CHARGES CONSULTANT OF EXPERT-  
NETWORKING FIRM WITH INSIDER TRADING**

PREET BHARARA, the United States Attorney for the Southern District of New York, and JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced that WINIFRED JIAU, a/k/a "Wini," was arrested yesterday afternoon on charges relating to her involvement in an insider trading scheme. JIAU has been charged with conspiring to commit securities fraud, and engaging in securities fraud, by selling material, nonpublic information ("Inside Information") about publicly traded companies to multiple hedge funds for the purpose of executing profitable securities transactions.

According to the Complaint unsealed today in Manhattan federal court:

Between 2006 and December 2008, JIAU obtained Inside Information, including detailed financial earnings, about multiple publicly traded companies, including NVIDIA Corporation ("NVIDIA") and Marvell Technology Group, Ltd. ("Marvell"). JIAU sold that information to portfolio managers at hedge funds. The hedge funds then traded on the information provided by JIAU. In return, the hedge funds paid JIAU over \$200,000 over the two-year period; such payments were made through an expert networking firm that purported to provide "institutional money managers and analysts with market intelligence" through a "Global Advisory Team of Experts."

For example, on May 23 and May 28, 2008, JIAU had telephone conversations with two portfolio managers at separate hedge funds, during which she advised the portfolio managers of

Marvell's quarterly revenues, gross margins and earnings per share ("EPS") for the Marvell quarter ending on May 3, 2008. Similarly, in August 2008, JIAU provided the same hedge fund managers with Marvell's quarterly revenues, gross margins and EPS for the following quarter, ending on August 2, 2008. Both times, the information JIAU provided was on point and accurate and preceded Marvell's public announcement of its quarterly financial results. In her conversations with the hedge fund managers, several of which were recorded by one of the hedge fund managers, JIAU made clear that she received the Inside Information from an employee at Marvell. By trading on the Inside Information JIAU provided regarding Marvell's earnings for the quarter ending May 3, 2008, one of the hedge funds netted profits of over \$820,000 from trades in Marvell securities.

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JIAU, 43, of Fremont, California, has been charged with one count of conspiracy to commit securities fraud (Count One) and one count of securities fraud (Count Two). Count One carries a maximum potential penalty of 5 years in prison and a fine of \$250,000 or twice the gross gain or loss from the offense, and Count Two carries a maximum potential penalty of 20 years in prison and a maximum fine of \$5 million.

JIAU was arrested at her residence in Fremont, California on December 28, 2010, and will be presented before Magistrate Judge NANDOR J. VADAS in the Northern District of California this morning at 9:30 a.m. PST.

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Mr. BHARARA praised the investigative work of the New York Office of the FBI. He thanked the FBI San Francisco Division for conducting the arrest on behalf of the FBI. He also thanked the U.S. Securities and Exchange Commission for its assistance. Mr. BHARARA also noted that the investigation is continuing.

This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local

law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

This case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys AVI WEITZMAN and DAVID LEIBOWITZ, and Special Assistant U.S. Attorney ANDREW MICHAELSON are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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