



*United States Attorney
Southern District of New York*



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**EXPERT-NETWORKING FIRM CONSULTANT FOUND GUILTY IN
MANHATTAN FEDERAL COURT OF INSIDER TRADING CRIMES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that WINIFRED JIAU, a/k/a "Wini," a consultant at an expert-networking firm, was found guilty today in Manhattan federal court of conspiracy and securities fraud charges in connection with her involvement in an insider trading scheme. As part of the scheme, JIAU sold material, nonpublic information ("Inside Information") about publicly traded companies to multiple hedge funds for the purpose of executing profitable securities transactions. JIAU was convicted after a two-week trial presided over by U.S. District Judge JED S. RAKOFF.

Manhattan U.S. Attorney PREET BHARARA stated: "Wini Jiau gave new meaning to the concept of social networking. She used and exploited friends at public companies for the purpose of obtaining, and then selling, inside information. With today's conviction, another link in a corrupt network has been broken."

According to the Superseding Indictment filed in Manhattan federal court, other court documents, and statements made during related court proceedings:

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"), from sources who worked in the finance departments at Marvell and NVIDIA. JIAU sold that information to portfolio managers at hedge funds which then traded on the information. In return, hedge funds paid JIAU over \$200,000 over the two-year period; these payments were made through an expert-networking firm for which JIAU was a paid consultant.

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

them of Marvell's quarterly revenues, gross margins, and earnings per share for the quarter ending on May 3, 2008. The information JIAU provided was on point, accurate, and preceded Marvell's public announcement of its quarterly financial results. In her conversations with BARAI and FREEMAN, several of which were recorded by BARAI, JIAU made clear that she received the Inside Information from an employee at Marvell. Based on the Inside Information, BARAI caused his hedge fund to execute trades in Marvell, netting a profit of more than \$820,000.

The evidence at trial included, among other things, recordings of phone calls between JIAU, BARAI, and FREEMAN, as well as e-mails and instant message exchanges between JIAU and her co-conspirators. During these communications, she used code words such as "recipes," "cooks," and "sugar" to disguise the fact that she was actually discussing Inside Information from her sources. The evidence also included the testimony of SON NGOC NGUYEN, formerly an insider in the finance department of NVIDIA; JASON PFLAUM, who worked as a research analyst for BARAI; and FREEMAN.

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JIAU, 43, of Fremont, California, was convicted of one count of conspiracy to commit securities fraud and wire fraud, and one count of securities fraud. The conspiracy count carries a maximum penalty of five years in prison and a fine of \$250,000 or twice the gross gain or loss from the offense. The securities fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$5 million or twice the gross gain or loss from the offense.

JIAU is scheduled to be sentenced by Judge RAKOFF on September 21, 2011, at 4:00 p.m.

BARAI, FREEMAN, and PFLAUM have all previously pled guilty to conspiracy and securities fraud charges. NGUYEN previously pled guilty to conspiracy.

Mr. BHARARA praised the extraordinary work of the Federal Bureau of Investigation. He also thanked the SEC for its assistance in the investigation of this case.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, on which U.S. Attorney 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 are in charge of the prosecution.

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