



*United States Attorney
Southern District of New York*



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**MANHATTAN U.S. ATTORNEY ANNOUNCES GUILTY PLEAS
OF FORMER HEDGE FUND PORTFOLIO MANAGER AND NVIDIA
FINANCE EMPLOYEE TO INSIDER TRADING CHARGES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that SAMIR BARAI, a/k/a "Sam Barai," a portfolio manager at two different New York based hedge funds, and SON NGOC NGUYEN, a/k/a "Sonny," an employee in the finance department of NVIDIA Corporation ("NVIDIA"), pled guilty today in Manhattan federal court to charges arising out of their involvement in separate insider trading schemes. BARAI, who had previously been arrested on February 8, 2011, and charged in a criminal complaint, also pled guilty to additional charges, including obstruction of justice, in connection with the insider trading scheme.

According to the Informations to which BARAI and NGUYEN pled guilty, statements made during the plea proceedings, and other court documents:

Between 2006 and 2010, BARAI worked as a portfolio manager at two hedge funds located in New York, New York. During that time period he and his co-conspirators, including DONALD LONGUEUIL, NOAH FREEMAN, JASON PFLAUM, and WINIFRED JIAU, participated in a conspiracy to obtain material, non-public information ("Inside Information"). The Inside Information included detailed financial earnings about numerous public companies, including NVIDIA and Marvell Technology Group, Ltd. ("Marvell"). Often, BARAI and his co-conspirators used an "expert networking" firm, (the "Firm"), to communicate with and pay their sources of Inside Information, many of whom were employees of public companies. In addition to their use of the Firm, they also obtained Inside Information from independent research consultants who communicated with employees at public companies.

For example, in May 2008, BARAI allegedly obtained from JIAU Inside Information regarding Marvell's financial results for

the quarter ending on May 3, 2008. Based on that Inside Information, he caused his hedge fund to execute trades in Marvell, realizing trading gains of more than \$800,000.

After BARAI and his co-conspirators received Inside Information from their sources, BARAI had regular conference calls with LONGUEUIL and FREEMAN, who worked at other hedge funds, during which they shared the information they learned with each other.

During the course of the insider trading scheme, BARAI destroyed and attempted to destroy documents and electronic records in connection with the scheme. As he admitted at the plea proceeding, after learning about a federal investigation into insider trading, BARAI directed his research analyst to destroy electronic and hard copy documents relevant to the investigation.

In a separate but overlapping insider trading scheme, from 2007 through early 2009, while employed in the finance department of NVIDIA, NGUYEN, along with a co-conspirator ("CC-1") employed in the finance department of Marvell, allegedly shared Inside Information with WINIFRED JIAU. In this scheme, they agreed to provide JIAU with Inside Information about NVIDIA and Marvell, which she then allegedly used to trade for her own profit, and also sold to others, including BARAI and FREEMAN. In exchange for the information NGUYEN provided to her, JIAU allegedly agreed to provide NGUYEN and CC-1 with stock tips that she learned from other contacts she had at various companies.

BARAI, 39, of New York, New York, pled guilty before U.S. Magistrate Judge KEVIN NATHANIEL FOX to one count of conspiracy to commit securities fraud and wire fraud, one count of securities fraud based on his trading in Marvell, one count of wire fraud, and one count of obstruction of justice. The conspiracy count carries a maximum sentence of five years in prison, the securities fraud count carries a maximum sentence of 20 years in prison, the wire fraud count carries a maximum sentence of 20 years in prison, and the obstruction count carries a maximum sentence of 20 years in prison. He also faces a maximum fine of \$250,000, or twice the gross gain or loss from the offense on the conspiracy count, a maximum fine of \$5 million on the securities fraud count, a maximum fine of \$250,000, or twice the gross gain or loss from the offense on the wire fraud count, and a maximum fine of \$250,000, or twice the gross gain or loss from the offense on the obstruction count. In addition, BARAI agreed as part of his plea agreement to forfeit the amount of proceeds obtained as a result of the offenses. BARAI is

scheduled to be sentenced by U.S. District Judge DEBORAH A. BATTIS on August 29, 2011.

NGUYEN, 39, of San Jose, California, pled guilty before U.S. District Judge JED S. RAKOFF to one count of conspiracy to commit securities fraud and wire fraud. This count carries a maximum sentence of five years in prison. NGUYEN also faces a maximum fine of \$250,000, or twice the gross gain or loss from the offense on the conspiracy count. NGUYEN is scheduled to be sentenced by Judge RAKOFF on _____, 2011, at 4:00 p.m.

LONGUEUIL, FREEMAN, and PFLAUM previously pled guilty to conspiracy and securities fraud charges. Charges against JIAU remain pending and are merely accusations. She is presumed innocent unless and until proven guilty.

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Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation. He also thanked the U.S. Securities and Exchange Commission.

These cases were 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.

These cases are 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 Z. MICHAELSON, are in charge of the prosecution.

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