

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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:
UNITED STATES OF AMERICA :
:
-V.- :
:
ROBERT KWOK, : INFORMATION
:
:
Defendant. : 12 Cr. ____
:
- - - - - X

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The United States Attorney charges:

Relevant Entities and Individuals

1. At all times relevant to this Information, ROBERT KWOK, the defendant, was an executive at Yahoo! Inc. ("Yahoo!"), a public company whose stock traded on NASDAQ.

2. At all times relevant to this Information, a co-conspirator not named as a defendant herein ("CC-1"), was a friend of ROBERT KWOK, the defendant. CC-1 was employed as a portfolio manager at an asset management firm (the "Asset Management Firm") with offices in New York, New York, and Menlo Park, California. Among other things, the Asset Management Firm managed billions of dollars in certain mutual funds and a hedge fund.

Yahoo!'s Confidentiality Policies

3. At all times relevant to this Information, Yahoo! prohibited employees from: (a) using confidential information obtained during the course of their employment when trading in

their own account or someone else's account; and (b) disclosing the confidential information to others.

4. At all times relevant to this Information, ROBERT KWOK, the defendant, owed a duty to Yahoo! to maintain the confidentiality of information that KWOK learned while working at Yahoo! and not to disclose the information to others.

The Insider Trading Scheme

5. At times relevant to this Information, in the course of his work at Yahoo!, ROBERT KWOK, the defendant, learned material nonpublic information concerning quarterly earnings of Yahoo! and potential business transactions between Yahoo! and other companies.

6. From at least in or about January 2008 through in or about July 2009, ROBERT KWOK, the defendant, CC-1, and others known and unknown, participated in a scheme to defraud by executing securities trades based on material nonpublic information regarding forthcoming announcements relating to the quarterly earnings of Yahoo! and potential business transactions between Yahoo! and other companies ("Yahoo! Inside Information"). KWOK provided CC-1 with Yahoo! Inside Information in violation of (a) the fiduciary and other duties of trust and confidence owed by KWOK to Yahoo! and its shareholders, (b) the expectations of confidentiality of Yahoo!, and (c) Yahoo!'s policies regarding the use and safekeeping of confidential and material nonpublic

information.

7. Based on the Yahoo! Inside Information, CC-1, and others known and unknown, executed securities trades in the securities of Yahoo! prior to the public announcements of the quarterly earnings of Yahoo! and business transactions with other companies.

8. ROBERT KWOK, the defendant, provided the Yahoo! Inside Information to CC-1 in exchange for, among other things, information concerning potential business transactions of publicly-traded companies that CC-1 obtained, directly and indirectly, from individuals who violated fiduciary and other duties of trust and confidence to those publicly-traded companies.

The Conspiracy

9. From at least in or about January 2008 up to and including in or about July 2009, in the Southern District of New York and elsewhere, ROBERT KWOK, the defendant, CC-1, and others known and unknown, willfully and knowingly, did combine, conspire, confederate and agree together and with each other to commit offenses 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

10. It was a part and an object of the conspiracy that ROBERT KWOK, the defendant, CC-1, 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 any person, 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

11. Among the means and methods by which ROBERT KWOK, the defendant, CC-1, and others known and unknown, would and did carry out the conspiracy were the following:

- a. KWOK disclosed Yahoo! Inside Information in

violation of (a) the fiduciary and other duties of trust and confidence that KWOK owed to Yahoo! and its shareholders, (b) the expectations of confidentiality of Yahoo!, and (c) Yahoo!'s policies regarding the use and safekeeping of confidential and material, nonpublic information.

b. KWOK, in breach of his duty of confidentiality to Yahoo!, disclosed Yahoo! Inside Information to CC-1, with the understanding that CC-1 would use the Yahoo! Inside Information to purchase and sell securities.

c. CC-1, while in possession of Yahoo! Inside Information that CC-1 knew had been improperly disclosed by KWOK in breach of KWOK's duty to keep the information confidential, executed securities transactions on the basis of Yahoo! Inside Information.

d. CC-1 also provided KWOK with material nonpublic information relating to other publicly-traded companies, including potential mergers and acquisitions, that CC-1 obtained, directly and indirectly, from individuals who violated fiduciary and other duties of trust and confidence to those publicly-traded companies.

Overt Acts

12. In furtherance of the conspiracy and to effect the illegal object thereof, ROBERT KWOK, the defendant, CC-1, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about early April 2008, CC-1 advised KWOK that Moldflow Corporation, a publicly traded company whose stock traded on NASDAQ, was going to be acquired ("Moldflow Inside Information").

b. Between on or about April 7, 2008 and April 25, 2008, KWOK caused securities transactions to be executed in New York, New York, based on the Moldflow Inside Information.

c. On or about April 14, 2009, KWOK provided CC-1 with Yahoo! Inside Information by telephone.

d. On or about June 24, 2009, KWOK provided CC-1 with Yahoo! Inside Information by telephone.

e. In or about July 2009, CC-1 provided one or more individuals with the Yahoo! Inside Information that KWOK provided to CC-1.

f. In or about July 2009, CC-1 caused securities transactions to be executed in New York, New York, based on the Yahoo! Inside Information provided by KWOK.

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

FORFEITURE ALLEGATION

13. As a result of committing the foregoing offense alleged in Count One of this Information, ROBERT KWOK, 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 offense, including but not limited to the following:

Money Judgment

a. A sum of money equal to \$4,754 in United States currency, representing the amount of proceeds traceable to the commission of the securities fraud offense.

Substitute Assets Provision

14. 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;

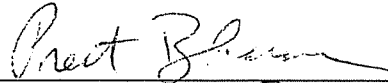
c. has been placed beyond the jurisdiction of the court;

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 15, United States Code, Sections 78j(b) and 78ff;
Title 18, United States Code, Section 981(a)(1)(C);
Title 28, United States Code, Section 2461(c); and
Title 17, Code of Federal Regulations, Section 240.10b-5.)



PREET BHARARA (72)
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

ROBERT KWOK,

Defendant.

INFORMATION

12 Cr.

(18 U.S.C. § 371)

PREET BHARARA
United States Attorney.
