



*United States Attorney
Southern District of New York*



FOR IMMEDIATE RELEASE
NOVEMBER 8, 2010

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**FORMER ATHEROS EXECUTIVE SENTENCED
IN MANHATTAN FEDERAL COURT TO 18 MONTHS
IN PRISON IN GALLEON INSIDER TRADING CASE**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that ALI HARIRI, a former executive at Atheros Communications, Inc. ("Atheros"), was sentenced today in Manhattan federal court to 18 months in prison for his participation in the largest hedge fund insider trading case in history. U.S. District Judge RICHARD J. HOLWELL, who imposed the sentence, also imposed a two year term of supervised release and a \$50,000 fine.

Manhattan U.S. Attorney PREET BHARARA said: "Ali Hariri's sentencing provides another reminder of how pervasive insider trading has become and the lengths to which corrupt insiders will go to misuse confidential information for their own personal gain. It should also remind those who might contemplate similar crimes that we will ultimately find you, prosecute you, and convict you. This Office is committed to stopping insider trading in its tracks to protect the integrity of our markets."

According to documents previously filed in Manhattan federal court and statements made during HARIRI's guilty plea proceeding:

From 2008 to March 2009, HARIRI, a Vice President at Atheros, engaged in an insider trading scheme in which he obtained material, nonpublic information ("Inside Information") relating to Atheros. HARIRI provided this Inside Information to ALI FAR, a hedge fund manager, for the purpose of executing profitable securities transactions. HARIRI knew that the information he provided to FAR was material and non-public, and he disclosed it in breach of fiduciary and other duties of trust and confidence that he owed to ATHEROS. In exchange for Inside Information regarding Atheros, FAR provided HARIRI with tips to buy and sell the stocks of other technology companies.

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On March 3, 2010, HARIRI, 39, of San Francisco, California, pled guilty to conspiring to commit insider trading crimes. HARIRI also pled guilty to substantive securities fraud. FAR has also separately pled guilty to conspiring to commit insider trading crimes and to substantive securities fraud. He is awaiting sentencing.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation. He also thanked the U.S. Securities and Exchange Commission. Mr. BHARARA 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 JONATHAN STREETER and REED BRODSKY and Special Assistant U.S. Attorney ANDREW MICHAELSON are in charge of the prosecution.

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