



## U.S. Securities and Exchange Commission

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#### Litigation Release No. 21836 / February 3, 2011

#### ***SEC v. Mark Anthony Longoria, Daniel L. DeVore, James Fleishman, Bob Nguyen, Winifred Jiau, and Walter Shimoon, Civil Action No. 11-CV- 0753 (SDNY)***

#### **SEC Brings Expert Network Insider Trading Charges Alleging that Moonlighting Employees Passed Company Secrets to Hedge Funds and Others**

On February 3, 2011, the Securities and Exchange Commission filed a civil injunctive action in the United States District Court for the Southern District of New York, charging two expert network employees and four consultants with insider trading for illegally tipping hedge funds and other investors to generate nearly \$6 million in illicit trading profits and losses avoided. The charges stem from the SEC's ongoing investigation into the activities of expert networks that purport to provide professional investment research to their clients.

According to the SEC's complaint, PGR consultants Mark Anthony Longoria, Daniel L. DeVore, Winifred Jiau and Walter Shimoon obtained material, non-public confidential information about quarterly earnings and performance data and shared that information with hedge funds and other clients of PGR who traded on the inside information. PGR employees Bob Nguyen and James Fleishman acted as conduits by receiving inside information from PGR consultants and passing that information directly to PGR clients.

The SEC's complaint alleges that:

- Longoria, a manager in AMD's desktop global operations group, had access to sales figures for AMD's various operational units. He also obtained from a colleague AMD's financial results, including "top line" quarterly revenue and profit margin information prior to their public announcement. Longoria shared this inside information with multiple PGR clients who, in turn, traded in AMD securities. From January 2008 to March 2010, Longoria received more than \$130,000 for talking to PGR and its clients.
- DeVore, a Global Supply Manager at Dell, was privy to confidential information about Dell's internal sales forecasts as well as information about the pricing and volume of Dell's purchases from its suppliers. DeVore regularly provided PGR and PGR clients with this inside information so it could be used to trade securities. From 2008 to 2010, DeVore received approximately \$145,000 for talking to PGR and its clients.
- Shimoon, a Vice President of Business Development for Components in the Americas at Flextronics, was privy to confidential information concerning Flextronics and its customers including Apple, Omnivision, and Research in Motion. Shimoon provided this inside information to PGR and PGR clients so it could be used to trade securities. From September 2008 to June 2010, Shimoon received approximately

\$13,600 for talking to PGR and its clients.

- Jiau was a “private” PGR expert, meaning that PGR made her available only to a small number of PGR clients. Jiau, who had contacts at Marvell and other technology companies, regularly provided certain PGR clients with inside information regarding Marvell and other technology companies. Jiau provided company-specific financial results that companies had not yet announced publicly. From September 2006 to December 2008, Jiau received more than \$200,000 for her consultations with select PGR clients.
- Nguyen and Fleishman received, directly or indirectly, specific inside information from PGR consultants and passed this inside information on, directly or indirectly, to PGR clients.

The SEC’s complaint charges each of the defendants with violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and, additionally, charges Fleishman, Nguyen and Jiau with aiding and abetting others’ violations of Section 10(b) of the Exchange Act and SEC Rule 10b-5. The complaint also charges Longoria and DeVore with violations of Section 17(a) of the Securities Act of 1933. The complaint seeks a final judgment permanently enjoining the defendants from future violations of the above provisions of the federal securities laws, ordering them to disgorge their ill-gotten gains plus prejudgment interest, and ordering them to pay financial penalties. The complaint also seeks to permanently prohibit Longoria, Shmoon and DeVore from acting as an officer or director of any registered public company.

▶ [SEC Complaint in this matter](#)

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