

## **Indian-origin analyst charged with insider trading**

26/08/2015 13:25 by admin

**New York:** An Indian-origin former investment bank analyst and his two friends were taken into federal custody on charges of indulging in an insider trading scheme that netted more than USD 600,000 in illicit profits.

Ashish Aggarwal, 27, of San Francisco, Shahriyar Bolandian 26, and Kevan Sadigh, 28, both of Los Angeles are named in an indictment that charges each with one count of conspiracy to commit securities and tender offer fraud, 13 substantive counts of securities fraud, 13 substantive counts of tender offer fraud and three substantive counts of wire fraud.

Aggarwal graduated from the University of California, Berkeley in 2010 with a bachelor's degree, and from June 2011 to June 2013 was working as an investment banking analyst in the San Francisco office of J P Morgan Securities.

The three surrendered to the FBI yesterday morning and were scheduled to be arraigned before US Magistrate Judge Patrick Walsh of the Central District of California.

According to the indictment, through his employment at J P Morgan, Aggarwal allegedly obtained material, inside information about two J P Morgan-advised deals: Integrated Device Technology's planned acquisition of PLX Technology in 2012 and salesforce.com's acquisition of ExactTarget in 2013. He repeatedly communicated with Bolandian, his friend since college, in the days and weeks leading up to public announcements about the deals.

Bolandian in turn, shared the information with Sadigh, who is also a friend of Bolandian.

Bolandian and Sadigh then allegedly used the inside information to trade in advance of the public announcements of Integrated Device Technology's April 2012 planned acquisition of PLX Technology and Salesforce.com's June 2013 acquisition of ExactTarget.

According to the indictment, Aggarwal, Bolandian and Sadigh netted more than USD 672,000 in combined profits from their insider trading scheme.

They used the profits to cover previous trading losses and to repay liabilities incurred by Aggarwal and Bolandian. Federal regulator Securities and Exchange Commission (SEC) have filed parallel civil insider trading charges against the three.

SEC said Bolandian conducted various trades in his accounts on Aggarwal's behalf in an arrangement that enabled Aggarwal to circumvent J P Morgan's pre-clearance rules and potentially to share in any profits.

The SEC's complaint seeks a final judgement ordering Aggarwal, Bolandian, and Sadigh to pay disgorgement of their ill-gotten gains plus prejudgment interest and penalties, and permanent injunctions from future violations of these provisions of the federal securities laws.

- PTI