

# Former Qualcomm Exec Charged with Insider Trading

Elliot Spagat, Associated Press

SAN DIEGO (AP) — A former senior executive at Qualcomm Inc. made nearly \$250,000 in illegal profits from using inside information to buy stock in the wireless technology company and an acquisition target before major public announcements, according to an indictment unsealed Monday.

Jing Wang, former president of Qualcomm global business operations and an executive vice president, was charged with insider trading, money laundering, conspiracy, obstruction of official proceedings and aggravated identity theft. He voluntarily surrendered at FBI offices Monday and pleaded not guilty at an initial court appearance.

Wang, 51, is accused of buying shares in three illegal trades — twice in Qualcomm and once in an acquisition target — in 2010 and 2011 through an account in the British Virgin Islands. Also charged were his brother, Bing Wang, 53, who lives in China, and Gary Yin, 54, a former Merrill Lynch stockbroker in San Diego.

Qualcomm, based in San Diego, placed Wang on administrative leave in May 2012 and launched an internal investigation of potential violations of the Foreign Corrupt Practices Act, according to the indictment. Qualcomm spokeswoman Christine Trimble said Wang resigned this May. She declined to comment on the reasons why or say how and when Qualcomm learned about the government's investigation.

"Qualcomm has been aware of the investigation and has been cooperating fully with the government's investigation. This is an individual matter involving Mr. Wang, who is no longer employed by Qualcomm, and this matter will now be addressed through the legal system," Don Rosenberg, Qualcomm's general counsel, said in a statement.

The Securities and Exchange Commission filed civil charges Monday against Wang and Yin, who was not in custody. Yin is accused of making \$27,000 in illegal profits from the trades.

U.S. Magistrate Judge Nita Stormes ordered that Wang be released on \$3 million bond. He must be confined to his home and monitored by GPS until a hearing Oct. 8.

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Wang's attorney, Brian Hennigan, didn't immediately respond to a request for comment. Neither did Yin's attorney, Frank Vecchione.

The indictment alleges that Wang bought 7,700 shares for \$36.07 each in March 2010 after learning that Qualcomm would announce an increase in its quarterly dividend and a \$3 billion stock repurchase program. The stock rallied 10 percent on the news and Wang sold the shares that December at \$48.37, profiting to the tune of \$94,710.

Wang allegedly bought 10,800 shares of Atheros Communications Inc. in December 2010 for between \$34.16 and \$34.28 a share after attending a Qualcomm board meeting in Hong Kong at which the company decided to bid \$45 a share for the semiconductor maker. Atheros shares rallied 20 percent when the \$3.1 billion acquisition was announced and Wang allegedly sold his holdings in January 2011 at \$44.60 each, reaping \$111,468.

The indictment says Wang bought 9,450 Qualcomm shares at \$50.88 that same month after learning that the company would post a strong earnings report. Wang allegedly sold the shares in December 2011 at \$54.90, making a \$37,989 profit.

Wang, who joined Qualcomm in February 2001, was president of the company's Asia Pacific, Middle East and Africa operations from January 2008 to January 2011, when he was elevated to president of global business operations. Qualcomm said in a 2006 press release that Wang was a leading expert on Chinese business who served as a consultant before becoming an employee. He was educated in China and at University of Virginia School of Law.

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