

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5764 / July 2, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20385

In the Matter of

RAJ RAJARATNAM,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Raj Rajaratnam (“Rajaratnam” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2 below and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Rajaratnam was the founder and managing general partner of Galleon Management, LP ("Galleon"), an investment adviser to the Galleon hedge funds. Galleon was registered with the Commission as an investment adviser from January 3, 2006, until March 31, 2010, when its withdrawal from registration became effective. Rajaratnam was a managing general partner of Galleon during this period. Rajaratnam, 64 years old, resided in New York, New York, during the relevant period.

2. On May 11, 2011, after a jury trial in the United States District Court for the Southern District of New York, in the criminal action entitled United States v. Raj Rajaratnam, 09-CR-1184 (RJH), Rajaratnam was convicted of five counts of conspiracy to commit securities fraud, in violation of 18 U.S.C. § 371, and nine counts of securities fraud, in violation of 15 U.S.C. §§ 78j(b) and 78ff, and 18 U.S.C. § 2. On October 25, 2011, a judgment in the criminal action was entered against Rajaratnam, and he was sentenced to a prison term of 132 months plus two years of supervised release, ordered to pay \$53,816,434.00 in forfeiture, and ordered to pay a \$10,000,000 fine.

3. The criminal indictment pursuant to which Rajaratnam was convicted alleged, inter alia, that Rajaratnam participated in a scheme to defraud by engaging in insider trading pertaining to, inter alia, trading in shares of stock issued by several companies, and that he unlawfully, willfully and knowingly did so, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities. The criminal indictment was parallel to a civil complaint filed by the Division of Enforcement, Securities and Exchange Commission v. Galleon Management LP, et al., 09-CV-8811. The misconduct underlying the criminal charges occurred during the period in which the Respondent was associated with Galleon.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Rajaratnam's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent be, and hereby is: barred from association with any investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's Order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission's Order; (d) any self-regulatory

organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission's Order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission's Order.

By the Commission.

Vanessa A. Countryman
Secretary