UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16245

In the Matter of

Rajarengan (a/k/a/ Rengan) Rajaratnam,

Respondent.

RESPONDENT RAJARENGAN RAJARATNAM'S MOTION FOR RELIEF FROM INVESTMENT ADVISER BAR UNDER COMMISSION RULE OF PRACTICE 154

Respondent Rajarengan "Rengan" Rajaratnam moves, pursuant to U.S. Securities and Exchange Commission ("Commission" or "SEC") Rule of Practice 154, to lift the investment adviser bar imposed on him over ten years ago.[1] Such relief is appropriate because it is in the public interest and consistent with principles of fairness for the Commission to allow Rengan to interact with the U.S. financial system again in an investment advisory capacity. [2]

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[1] 17 C.F.R. § 201.154; *see Rajarengan (a/k/a Rengan) Rajaratnam*, Advisers Act Release No. 6638, 2024 WL 3470184, www.sec.gov/files/litigation/opinions/2024/ia-6638.pdf (July 18, 2024) (vacating broker, dealer, municipal securities dealer, and transfer agent bars); *Rengan Rajaratnam*, Advisers Act Release No. 3954, 2014 WL 5513904, at *2, www.sec.gov/files/litigation/admin/2021/ia-5764.pdf (Nov. 3, 2014) ordering that Rengan be "barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent, with the right to apply for reentry after 5 years to the appropriate self-regulatory organization, or if there is none, to the Commission").

[2] *See* 15 U.S.C. § 80b-3(f) (authorizing the Commission to "suspend or bar" a person from the securities industry upon a finding of the following three things: (1) that the person was enjoined from engaging in or continuing any conduct or practice in connection with acting as an investment adviser; (2) that the person was associated with an investment adviser at the time of the alleged misconduct; and (3) that such a sanction is in the "public interest"); *see also RKO Res., Inc.*, Exchange Act Release No. 75765, 2015 WL 5042188, at *2 (Aug. 26, 2015) (where the Commission encouraged a practice that "furthers *fairness* in our administrative proceedings" (emphasis added)); *Final Rules*, Exchange Act Release No. 35833, 1995 WL 368865, *3 (June 9, 1995) (where the Commission adopted

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The central issue in Rengan's current motion is the resolution of the Commission's 2013 action against him through settlement. In the fall of 2014, Rengan settled the Commission's insider trading allegations against him shortly after he was found not guilty of parallel criminal insider trading charges brought by a U.S. Attorney's Office. At the time, Rengan was in poor health and facing financial hardship, and he believed the settlement would conclude a difficult chapter in his life. Instead, the settlement has prolonged his challenges. It included a bar restricting his ability to work in the securities industry, with the lifting of the bar after five years being contingent upon his securing a proposed supervisory firm—a condition that he did not understand at the time and that proved impossible to satisfy.

The difficulty in satisfying the condition stems from the public associating, or even confusing, Rengan with his brother, Rajakumaran or "Raj" Rajaratnam. This confusion arises from their shared but unique last names and the similarity in the brothers' first names (Rajakumaran vs. Rajarengan).[3] However, unlike Rengan, Raj was convicted of criminal insider trading violations. In 2011, a jury found Raj, who founded and led the large hedge fund Galleon Group, guilty of insider trading that brought him over $50 million in illicit profits. Raj was sentenced to 11 years in prison.

Within this framework—Rengan's 2014 acquittal of criminal insider trading charges, the confusion and unfortunate association between two brothers with starkly different histories, and Rengan's lack of any relationship with Raj for well over a decade—the sponsor contingency of

revisions of its Rules of Practice and discussed a Task Force that had been charged with "improv[ing] the . . . *fairness* of the Commission's administrative proceedings" (emphasis added)).

[3] *See* Declaration of Rajarengan Rajaratnam ISO Mot. for Relief from Investment Adviser Bar ¶ 9(a), 21, ¶ 37(e).

Commission Rule of Practice 193,[4] as detailed below, is unduly burdensome and unfair to Rengan. Accordingly, Rengan respectfully requests that the Commission remove the bar's application going forward through issuance of a Commission order stating as much.

/ [redacted]

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[4] 17 C.F.R. § 201.193.

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CERTIFICATE OF SERVICE

I hereby certify that on January 27, 2025, a true and correct copy of RESPONDENT RAJARENGAN RAJARATNAM'S MOTION FOR RELIEF FROM INVESTMENT ADVISER BAR UNDER COMMISSION RULE OF PRACTICE 154 has been submitted via the Commission's Electronic Filings in Administrative Proceedings and sent via email to gottesmand@sec.gov and waldons@sec.gov, and also by U.S. Postal Service Priority Mail to the address noted below, as I understand to be consistent with 17 C.F.R. § 201.150(c) and *Instructions for Electronic Filing and Service of Documents in SEC Admin. Procs. and Tech. Specs.*, www.sec.gov/efapdocs/instructions.pdf.

U.S. Securities and Exchange Commission
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/s/ [redacted]
CHRISTINA Z. MILNOR