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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 vs.

15 RENEE WHITE FRASER,

16 Defendant.

Case No

CV12-7574

- PSG
(AGlx)

**COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAWS**

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1 Plaintiff Securities and Exchange Commission (“Commission”) alleges:

2 **JURISDICTION AND VENUE**

3 1. This Court has jurisdiction over this action pursuant to Sections
4 21(d)(1), 21(e), 21A, and 27 of the Securities Exchange Act of 1934 (“Exchange
5 Act”), 15 U.S.C. §§ 78u(d)(1), 78u(e), 78u-1 & 78aa. Defendant has, directly or
6 indirectly, made use of the means or instrumentalities of interstate commerce, of
7 the mails, or of the facilities of a national securities exchange in connection with
8 the transactions, acts, practices, and courses of business alleged in this Complaint.

9 2. Venue is proper in this district pursuant to Section 27 of the
10 Exchange Act, 15 U.S.C. §§ 78aa, because the Defendant resides in and/or
11 transacts business in this district and certain of the transactions, practices, and
12 courses of business constituting violations of the federal securities laws occurred
13 within this district.

14 **SUMMARY**

15 3. This case involves insider trading by Defendant Renee White Fraser
16 (the “Defendant” or “Fraser”) in the securities of East West Bancorp (“EWBC”)
17 prior to EWBC’s November 6, 2009 acquisition of United Commercial Bank in an
18 FDIC-assisted transaction. Fraser, the chief executive officer of public relations
19 firm Fraser Communications, acquired material nonpublic information regarding
20 the proposed acquisition on October 14, 2009, when EWBC contacted Fraser
21 Communications to obtain marketing and public relations support in connection
22 with the transaction. The next day, October 15, 2009, EWBC engaged Fraser
23 Communications. The following morning, October 16, 2009, Fraser purchased
24 10,000 EWBC shares.

25 4. On November 10, 2009, Fraser sold 7,500 of her EWBC shares, and
26 she sold the remaining 2,500 shares on June 24, 2011. As a result of her trades,
27 Fraser made profits of \$43,868.

28 5. By engaging in this conduct, Fraser violated the antifraud provisions

1 of Section 10(b) of the Exchange Act, 15 U.S.C. §§ 78j(b), and Rule 10b-5
2 thereunder, 17 C.F.R. § 240.10b-5, by trading in EWBC securities while she was
3 aware of material nonpublic information, in breach of a duty of trust and
4 confidence Fraser owed to EWBC and its shareholders.

5 6. The Commission seeks a permanent injunction prohibiting future
6 violations, disgorgement of ill-gotten gains together with prejudgment interest
7 thereon, a civil penalty, and an order prohibiting Fraser from acting as an officer
8 or director of any publicly traded company.

9 **DEFENDANT**

10 7. **Renee White Fraser**, age 60, currently resides in Santa Monica,
11 California. Fraser is the founder and chief executive officer of public relations
12 firm Fraser Communications.

13 **OTHER RELEVANT ENTITIES**

14 8. **East West Bancorp** ("EWBC") is a Delaware corporation
15 headquartered in Pasadena, California. EWBC's common stock trades on the
16 Nasdaq Global Select Market under the symbol "EWBC" and is registered with
17 the Commission pursuant to Section 12(b) of the Exchange Act.

18 9. **United Commercial Bank** was a bank based in San Francisco,
19 California. It had branches throughout California, New York, and the Pacific
20 Northwest as well as representative offices in Shanghai and Shenzhen, China; and
21 Taipei, Taiwan.

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1 **FACTS**

2 **A. EWBC Retained Fraser Communications in Connection With an**
3 **FDIC-Assisted Acquisition**

4 10. On October 14, 2009, EWBC contacted Fraser Communications to
5 provide marketing and public relations support in connection with an FDIC-
6 assisted transaction. EWBC informed Fraser Communication's director of client
7 services that EWBC's legal counsel had requested confidentiality agreements
8 from Fraser and the director of client services prior to discussing the engagement
9 of Fraser Communications. EWBC also informed the director of client services
10 that as other employees were added to the project they would need to sign
11 individual confidentiality agreements. Fraser Communication's director of client
12 services informed Fraser about EWBC's request for confidentiality agreements.

13 11. On October 15, 2009, six Fraser Communications employees signed
14 confidentiality agreements.

15 12. On October 15, 2009, EWBC formally engaged Fraser
16 Communications to assist EWBC with public relations work regarding the FDIC-
17 assisted transaction.

18 13. EWBC shared confidential information about its FDIC-assisted
19 transaction for the corporate purpose of allowing Fraser and Fraser
20 Communication employees to prepare marketing and public relations materials for
21 that transaction.

22 **B. After Becoming Aware of the Impending FDIC-Assisted**
23 **Transaction, Fraser Purchased EWBC Shares**

24 14. On October 16, 2009, the morning following EWBC's engagement
25 of Fraser Communications, Fraser purchased 10,000 EWBC shares through her
26 brokerage account at Morgan Stanley Smith Barney. Fraser paid an average price
27 of approximately \$ 9.0232 per share.

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1 15. On Friday, November 6, 2009, after the close of the market, EWBC
2 publicly announced the acquisition of United Commercial Bank's banking
3 operations in an FDIC-assisted transaction.

4 16. On Monday, November 9, 2009, EWBC shares closed at \$13.41, an
5 increase of \$4.76, or approximately 55% from the prior trading day's close.

6 17. On November 10, 2009, the second trading day after the
7 announcement, Fraser sold 7,500 of her EWBC shares. Fraser subsequently sold
8 the remaining 2,500 EWBC shares on June 24, 2011, for total combined profits of
9 \$43,868.

10 **C. Fraser Traded on the Basis of Material Nonpublic Information**

11 18. The information regarding EWBC's impending FDIC-assisted
12 transaction was material.

13 19. Six Fraser Communications employees signed non-disclosure
14 agreements specifically requiring them to keep information regarding EWBC's
15 potential acquisition confidential.

16 20. Fraser became a fiduciary when she entered into a confidential
17 relationship with EWBC and was given access to information solely for corporate
18 purposes. Fraser had a fiduciary duty to EWBC and its shareholders not to trade
19 on this material nonpublic information for her personal benefit.

20 21. In breach of her duty to EWBC and its shareholders, Fraser used this
21 material nonpublic information for her own benefit to trade in EWBC stock in
22 advance of the announcement of the FDIC-assisted transaction.

23 22. When she purchased EWBC shares on October 16, 2009, Fraser
24 acted with scienter. Fraser knew, or was reckless in not knowing, that the
25 information she possessed regarding EWBC's impending FDIC-assisted
26 transaction was confidential, material, and nonpublic.

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1 c. engaged in acts, practices, or courses of business which operated or
2 would operate as a fraud or deceit upon any person.

3 28. By engaging in the conduct described above, Fraser violated, and
4 unless restrained and enjoined will continue to violate, Section 10(b) of the
5 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §
6 240.10b-5.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, the Commission respectfully requests that the Court:

9 **I.**

10 Issue findings of fact and conclusions of law that Fraser committed the
11 alleged violations.

12 **II.**

13 Issue a judgment, in a form consistent with Fed. R. Civ. P. 65(d),
14 permanently enjoining Defendant Fraser and her officers, agents, servants,
15 employees, and attorneys, and those persons in active concert or participation with
16 any of them, who receive actual notice of the judgment by personal service or
17 otherwise, from violating Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b),
18 and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

19 **III.**

20 Order Fraser to disgorge, with prejudgment interest, the illegal trading
21 profits or ill-gotten gains received as a result of the conduct alleged in this
22 Complaint.

23 **IV.**

24 Order Fraser to pay a civil penalty under Section 21A of the Exchange Act,
25 15 U.S.C. § 78u-1.

26 **V.**

27 Enter an order, pursuant to Section 21(d)(2) of the Exchange Act, 15
28 U.S.C. § 78u(d)(2), prohibiting Fraser from acting as an officer or director of any

1 issuer that has a class of securities registered pursuant to Section 12 of the
2 Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to
3 Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

4 **VI.**

5 Retain jurisdiction of this action in accordance with the principles of equity
6 and the Federal Rules of Civil Procedure in order to implement and carry out the
7 terms of all orders and decrees that may be entered, or to entertain any suitable
8 application or motion for additional relief within the jurisdiction of this Court.

9 **VII.**

10 Grant such other and further relief as this Court may determine to be just and
11 necessary.

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13 DATED: September 5, 2012

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16 FINOLA H. MANVELIAN
17 WENDY E. PEARSON
18 Attorneys for Plaintiff
19 Securities and Exchange Commission
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