

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 58220 / July 24, 2008**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2759 / July 24, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13097**

**In the Matter of**

**JENNIFER XUJIA WANG,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jennifer Xujia Wang (“Respondent” or “Wang”).

**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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these proceedings, and the findings contained in Section III.2 and III.4 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 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. Wang is a resident of Englishtown, New Jersey. From August 29, 2005 until June 10, 2007, Wang was employed by Morgan Stanley & Co., Inc. ("Morgan Stanley"), a registered broker-dealer and investment adviser, as Vice-President and manager of the Securitized Product Group, in a group referred to as the Valuation Review sub-department, which itself was a sub-department of the Financial Control department in Morgan Stanley's Finance Division. On March 14, 2007, Wang refused to cooperate with Morgan Stanley's internal investigation relating to the matters more fully described in the Amended Complaint, referred to in paragraph III.3 below, filed by the Commission in the civil action it brought against Wang and her husband, Rubin Chen a/k/a Ruben Chen a/k/a Ruopian Chen ("Chen"). That day, Wang, who was then pregnant and on disability leave, also alerted Morgan Stanley that she did not intend to return to work following the birth of her child. Morgan Stanley terminated her employment on June 10, 2007, following her arrest in connection with a criminal proceeding, described below in paragraphs III.4 and III.5, that was based largely on the same conduct as that alleged in the Commission's Amended Complaint. Wang holds both series 7 and 63 securities industry licenses.

2. On July 3, 2008, a Final Judgment was entered by consent against Wang and Chen, permanently enjoining them from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Jennifer Xujia Wang, et al., Civil Action Number 07-CV-3715 (AKH), in the United States District Court for the Southern District of New York. The Final Judgment also ordered Wang and Chen, jointly and severally, to pay disgorgement and prejudgment interest totaling \$784,829; and ordered Wang and Chen each to pay a civil penalty of \$50,000, based on their sworn representations made to the Commission concerning their financial condition.

3. The Commission's Amended Complaint alleged that Wang and Chen obtained illegal profits of \$727,733 by trading on the basis of material nonpublic information concerning various proposed corporate acquisition transactions. The Amended Complaint further alleged that Wang, in her position as a Vice President of Morgan Stanley, was privy to material nonpublic information concerning each of the pending acquisitions, which she unlawfully disclosed to Chen.

4. On September 5, 2007, Wang pled guilty to four felony counts, including one count of conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371, and three counts of insider trading, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2, before the United States District Court for the Southern District of New York, in United States v. Xujia Wang, et al., 07-CR-730.

5. The counts of the criminal information to which Wang pled guilty are based largely on conduct included as part of the allegations in the Commission's Amended Complaint.

#### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Wang be, and hereby is barred from association with any broker, dealer or 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, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Florence E. Harmon  
Acting Secretary