

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 67423 / July 12, 2012

ACCOUNTING AND AUDITING ENFORCEMENT

Release No. 3393 / July 12, 2012

ADMINISTRATIVE PROCEEDING

File No. 3-14947

In the Matter of

STANLEY NG, C.P.A.,

Respondent.

**ORDER INSTITUTING CEASE-
AND-DESIST PROCEEDINGS PURSUANT
TO SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER AND ORDER OF
SUSPENSION PURSUANT TO RULE
102(e)(2) OF THE COMMISSION'S RULES
OF PRACTICE**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted against Stanley Ng, CPA, (“Ng” or “Respondent”) pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and also deems it appropriate to issue an order of forthwith suspension of Ng pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice [17 C.F.R. §201.102(e)(2)].¹

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 consents to the Commission’s

¹ Rule 102(e)(2) provides in pertinent part: “Any ... person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission.”

jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings and Imposing a Cease-and-Desist Order and Order of Suspension Pursuant to Rule 102(e) of the Commission's Rules of Practice ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds² that:

1. This matter concerns insider trading by Ng, who in late 2007 and 2008 disclosed material nonpublic information that he obtained in the course of his employment at Marvell Technology Group, Ltd. ("Marvell") to Winifred Jiau ("Jiau") and Son Ngoc Nguyen ("Nguyen"). Jiau and Nguyen, in turn, traded Marvell securities based on the material nonpublic information.

2. By virtue of his conduct, Ng violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

3. Stanley Ng, age 43 and a resident of Cupertino, California is a Certified Public Accountant ("CPA") licensed in California (although his license is currently inactive). From 2002 through 2011, Ng worked in the finance department of Marvell, serving as the company's "SEC Reporting Manager" from 2002 until September 2010. Ng has already pleaded guilty to one count of conspiracy to commit securities fraud and wire fraud before the United States District Court for the Southern District of New York in U.S. v. Ng, S4 11-cr-161 (JSR), and has been sentenced to two years of probation, ordered to forfeit \$6,464 (based on the illegal trading profits of his direct tippees) and fined \$2,000.

4. Jiau, age 44, is currently incarcerated in a federal correctional facility in California after being convicted in June 2011 of securities fraud and conspiracy to commit securities fraud and wire fraud, and sentenced to a 48-month term of imprisonment by the United States District Court for the Southern District of New York in U.S. v. Jiau, 11-cr-161 (JSR). Jiau is also the subject of a permanent antifraud injunction, which was entered against her by the United States District Court for the Southern District of New York in SEC v. Longoria, et al., 11-cv-753 (JSR).

5. Nguyen, age 39, is a resident of San Jose, California. Nguyen pleaded guilty to one count of conspiracy to commit securities fraud and wire fraud before the United States District Court for the Southern District of New York in U.S. v. Nguyen, S3 11-cr-161 (JSR), and was sentenced to one year of probation and ordered to forfeit \$6,464 in illegal trading profits.

6. Marvell is a Bermuda corporation headquartered in Santa Clara, California. Marvell is a global provider of semiconductors and microprocessor integrated circuits. Marvell's securities are registered with the Commission pursuant to Section 12(b) of the Exchange Act and its stock trades on the NASDAQ under the symbol "MRVL."

² The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

7. In late 2007 and 2008, Ng, Jiau and Nguyen participated in a scheme to exchange material nonpublic information for the purpose of executing securities trades while in possession of material nonpublic information. Ng agreed to provide Jiau with material, nonpublic information regarding the financial performance of his employer, Marvell. In exchange, Jiau and Nguyen agreed to provide Ng with stock tips.

8. On May 17 and May 27, 2008, Ng spoke to Jiau by telephone and provided her with inside information regarding Marvell's performance for its first fiscal quarter, which had ended on May 3, 2008 and for which Marvell would publicly announce results on May 29, 2008. Specifically, Ng informed Jiau that Marvell would announce quarterly revenues of \$804 million, a gross profit margin of 51.6%, and earnings per share would be \$0.11. These results were significantly better than market analysts' expectations at the time.

9. On May 29, 2008, prior to Marvell's announcement of its quarterly results, Jiau purchased 875 shares of Marvell stock while in possession of material nonpublic information that she had received from Ng.

10. That same day Ng also had a telephone conversation with Nguyen during which Ng provided Nguyen with material nonpublic information regarding Marvell's quarterly earnings.

11. Later that day (and before Marvell announced its quarterly results), Nguyen purchased 1,000 shares of Marvell stock while in possession of material nonpublic information that he had received from Ng.

12. After market-close on May 29, 2008, Marvell released its quarterly results for the first quarter of 2008, including revenues of \$804 million, a gross profit margin of 52% and earnings per share of \$0.11, almost exactly as Ng had stated. These results, which were significantly better than market analysts expected, caused the stock price to increase 23% (from \$14.08 per share at market-close on May 29 to \$17.36 per share at market-close on May 30).

13. The increase in Marvell's stock price resulted in combined profits of \$6,464 for Jiau and Nguyen. (Ng did not share in the insider trading profits of Jiau or Nguyen.)

14. By providing the information regarding Marvell's quarterly earnings to Jiau and Nguyen, Ng violated the duty he owed to Marvell to keep all material nonpublic information concerning the company confidential, as well as a specific company policy which prohibits the tipping of material nonpublic information to persons outside Marvell.

15. As a result of the conduct described above, Ng violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

IV.

In view of the foregoing, the Commission finds that Ng has been convicted of a felony within the meaning of Rule 102(e)(2) and deems it appropriate to impose the sanctions agreed to in Ng's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Pursuant to Section 21C of the Exchange Act, Ng shall cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Ng is forthwith suspended from appearing or practicing before the Commission pursuant to Rule 102(e)(2) of the Commission's Rules of Practice.

C. Pursuant to Section 21C(f) of the Exchange Act Ng, is barred from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

D. Ng shall, within 180 days of the entry of this Order, pay disgorgement of \$6,464 and prejudgment interest of \$984.23, for a total of \$7,448.23, to the Securities and Exchange Commission to be remitted to the United States Treasury. Ng's obligations to pay disgorgement in the amount of \$6,464 and pre-judgment interest in the amount of \$984.23 will be credited dollar for dollar by the amount of the forfeiture order of \$6,464 entered against Ng in criminal case number 11-CR-0161 (JSR) in the United States District Court of the Southern District of New York. Thus, within 180 days of the entry of this Order, Ng shall pay \$984.23 to the Securities and Exchange Commission to be remitted to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. Payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check, bank money order, or by credit or debit card via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to Enterprise Services Center, Accounts Receivable Branch, 6500 South MacArthur Boulevard, Oklahoma City, Oklahoma 73169; and (D) submitted under cover letter that identifies Ng as the Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Sanjay Wadhwa, Associate Director, Division of Enforcement, Securities and Exchange Commission, New York Regional Office, 3 World Financial Center, Suite 400, New York, New York 10281.

E. Ng shall, within 180 days of the entry of this Order, pay a civil money penalty in the amount of \$6,464 to the Securities and Exchange Commission to be remitted to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check, bank money order, or by credit or debit card via Pay.gov

through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to Enterprise Services Center, Accounts Receivable Branch, 6500 South MacArthur Boulevard, Oklahoma City, Oklahoma 73169; and (D) submitted under cover letter that identifies Ng as the Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Sanjay Wadhwa, Associate Director, Division of Enforcement, Securities and Exchange Commission, New York Regional Office, 3 World Financial Center, Suite 400, New York, New York 10281.

By the Commission.

Elizabeth M. Murphy
Secretary