

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3532 / January 10, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15169

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In the Matter of	:	ORDER INSTITUTING
	:	ADMINISTRATIVE PROCEEDINGS
	:	PURSUANT TO SECTION 203(f) OF
KRIS CHELLAM	:	THE INVESTMENT ADVISERS ACT
	:	OF 1940, MAKING FINDINGS, AND
Respondent.	:	IMPOSING REMEDIAL SANCTIONS
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	:	
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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 Kris Chellam (“Chellam” 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 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. Chellam, age 61, resides in Saratoga, California. From 1998 to 2007, Chellam was a senior officer at Xilinx, Inc. (“Xilinx”), including serving as Xilinx’s chief financial officer from 1998 to 2005. From approximately May 2007 to April 2009, Chellam was the Co-Managing Partner of the Galleon Special Opportunities Fund, a late-stage venture capital fund affiliated with the hedge fund investment adviser Galleon Management, LP (“Galleon”).

2. On October 26, 2012, the Commission filed a civil action against Chellam in Securities and Exchange Commission v. Chellam, Civil Action Number 12-CV-7983, in the United States District Court for the Southern District of New York. On November 7, 2012, the Court entered a final judgment by consent against Chellam, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder.

3. The Commission's complaint alleges that during his employment with Xilinx, Chellam, in breach of an obligation arising from a relationship of trust and confidence and with the expectation of receiving a benefit, conveyed material nonpublic information concerning Xilinx to Galleon founder Raj Rajaratnam, who traded Xilinx securities while in possession of this inside information. The Commission's complaint alleges further that after Chellam joined the Galleon Special Opportunities Fund in 2007, he continued to obtain material nonpublic information about Xilinx and to pass that information to Rajaratnam and other individuals affiliated 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 Chellam's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Chellam be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer or transfer agent.

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.

Elizabeth M. Murphy
Secretary