



*United States Attorney
Southern District of New York*

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**FORMER MORGAN STANLEY FINANCIAL ANALYST AND
HER HUSBAND, FORMER HEDGE FUND ANALYST,
PLEAD GUILTY TO INSIDER TRADING SCHEME**

Wife's Tips To Husband Net \$600,000

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that JENNIFER WANG, 31, and her husband RUBIN CHEN, 34, of Englishtown, New Jersey, pleaded guilty in Manhattan federal court to insider trading charges. The trading took place based on material nonpublic information that WANG obtained from her former employer, Morgan Stanley, regarding acquisitions of three publicly traded companies. WANG, formerly a financial analyst at Morgan Stanley, and CHEN, a former analyst at a hedge fund in Manhattan, netted over \$600,000 from the scheme.

At today's proceeding before United States District Court Judge COLLEEN McMAHON, WANG and CHEN each pleaded guilty to one count of conspiring to commit insider trading and three counts of insider trading. According to statements made during the guilty pleas, and documents previously filed in this case:

From December 2005 through March 2007, WANG and CHEN traded in the securities of Town and Country Trust, Glenborough Realty Trust, and Genesis Health Care, based on material, nonpublic information WANG -- then a vice-president in Morgan Stanley's finance department -- obtained from her employer regarding those companies. WANG and CHEN conducted their trading in an account -- the existence of which they hid from their respective employers -- set up in the name of WANG's mother.

With respect to Town and Country Trust and Glenborough Realty Trust, Morgan Stanley was advising its subsidiary, Morgan Stanley Real Estate ("MSRE"), on the acquisition of both companies. WANG had access to documentation regarding MSRE's attempted but unsuccessful acquisition of Town and Country, and

successful acquisition of Glenborough, prior to any public disclosure of MSRE's bids for the companies. As to Genesis, in December 2006, Morgan Stanley's Principal Transactions Group received information relating to financing a potential acquisition of Genesis. WANG obtained access to a shared computer drive that contained information relating to the potential acquisition. WANG passed the information she obtained from Morgan Stanley to her husband CHEN, then the vice-president who managed hedge fund investments in the Fund of Funds department at another investment bank. Trading in these three securities, conducted in the account established in WANG's mother's name, netted over \$600,000.

WANG and CHEN resigned earlier this year from their respective employers following a Securities and Exchange Commission ("SEC") inquiry and internal investigations by Morgan Stanley and ING.

WANG and CHEN are scheduled to be sentenced by Judge McMAHON on December 7, 2007 at 10 a.m. They each face a maximum sentence of 65 years in prison.

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the efforts of the Federal Bureau of Investigation and the SEC in the investigation of this case. He added the investigation is continuing.

Assistant United States Attorney REED MICHAEL BRODSKY is in charge of the prosecution.

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