

Former Yahoo! executive charged with insider trading

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Robert Kwok was senior director of business management at Yahoo! in 2009 when the firm negotiated an alliance with Microsoft to have Bing technology power online searches, according to the [Securities and Exchange Commission](#).

Kwok shared news of the supposedly secret pact with Reema Shah, who was then the mutual fund manager for Ameriprise Financial Inc., the

SEC said.

Shah orchestrated the purchase of more than 700,000 shares of Yahoo! stock based on Kwok's "illegal tip" and then sold them for a profit of \$389,000 after the Microsoft deal went public, the SEC charged.

Shah had done a similar favor for Kwok a year earlier, letting him in on inside word that [Autodesk](#) was about to buy Moldflow Corporation, according to the SEC. Kwok made \$4,754 trading on the "nonpublic information," it said.

"Kwok and Shah played a game of you scratch my back and I'll scratch yours," SEC enforcement division associate director Scott Friestad said in a statement.

Kwok and Shah spoke frequently since meeting in 2008, with Kwok sharing inside knowledge about Yahoo!'s [financial performance](#) and Shah reciprocating with snippets of information from her job to help guide Kwok's [investment decisions](#), according to the SEC.

The California residents have agreed to plead guilty to conspiring to commit [securities fraud](#), it said.

Under the terms of the plea deals, which must be approved by a judge, Shah will be barred from the financial securities industry and Kwok will not be allowed to serve as an officer or director of a public company.

Financial penalties would be determined by a court at a later date.

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