

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3027 / May 12, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13891**

**In the Matter of**

**ALI T. FAR and**  
**CHOO-BENG LEE,**

**Respondents.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Ali T. Far (“Far”) and Choo-Beng Lee (“Lee”) (collectively, “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, and the findings contained in Sections III.3, III.5 and III.7 below, which are admitted, Respondents consent 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 Respondents’ Offer, the Commission finds that:

1. Far, age 48, resides in Saratoga, California. Far is a Managing Member and co-founder of Spherix Capital LLC (“Spherix Capital”). Far was also a Managing Member of Far & Lee LLC (“Far & Lee”). Far was previously a Managing Director at Galleon Management, LP. Far previously held Series 7 and 63 licenses.

2. Lee, age 52, resides in San Jose, California. Lee is a co-founder and President of Spherix Capital. Lee was also a Managing Member of Far & Lee. Lee was previously a portfolio manager with Stratix Asset Management.

3. On November 5, 2009, the Commission filed a complaint against Far and Lee in SEC v. Galleon Management, LP, et al., Civil Action No. 09 Civ. 8811 (JSR). On February 2, 2010, the Court entered a final judgment permanently enjoining Far and Lee, by consent, from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

4. The Commission’s complaint alleged that in or around July 2007 Lee obtained material, non-public information about Google, Inc. Lee passed this inside information to his business partner Far, and Far and Lee traded on the basis of the information. The trades at issue generated over \$450,000 in illicit profits (or avoided losses) in one or more brokerage accounts affiliated with Far & Lee. In or around December 2008 and February 2009, Far obtained material, non-public information about Atheros Communications, Inc. Far shared this inside information with Lee, and Spherix Capital traded on the basis of the information. The trades at issue generated over \$870,000 in illicit profits (or avoided losses) in one or more brokerage accounts affiliated with Spherix Capital.

5. On October 19, 2009, Far pled guilty to one count of securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5 and Title 18, United States Code, Section 2; and one count of conspiracy to commit securities fraud and wire fraud, in violation of Title 18, United States Code, Section 371, before the United States District Court for the Southern District of New York, in United States v. Ali Far (Criminal Information No. 1:09-CR-1009).

6. The counts of the criminal information to which Far pled guilty alleged, inter alia, that Far conspired to, and did, obtain inside information regarding several technology companies. In some cases, Far arranged to pay sources for the inside information. The trades at issue are alleged to have generated over \$5 million in illicit profits (or avoided losses) in one or more brokerage accounts affiliated with Far & Lee or Spherix Capital.

7. On October 13, 2009, Lee pled guilty to one count of securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5 and Title 18, United States Code, Section 2; and one count of conspiracy to commit securities fraud and wire fraud, in violation of Title 18, United States Code, Section 371, before the United States District Court for the Southern District of New York, in United States v. Richard Choo-Beng Lee (Criminal Information No. 1:09-CR-972).

8. The counts of the criminal information to which Lee pled guilty alleged, inter alia, that Lee conspired to, and did, obtain inside information regarding several technology companies. In some cases, Lee arranged to pay sources for the inside information. The trades at issue are alleged to have generated over \$5 million in illicit profits (or avoided losses) in one or more brokerage accounts affiliated with Far & Lee or Spherix Capital.

#### IV.

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

Accordingly, it is hereby ORDERED that:

Pursuant to Section 203(f) of the Advisers Act, Respondents Far and Lee be, and hereby are, barred from association with any investment adviser.

Any reapplication for association by the Respondents 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 Respondents, 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy  
Secretary