

ADMINISTRATIVE PROCEEDING
File No. 3-18013

SEC Charges Accountant With Insider Trading Ahead of Client's Acquisition Announcement

June 7, 2017 – The Securities and Exchange Commission today announced that an accountant formerly employed as a director by Deloitte & Touche, LLP has settled charges that she traded on inside information obtained from an audit client in breach of a duty owed to her employer.

According to the SEC's order, Dan ("Alice") Zhang, a licensed CPA since 2005, learned that one of Deloitte's audit clients, Coherent, Inc., was planning to acquire Rofin-Sinar Technologies, Inc. The SEC's order states that, on January 29, 2016, while in possession of material nonpublic information concerning the impending acquisition, Zhang logged into a close relative's online brokerage account and purchased 1,110 shares in Rofin-Sinar common stock at \$24.74 per share. After the acquisition was publicly announced in March 2016, Rofin-Sinar's stock price increased by 37%. Zhang received ill-gotten gains of approximately \$7,450 from the illegal trades. On July 21, 2016, Deloitte sent Zhang an inquiry from the Financial Industry Regulatory Authority requesting identification of any individuals included on a list of traders. Zhang saw her relative's name on the list. Zhang resigned from her employer and self-reported her trading to Deloitte and to SEC staff.

The SEC's order finds that Zhang willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Without admitting or denying the findings in the SEC's order, Zhang agreed to a cease-and-desist order, and to pay disgorgement of \$7,451.05, prejudgment interest of \$200.43, and a penalty of \$7,451.05, for a total of more than \$15,000. Zhang also agreed to be suspended from appearing and practicing before the SEC as an accountant, which includes not participating in the financial reporting or audits of public companies. The SEC's order permits Zhang to apply for reinstatement after five years. In determining to accept Zhang's offer of settlement, the Commission considered her cooperation with SEC staff.

The SEC's investigation was conducted by David S. Brown and Diana K. Tani of the SEC's Market Abuse Unit and was supervised by the unit's co-chiefs, Joseph G. Sansone and Robert A. Cohen.

See also: [Order](#)