

SEC Discovers Insider Buying Before WBD Sale

By [The Moscow Times](#)

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NEW YORK — The U.S. Securities and Exchange Commission has sued unidentified buyers of Wimm-Bill-Dann Foods securities over what the agency called "highly profitable and suspicious purchases" before PepsiCo announced that it would buy a 66 percent stake in the Russian dairy and juice producer.

"Unknown purchasers" bought 400,000 American Depositary Receipts in the company from Nov. 29 to Dec.1, when there was no public information available concerning the contemplated acquisition, the agency said Wednesday in a complaint in federal court in New York.

After PepsiCo's announcement of the acquisition, the price of Wimm-Bill-Dann's ADRs, traded on the New York Stock Exchange, increased by 28 percent, the SEC said.

"As a result, the unknown purchasers are in a position to realize total profits of approximately

\$2.7 million from the sale of the ADRs," the SEC said in the complaint.

PepsiCo said Dec. 2 that it intended to acquire the interest in the company for \$3.8 billion, with U.S. shares priced at \$33. That was 32 percent more than the average in the preceding 30 days.

The investors bought Wimm-Bill-Dann's U.S. shares through an account at SG Private Banking (Suisse), a subsidiary of Societe Generale Bank & Trust, the U.S. regulators said in the complaint.

The government asked for court orders to restrain the defendants from violating U.S. law and for disgorgement of illicit profits.

The case is SEC vs. One or More Unknown Purchasers, 10-cv-9159, U.S. District Court, Southern District of New York (Manhattan).

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