

Press Release

SEC Charges Two with Insider Trading on Pershing Square's Announcement on Herbalife

FOR IMMEDIATE RELEASE

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Washington D.C., Sept. 30, 2014— The Securities and Exchange Commission today announced charges against two individuals for insider trading on a prominent hedge fund manager's announcement that his hedge fund had formed a negative view of Herbalife Ltd. and taken a \$1 billion short position in its securities.

The SEC's orders find that Filip Szymik of New York City and Jordan Peixoto of Toronto engaged in insider trading in Herbalife securities in advance of hedge fund manager William Ackman's December 20, 2012 announcement of the views of his hedge fund, Pershing Square Management, L.P.

According to the SEC's orders, Szymik learned from his roommate, then a Pershing analyst, that Pershing planned to publicly announce its negative view of Herbalife. Szymik tipped Peixoto, who purchased Herbalife put options on December 19, 2012, one day before the announcement. As a result of his unlawful trading, Peixoto reaped \$47,100 in illicit profits.

"Szymik and Peixoto chose to engage in illicit tipping and trading in advance of the announcement of market-moving information and today they are being held accountable for those offenses," said Sanjay Wadhwa, senior associate director of the SEC's New York Regional Office.

In a settled order against Szymik, the Commission found that he violated antifraud provisions in federal securities laws and SEC rules and ordered him to cease and desist from further violations and pay a \$47,100 civil penalty.

In the litigated order against Peixoto, the Commission instituted cease-and-desist proceedings against him to determine whether he violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and to determine what relief is appropriate.

The SEC's investigation has been conducted by Liora Sukhatme, Sheldon Mui, Diego Brucculeri, and Gerald Gross, and the matter is being litigated by Jack Kaufman. The case has been supervised by Mr. Wadhwa.

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Related Materials

- [SEC order - Szymik](#)
- [SEC order - Peixoto](#)

