

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUN 12 2008
MICHAEL W. BOBROW
CLERK, U.S. DISTRICT COURT

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

RICARDO CAVALLERO,
ELENA H. DE CAVALLERO,
JUAN CARLOS PERALTA,
SEBASTIAN KOHAN MILLER, and
SILVINA GARCIA TOBAR DE MILLER,

Defendants.

Case No:

06C

JUDGE MANNING

MAGISTRATE JUDGE LEVIN

COMPLAINT

Plaintiff, the United States Securities and Exchange Commission (the "Commission"), for its Complaint against Ricardo Cavallero, Elena H. Cavallero, Juan Carlos Peralta (collectively, "Cavallero defendants") and Sebastian Kohan Miller and Silvia Garcia Tobar De Miller (collectively, "Miller defendants") alleges as follows:

INTRODUCTION

1. This is an insider trading case involving highly profitable and highly suspicious purchases of call option contracts¹ and common stock of Maverick Tube Corp. ("Maverick Tube") that were placed through two overseas accounts from at least May 12, 2006 through June 13, 2006. These purchases were made in advance of a public announcement (the "Announcement"), on June 12, 2006, that Maverick Tube was to be

¹ Each call option gives the holder the right, but not the obligation, to purchase 100 shares, at a set exercise price, by the expiration date. Thus, a holder of 10,000 call options has the right to purchase 1,000,000 shares.

acquired by Tenaris SA (“Tenaris”) for approximately \$2.6 billion. According to the Announcement, under the proposed acquisition offer, Maverick Tube shareholders would receive \$65.00 a share, which represents a 36% premium over the ten-day average closing price of Maverick Tube stock prior to the offer. As a result of the Announcement, Maverick Tube common stock jumped 37% over its previous day’s closing price, placing the defendants in a position to gain substantial profits.

2. Upon information and belief, while in possession of material, nonpublic information concerning the Announcement, from at least May 12 through June 13, 2006, the defendants purchased a total of at least 1120 call options for Maverick Tube’s stock. Moreover, the defendants also purchased at least 7,100 shares of Maverick Tube common stock shortly before the Announcement. In advance of the Announcement, the defendants engaged in widespread unlawful activity and are in a position to reap over \$1.1 million dollars in profits.

JURISDICTION AND VENUE

3. The Commission brings this action pursuant to the authority conferred upon it by Section 21(d)(1) of the Exchange Act, 15 U.S.C. § 78u(d)(1), seeking to restrain and enjoin permanently the defendant from engaging in the acts, practices and courses of business alleged herein.

4. Venue lies in this Court pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa. Certain of the acts, practices, transactions and courses of business alleged herein occurred within the jurisdiction of the United States District Court for the Northern District of Illinois. All of the subject options transactions took place at the Chicago Options Exchange, located in Chicago, Illinois.

5. Defendants, directly or indirectly, have made, and are making, use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged herein in the Northern District of Illinois.

6. Defendants, directly or indirectly, engaged in and, unless enjoined, will continue to engage in transactions, acts, practices, and courses of business that violate Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5.

DEFENDANTS

7. Defendants Ricardo Cavallero, Elena H De Cavallero, and Juan Carlos Peralta reside in Buenos Aires, Argentina. The Cavallero defendants maintain a brokerage account at a branch office of Merrill Lynch in Buenos Aires. The Cavallero defendants purchased, or caused to be purchased, call option contracts and common stock of Maverick Tubes through its brokerage account at Merrill Lynch.

8. Defendants Sebastian Kohan Miller and Silvina Garcia Tobar De Miller list their permanent address in Buenos Aires, Argentina and their mailing address in Estes, Uruguay. The Miller defendants maintain a brokerage account at a branch office of Wachovia Securities, LLC in Buenos Aires.. The Miller defendants purchased, or caused to be purchased, call option contracts and common stock of Maverick Tube through its brokerage account at Wachovia Securities.

RELEVANT ENTITIES

9. Maverick Tube is headquartered in Chesterfield, Missouri. Maverick Tube is a maker of welded steel tube for oil-drilling companies. Maverick Tube's stock trades on the New York Stock Exchange and its options trade on the Chicago Board of Options Exchange, the International Securities Exchange, the American Stock and Option Exchange, the Boston Options Exchange, and the Philadelphia Stock and Options Exchange.

10. Tenaris is headquartered in Luxembourg. Tenaris is owned by an international conglomerate located in Argentina and has operations in Buenos Aires, Argentina. Tenaris is a supplier of seamless oil and gas pipelines. Tenaris' stock trades on the New York Stock Exchange and its options trade on the Chicago Board Options Exchange, the International Securities Exchange, the Philadelphia Stock and Options Exchange and the American Stock and Options Exchange.

FACTS

A. The Cavallero Defendants

11. In a joint account, the Cavallero defendants purchased approximately 820 call options between June 1 and June 9, 2006. The Cavallero defendants also purchased 6000 shares of Maverick Tube stock on May 12 and June 1, 2006.

12. The Cavallero defendants were not authorized to trade options in their Merrill Lynch account until May 31, 2006 and the very next day they began accumulating Maverick call options. Indeed, between June 1 and the time of the Announcement, the Cavallero defendants did not purchase any other options.

13. The specific trading activity in this account is as follows:

5/2/2006	Buy	Tenaris	Equity			5000	31.85
5/12/2006	Buy	Maverick	Equity			4000	58.21
6/1/2006	Buy	Maverick	Equity			2000	49.10
6/1/2006	Buy	Maverick	Option	June-06	50C	100	0.30
6/1/2006	Buy	Maverick	Option	June-06	55C	82	0.40
6/1/2006	Buy	Maverick	Option	June-06	55C	18	0.45
6/2/2006	Buy	Maverick	Option	June-06	55C	50	0.40
6/2/2006	Buy	Maverick	Option	June-06	55C	50	0.40
6/2/2006	Buy	Maverick	Option	July-06	50C	20	1.55
6/5/2006	Buy	Maverick	Option	June-06	55C	60	0.25
6/5/2006	Buy	Maverick	Option	June-06	55C	40	0.30
6/5/2006	Buy	Maverick	Option	July-06	55C	40	1.25
6/6/2006	Buy	Maverick	Option	June-06	55C	100	0.25
6/6/2006	Buy	Maverick	Option	July-06	55C	20	1.15
6/7/2006	Buy	Maverick	Option	June-06	55C	109	0.25
6/7/2006	Buy	Maverick	Option	June-06	55C	91	0.25
6/7/2006	Buy	Maverick	Option	July-06	55C	40	1.20
6/14/2006	Sell	Maverick	Option	June-06	55C	50	7.65
6/14/2006	Sell	Maverick	Option	July-06	55C	50	7.61
6/14/2006	Sell	Maverick	Option	June-06	55C	50	7.65
6/14/2006	Sell	Maverick	Option	June-06	55C	50	7.55
6/14/2006	Sell	Maverick	Option	June-06	55C	50	7.55
6/14/2006	Sell	Maverick	Option	June-06	55C	50	7.55
6/14/2006	Sell	Maverick	Option	June-06	55C	50	7.55
6/14/2006	Sell	Maverick	Option	July-06	55C	18	7.53
6/14/2006	Sell	Maverick	Option	June-06	50C	3	12.70
6/14/2006	Sell	Maverick	Option	July-06	50C	20	12.48
6/14/2006	Sell	Maverick	Option	June-06	55C	100	7.65
6/14/2006	Sell	Maverick	Option	June-06	55C	100	7.65
6/14/2006	Sell	Maverick	Option	June-06	55C	100	7.65
6/14/2006	Sell	Maverick	Option	June-06	50C	5	12.70
6/14/2006	Sell	Maverick	Option	June-06	50C	45	12.60
6/14/2006	Sell	Maverick	Option	June-06	50C	47	12.60
6/14/2006	Sell	Maverick	Option	July-06	55C	32	7.63

14. The Cavallero defendants' purchases of Maverick Tube call options represented a significant portion of the trading in Maverick Tube call options on those days. For example, on June 1, 2006, the Cavallero defendants' purchase of Maverick Tube call options represented 61.35% of the activity in one series of call options ("Jun

55” call options). On June 2, 2006, the Cavallero defendants’ purchase constituted 60.60% in another series of call options (“Jul 50” call options).

15. Furthermore, the Callavero defendants had purchased on May 2, 2006 approximately 5000 shares of Tenaris in their Merrill Lynch account. Thus, the Cavallero defendants owned a position in Tenaris several weeks in advance of the Announcement in addition to accumulating positions in Maverick Tubes options within a week of the Announcement.

16. These call options had June and July expiration dates. These options were purchased “out of the money” with an exercise price of \$50.00 and \$55.00, meaning that at the time of purchase, the market price of Maverick Tube stock was below the exercise price.

17. The Cavallero defendants bought over 700 out-of-the-money call option contracts with June ’06 expiration dates. For example, on June 6 and 7, they bought 300 Jun-06 55 call options due to expire ten days later. This strike price was \$7.00 above the current market price on that day. Accordingly, the price of Maverick Tube stock would have to rise significantly by June 17, 2006, the date when the options would expire, for the options to have value. Thus, the Cavallero defendants purchase of call options with June expiration dates represented a substantial bet that the price of Maverick Tube stock would appreciate within a matter of days.

18. The total cost of the 820 call options was \$55,844.90. As a result of the Announcement and the resulting increase in the price of Maverick Tube stock, the Cavallero defendants sold their options and realized a profit of \$853,413.01. The

Cavallero defendants' equity positions, which have not been sold, have unrealized gain of \$44,860 as of June 14, 2006.

19. On information and belief, at the time the Cavallero defendants purchased the Maverick Tube call options and stock as set forth above, they were in possession of material, nonpublic information about Tenaris' proposed acquisition of Maverick Tube. The Cavallero defendants knew, or were reckless in not knowing, the fact that (a) their trading was in breach of fiduciary or other duties of trust and confidence that they owed to the shareholders of Maverick Tube or to the source from which they received the material nonpublic information; or (b) material nonpublic information about the acquisition had been communicated to them in breach of fiduciary or similar duties of trust and confidence. In the alternative, the Cavallero defendants knew or had reason to know that the source from which the Cavallero defendants received the material information breached fiduciary or other duties of trust and confidence by providing the material information to the Miller defendants.

20. By reason of the foregoing, the Cavallero defendants, directly and indirectly, violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and are likely to commit such violations in the future unless enjoined from doing so.

B. The Miller Defendants

21. In a confidential numbered account at Wachovia Securities, the Miller defendants purchased both call options and equity positions in Maverick Tube within a few days of the Announcement. Specifically, the Miller defendants purchased approximately 300 call options of Maverick Tube on June 9, 2006. Furthermore, the

Miller defendants also purchased equity positions in both Tenaris and Maverick Tube on June 7 and June 8, 2006.

22. The specific trading activity in this account is as follows:

6/7/2006	Buy	Tenaris	Equity			3000	35.93
6/8/2006	Buy	Tenaris	Equity			200	32.99
6/8/2006	Buy	Tenaris	Equity			1300	33.00
6/8/2006	Buy	Maverick Tube	Equity			1100	44.8299
6/9/2006	Buy	Tenaris	Option	June-06	33C	25	2.20
6/9/2006	Buy	Maverick Tube	Option	July-06	55C	50	1.50
6/9/2006	Buy	Maverick Tube	Option	June-06	55C	250	0.25
6/13/2006	Sell	Maverick Tube	Equity			600	62.96
6/13/2006	Sell	Maverick Tube	Equity			500	62.95
6/13/2006	Sell	Maverick Tube	Option	June-06	55C	80	7.80
6/13/2006	Sell	Maverick Tube	Option	July-06	55C	50	8.10
6/13/2006	Sell	Maverick Tube	Option	June-06	55C	18	7.80
6/13/2006	Sell	Maverick Tube	Option	June-06	55C	15	7.80
6/13/2006	Sell	Maverick Tube	Option	June-06	55C	17	7.80
6/13/2006	Sell	Maverick Tube	Option	June-06	55C	30	7.80
6/13/2006	Sell	Maverick Tube	Option	June-06	55C	90	7.80

23. As indicated above, the Miller defendants purchased both Tenaris and Maverick Tube stock and call options within four days of the announcement of a merger between these two companies.

24. These call options had June '06 and July '06 expiration dates. These options were purchased "out of the money" with an exercise price of \$55.00. For

example, on June 9, the Miller defendants purchased 250 June-06 55 call options due to expire one week later. This strike price was \$7.50 over the current market price that day. Furthermore, the Miller defendants purchased a significant position – 250 call options with a strike date of June 17, 2006 – on the last possible trading day before the Announcement (June 9, 2006). These “out of the money” call option purchases represented a substantial bet that the price of Maverick Tube stock would increase by more than 20% within a matter of days.

25. In the months prior to the Announcement, the account had purchased stock in several oil and oil related companies. However, beginning in June, the Miller defendants engaged in significant sales of their holdings. During the first week of June, the percentage of the account held in cash went from 19% on May 31, 2006, to 45% on June 13, 2006, and 51% after the liquidation of Maverick and Tenaris call options. In addition, the account purchased shares in a contrarian mutual fund that bet on a declining NASDAQ. These moves reflected a strong indication that the Miller defendants believed that the market was declining. In contrast, the only equity purchases the account made in June were in Maverick Tube and Tenaris call options (the account also was buying the contrarian mutual fund). The Miller defendants had not traded Maverick Tube or Tenaris securities within the three preceding months

26. On June 13, 2006, the Miller defendants liquidated their Maverick Tube equity and option positions. The Miller defendants’ realized profit on their Maverick Tube call options is approximately \$221,122.78. Moreover, their realized profit on their equity positions in Maverick Tube is approximately \$19,435.98.

27. On information and belief, at the time the Miller defendants purchased the Maverick Tube call options and stock as set forth above, they were in possession of material, nonpublic information about Tenaris' proposed acquisition of Maverick Tube. The Miller defendants knew, or were reckless in not knowing, the fact that (a) their trading was in breach of fiduciary or other duties of trust and confidence that they owed to the shareholders of Maverick Tube or to the source from which they received the material nonpublic information; or (b) material nonpublic information about the acquisition had been communicated to them in breach of fiduciary or similar duties of trust and confidence. In the alternative, the Miller defendants knew or had reason to know that the source from which the Miller defendants received the material information breached fiduciary or other duties of trust and confidence by providing the material information to the Miller defendants.

28. By reason of the foregoing, the Miller defendants, directly and indirectly, violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and are likely to commit such violations in the future unless enjoined from doing so.

RELIEF REQUESTED

WHEREFORE, Plaintiff Commission respectfully requests that this Court issue:

I.

Orders temporarily and preliminarily, and Final Judgments permanently, restraining and enjoining the Defendants, their agents, servants, employees, attorneys in fact, and all persons in active concert or participation with her who receive actual notice

of the injunction by personal service or otherwise, and each of them, from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

II.

An Order that prevents the Defendants, and each of defendants' financial and brokerage institutions, agents, servants, employees attorneys-in-fact, and those persons in active concert or participation with defendants who receive actual notice of such Order by personal service, facsimile service, service in accordance with such Order, or otherwise, from withdrawing, transferring, pledging, encumbering, assigning, dissipating, concealing or otherwise disposing of any common stock or call options for Maverick Tube Corp. ("Maverick Tube") purchased since May 1, 2006, or proceeds from the sale or exercise of any such call options or common stock since June 1, 2006, including, but not limited to, transactions in (1) an account (Account #168-37376) at Merrill Lynch in the name of Ricardo Cavallero, Elena H De Cavallero, Juan Carlos Peralta and (2) an account (Account #207-74622; Confidential Account #2424) at Wachovia Securities in the name of Sebastian Kohan Miller and Silvina Garcia Tobar De Miller

III.

An Order enjoining and restraining the defendants, and any person or entity acting at their direction or on their behalf, from destroying, altering, concealing, or otherwise interfering with the access of the Commission to relevant documents, books and records.

IV.

A Final Judgment requiring defendants to disgorge all ill-gotten gains from the violative conduct alleged in this Complaint, and to pay prejudgment interest thereon.

V.

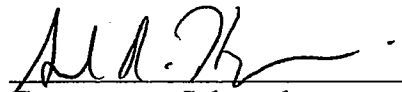
Ordering defendants to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

VI.

Granting such other relief as this Court may deem just and appropriate.

Dated: June ____, 2006.

Respectfully submitted,



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