

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

CASE NO. :

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
ANTHONY PEREZ and)
IAN C. PEREZ,)
)
)
Defendants.)
_____)

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. SUMMARY

1. This case involves insider trading by Defendant Ian C. Perez in the securities of Safeco Corp., formerly a publicly-traded, Seattle-based insurance company. In April 2008, Anthony Perez was an investment banker at Goldman Sachs Group Inc. who was working on a potential acquisition of Safeco for a client. Anthony Perez tipped his brother Ian with material, nonpublic information about a potential acquisition of Safeco. Based on this tip, Ian Perez traded Safeco call options and made more than \$150,000.

2. By engaging in the conduct described above, and as described more fully below, Anthony and Ian Perez violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5. The Commission requests the Court to enter (1) a permanent injunction restraining and enjoining Anthony Perez and Ian C. Perez from future violations of Section 10(b) of the Exchange Act and

Rule 10b-5 thereunder, (2) an order holding Anthony Perez and Ian Perez jointly and severally liable for disgorgement of any trading profits, with prejudgment interest, and (3) an order directing Anthony Perez and Ian Perez to each pay a civil money penalty.

II. DEFENDANTS

3. Anthony Perez, a 26 year-old resident of Maitland, Florida, was a registered representative associated with Goldman Sachs and served as investment banking analyst in its financial institutions group in New York City from July 2007 to May 2008.

4. Ian Perez, a 23 year-old resident of Orlando, Florida, was an employee at a bank in St. Petersburg, Florida, from June 2006 to May 2008.

III. RELEVANT ENTITIES

5. Safeco was an insurance company incorporated in Washington and headquartered in Seattle, Washington. At all relevant times, Safeco's common stock was listed on the New York Stock Exchange and was registered with the Commission pursuant to Section 12(b) of the Exchange Act. Safeco's options were listed on the Chicago Board of Options Exchange, the NYSE Arca, Intercontinental Exchange, and the Philadelphia Stock Exchange.

6. Liberty Mutual is an insurance company incorporated in Massachusetts and headquartered in Boston, Massachusetts.

IV. JURISDICTION AND VENUE

7. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78u-1.

8. This Court has subject matter jurisdiction over this action pursuant to Sections 21(e), 21A, and 27 of the Exchange Act, 15 U.S.C. §§ 78u(e), 78u-1, and 78aa.

9. Personal jurisdiction and venue are proper in the Middle District of Florida

because Anthony and Ian Perez both reside and work in the Middle District of Florida, and because many of their acts and transactions constituting violations of the Exchange Act occurred there.

10. In connection with the conduct alleged in this Complaint, Anthony and Ian Perez, directly or indirectly, singly or in concert with others, made use of the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange.

V. FACTS

A. Anthony Perez Possessed Material Nonpublic Information About A Potential Sale of Safeco

11. As an investment banking analyst at Goldman Sachs, Anthony Perez worked as a junior analyst on investment banking teams that examined potential merger and acquisition opportunities for clients. In that capacity, he received and reviewed Goldman Sachs's insider trading policy, and agreed to comply with its provisions.

12. On March 27, 2008, investment bankers retained by Safeco contacted a large insurance company (the "Client") about potential interest in an acquisition of Safeco. The next day, Safeco's CEO also contacted the Client's CEO regarding the potential acquisition. The Client subsequently hired Goldman Sachs to evaluate a potential acquisition of Safeco on its behalf. Anthony Perez was tasked with working on the Safeco-related engagement. While working on that engagement, he had extensive contact with individuals from Safeco and the Client and routinely received material, nonpublic information from these parties and other employees of Goldman Sachs concerning the Client's possible acquisition of Safeco.

B. Anthony Perez Tipped Ian Perez with Material Nonpublic Information Regarding Safeco And He Then Traded Safeco Securities

13. From April 9, 2008 to April 21, 2008, Anthony Perez told his brother Ian that the Client was evaluating a possible acquisition of Safeco, and that any sale of Safeco would be at a large premium to the market price of Safeco stock. On April 17, 2008, the Client submitted a nonpublic indication of interest in purchasing Safeco at \$64.00 to \$68.50 a share. Anthony Perez informed his brother of this offer. On April 21, 2008, Anthony Perez learned that another company had outbid the Client for Safeco, and he promptly informed his brother.

14. The following day, Ian Perez told his brother that he was interested in purchasing call options in Safeco, and also in another unrelated company to conceal his insider trading. Anthony Perez advised his brother not to purchase call options or a large block of Safeco stock in order to avoid detection. On April 22, 2008, relying on the information from Anthony, Ian Perez bought 100 Safeco May 50 call options (call options expiring in May with a \$50 strike price) for \$7,644. On April 23, 2008, after Liberty Mutual announced it was acquiring Safeco for an all-cash price of \$68.25 per share (a \$23.02 premium over the prior day's closing price), Ian Perez sold his call options, netting a profit of \$152,231.10.

CLAIMS FOR RELIEF

COUNT I

Anthony and Ian Perez Violated Section 10(b) of the Exchange Act And Rule 10b-5 Thereunder

15. The Commission repeats and realleges paragraphs 1 through 14 of its complaint.

16. Anthony and Ian Perez, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities,

as described herein, have knowingly, willfully, or recklessly: (i) employed devices, schemes or artifices to defraud; (ii) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or (iii) engaged in acts, practices and courses of business which have operated, are now operating and will continue to operate as a fraud upon the purchasers of such securities.

17. By reason of the foregoing, Anthony Perez and Ian C. Perez, directly and indirectly, violated and, unless enjoined, are reasonably likely to continue to violate 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.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Issue a Permanent Injunction, restraining and enjoining Anthony and Ian Perez from violating 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.

II.

Issue an Order holding Anthony and Ian Perez jointly and severally liable, and directing them to disgorge their trading profits and ill-gotten gains from each illegal trade, and to pay prejudgment interest on those profits.

III.

Issue an Order directing Anthony Perez to pay a civil penalty pursuant to Section 21A of the Exchange Act, 15 U.S.C. § 78u-1.

IV.

Grant such other and further relief as may be necessary and appropriate.


V.

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may hereby be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Respectfully submitted,

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