

Approved: Christine Magdo
CHRISTINE I. MAGDO
Assistant United States Attorney

18 MAG 5432

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UNITED STATES OF AMERICA	:	<u>SEALED COMPLAINT</u>
	:	
- v. -	:	Violations of 15 U.S.C.
	:	§§ 78j(b) and 78ff;
SEBASTIAN PINTO-THOMAZ,	:	17 C.F.R. § 240.10b-5; and
ABELL OUJADDOU, and	:	18 U.S.C. §§ 2 & 371
JEREMY MILLUL,	:	
	:	COUNTY OF OFFENSES:
Defendants.	:	New York
	:	
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SOUTHERN DISTRICT OF NEW YORK, ss.:

JORDAN ANDERSON, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI") and charges as follows:

COUNT ONE
(Conspiracy to Commit Securities Fraud)

1. From at least in or about March 2016 through at least in or about December 2016, in the Southern District of New York and elsewhere, SEBASTIAN PINTO-THOMAZ, ABELL OUJADDOU, and JEREMY MILLUL, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, securities fraud, in violation of Title 15 United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

2. It was a part and an object of the conspiracy that SEBASTIAN PINTO-THOMAZ, ABELL OUJADDOU, and JEREMY MILLUL, the defendants, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances,

in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by (a) employing devices, schemes and artifices to defraud; (b) making and causing to be made untrue statements of material fact and omitting 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 (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon other persons, in violation of Title 15, United States Code, Section 78j(b) and 78ff.

Overt Acts

3. In furtherance of the conspiracy and to effect its illegal objects, SEBASTIAN PINTO-THOMAZ, ABELL OUJADDOU, and JEREMY MILLUL, the defendants, and their co-conspirators, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about March 10, 2016, at or about 11:48 a.m. and 12:16 p.m., shortly after PINTO-THOMAZ received two highly confidential documents about the acquisition of the Valspar Corporation ("Valspar"), PINTO-THOMAZ sent text messages to OUJADDOU.

b. On or about March 10, 2016, at or about 12:53 p.m., OUJADDOU purchased 1,000 shares of Valspar common stock.

c. On or about March 11, 2016, OUJADDOU purchased an additional 1,000 shares of Valspar common stock.

d. On or about March 14, 2016, OUJADDOU purchased an additional 2,070 shares of Valspar common stock.

e. On or about March 16, 2016, MILLUL purchased 480 shares of Valspar common stock.

f. On or about March 17, 2016, OUJADDOU purchased an additional 2,500 shares of Valspar common stock.

g. On or about March 18, 2016, OUJADDOU purchased an additional 2,060 shares of Valspar common stock.

h. On or about March 18, 2016, MILLUL purchased 75 Valspar out-of-the-money call options with a strike price of \$90 and an expiration date of April 15, 2016.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Securities Fraud)

4. From at least in or about March 2016 through at least in or about December 2016, in the Southern District of New York and elsewhere, SEBASTIAN PINTO-THOMAZ, ABELL OUJADDOU, and JEREMY MILLUL, the defendants, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by (a) employing devices, schemes and artifices to defraud; (b) making and causing to be made untrue statements of material fact and omitting 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 (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon other persons, to wit, in advance of the March 20, 2016 public announcement that the Sherwin-Williams Company ("Sherwin-Williams") would acquire Valspar for \$113 per share, PINTO-THOMAZ misappropriated material, nonpublic information ("MNPI") from his employer, a credit rating agency headquartered in New York, New York (the "Firm"), and provided it to OUJADDOU and MILLUL to trade in Valspar securities and derivatives, which they did.

(Title 15, United States Code, Sections 78j(b) & 78ff;
Title 17, Code of Federal Regulations, Section 240.10b-5; and
Title 18, United States Code, Section 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

5. I have been a Special Agent with the FBI for approximately two years. I am currently assigned to a securities fraud squad. I have participated in investigations of a wide variety of financial frauds and related crimes, and have made and participated in arrests of individuals who have committed such offenses. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained during this investigation, directly or indirectly, from other sources, including, but not limited to: (a) business records and other documents, including trading records, bank records, brokerage firm records, records of internet service

providers, and employment records, provided to me by the Firm and by the Securities and Exchange Commission ("SEC"); (b) telephonic toll records; (c) email messages and other electronically stored data, provided by the Firm or obtained from third party providers pursuant to search warrants; and (d) public records, such as SEC filings. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions and statements of and conversations with others are reported herein, they are reported in substance and in part. Where figures, calculations, and dates are set forth herein, they are approximate, unless stated otherwise.

BACKGROUND

Relevant Entities and Individuals

6. At all times relevant to this Complaint until on or about June 1, 2017, Valspar was a publicly-traded company headquartered in Minneapolis, Minnesota that manufactured paints and coatings, whose stock was traded on the New York Stock Exchange ("NYSE") under the ticker symbol VAL.

7. At all times relevant to this Complaint, Sherwin-Williams was a publicly-traded building materials company, primarily engaged in the manufacture, distribution and sale of paints, coatings and related products, headquartered in Cleveland, Ohio, whose stock traded on the NYSE under the ticker symbol SHW.

8. At all times relevant to this Complaint, the Firm was a credit rating agency headquartered in New York, New York. As a credit rating agency, the Firm issued credit ratings for the debt of public and private companies, and other public borrowers such as governmental entities. The Firm also published a number of stock market indices, including an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ (the "Index"). At all times relevant to this Complaint, Sherwin-Williams was a component of the Index.

9. At all times relevant to this Complaint, SEBASTIAN PINTO-THOMAZ, the defendant, was employed as a credit ratings analyst at the Firm in Manhattan, New York.

10. At all times relevant to this Complaint, ABELL OUJADDOU, the defendant, was a hairstylist and part owner of a salon in Manhattan, New York (the "Salon").

11. At all times relevant to this Complaint, JEREMY MILLUL, the defendant, worked in the retail jewelry business in Manhattan, New York.

The Relationship between PINTO-THOMAZ and OUJADDOU

12. From reviewing telephonic toll records I have learned, among other things, the following:

a. From in or about February 2011 through in or about March 2016, SEBASTIAN PINTO-THOMAZ and ABELL OUJADDOU, the defendants, had approximately 460 telephonic communications, consisting of both telephone calls and text messages.

b. From in or about January 2011 through in or about May 2016, OUJADDOU had approximately 913 telephonic communications with a member of PINTO-THOMAZ's immediate family (the "Relative") consisting of both telephone calls and text messages.

The Relationship between MILLUL and PINTO-THOMAZ

13. From reviewing telephonic toll records, iCloud storage data, and email communications, I have learned, among other things, the following:

a. In or about August 2011, the Relative attended the wedding of JEREMY MILLUL, the defendant, to an individual not herein named (the "Wife").

b. From in or about May 2012 through in or about December 2015, MILLUL and SEBASTIAN PINTO-THOMAZ, the defendant, had dozens of telephonic communications.

c. At various times relevant to this Complaint, both MILLUL and PINTO-THOMAZ used an instant messaging application called WhatsApp Messenger ("WhatsApp"), which allows users to send and receive end-to-end encrypted communications.

d. From at least in or about 2012 through at least in or about 2017, MILLUL, PINTO-THOMAZ, and the Relative also communicated via email and iMessage instant messaging, including the following communications:

i. On or about July 17, 2012, PINTO-THOMAZ sent an email to MILLUL forwarding PINTO-THOMAZ's travel itinerary to Israel and stating in the body: "Hey man, below is my return flight tp [sic] NYC on Aug. 14. Booking my flight to TVL Aug 9 later today." On or about August 13, 2012, MILLUL sent a text message to a third party stating: "We went [to Jerusalem] yesterday it was great Sebastian loved it." Based on this exchange and on travel records I have reviewed, I believe that MILLUL and PINTO-THOMAZ travelled to Israel at the same time.

ii. On or about November 19, 2014, PINTO-THOMAZ sent an iMessage to MILLUL stating: "Hey man, talking through all this stuff with you today was really helpful. Thank you[.]" In response, MILLUL wrote: "No problem I am here for you guys plus I am so tired of her taking advantage of [the Relative.]" PINTO-THOMAZ wrote: "This is a whole another level. Anyway, wish my best to [the Wife] and the baby. See you tmw bud[.]" MILLUL wrote: "Will do thanks see you tomorrow[.]"

iii. On or about April 15, 2015, PINTO-THOMAZ, PINTO-THOMAZ's girlfriend (the "Girlfriend"), the Relative, and MILLUL communicated with each other via a group iMessage.

iv. On or about June 25, 2015, PINTO-THOMAZ sent an iMessage to MILLUL saying: "Hey man, congratulations on your new endeavor! I know you're going to crush it. Your persistence and attention to detail will assure you're [sic] success. All the best to you and the fam!" In response, MILLUL wrote: "Thanks man I appreciate it very much[.]"

v. On or about July 15, 2015, MILLUL sent an iMessage to PINTO-THOMAZ saying: "Call me when you can[. I] spoke with [the Relative] yesterday[.]" PINTO-THOMAZ wrote: "Restaurant is called Acme @ 9 Great Jones St. The res is for 9pm but said they could prob sit us earlier if you'd like." MILLUL wrote: "Will let you know [sic] when we are out[.]" PINTO-THOMAZ wrote: "We're here at the restaurant." MILLUL wrote: "Be there in 5[.]"

vi. On or about July 9, 2015, the Relative sent an iMessage to PINTO-THOMAZ and the Girlfriend saying: "Diner [sic] Jeremy and [the Wife] Tuesday or Wednesday next week. Let's [sic] know."

vii. On or about December 18, 2015, PINTO-THOMAZ invited MILLUL to a party at PINTO-THOMAZ's apartment.

viii. On or about September 29, 2017, the Relative sent an iMessage to PINTO-THOMAZ, reminding him to send holiday wishes to "Jeremy." PINTO-THOMAZ responded: "Already messaged him."

ix. On or about December 27, 2017, the Relative sent an iMessage to PINTO-THOMAZ stating: "Went to see Jeremy and [the Wife] to bring a toy for their son (eye operation) and we spoke . . ."

e. From in or about June 2015 through in or about June 2016, MILLUL and the Relative had approximately 180 telephonic communications, consisting of both telephone calls and text messages.

PINTO-THOMAZ Certified His Compliance with Firm
Policies Regarding Insider Trading and
Safeguarding of Confidential Information

14. From reviewing documents maintained by the Firm, I have learned, among other things, the following:

a. In connection with his employment at the Firm, SEBASTIAN PINTO-THOMAZ, the defendant, received annual training regarding the Firm's code of business ethics (the "Code of Business Ethics"). At all times relevant to this affidavit, the Code of Business Ethics stated:

Confidential information is any information [the Firm] possesses that is kept private and not made available to the public. It includes . . . any information that isn't readily available from a public source, and information that is shared between parties in confidence. . . . Confidential information includes but is not limited to [s]trategic plans including mergers and acquisitions. . . . An employee must not . . . [d]isclose any confidential information about [the Firm's] customers, clients or third parties obtained while performing his or her duties.

b. At all times relevant to this affidavit, the Code of Business Ethics specifically prohibited insider trading:

During the course of performing your job you may hear material information about [the Firm] or other companies that is not known to the public.

You should never use material, non-public information to buy or sell securities, or share this information with others to buy or sell stock either for their or your benefit. This is unethical and is known as insider trading, which violates the law and the [Code of Business Ethics]. Material information is the kind of information a reasonable investor would consider in deciding whether to buy or sell a security. Material information could include ... mergers or acquisitions. . . . For example, [y]ou may receive an internal email from the CEO about a pending acquisition.

c. On or about both January 12, 2016 and January 5, 2017, PINTO-THOMAZ certified that he "[had] carefully read the [Firm's] Rating Services Code of Conduct and [that he] will comply with all the provisions and terms of the Code." At all times relevant to this affidavit, the Code of Conduct stated that employees "will protect Confidential Information entrusted to [the Firm] and its Employees by Issuers in connection with the performance of Credit Rating Activities" and "will not use or share Confidential Information for their personal benefit, including to buy, sell, or sell short Securities about which they possess Confidential Information."

d. On or about February 6, 2015, PINTO-THOMAZ completed a course entitled "Protecting Our Information." At all times relevant to this complaint, the Firm's policy manual included a chapter entitled "Protection of Information," which stated that it is unlawful for any employee to "take information that comes to him or her for a lawful business purpose and attempting to profit by using that information to trade in his or her account or by tipping off someone else to trade in their account."

THE OFFENSE CONDUCT

Factual Background Regarding the Possible Acquisition of Valspar

15. From reviewing documents publicly filed with the SEC, I have learned, among other things, the following:

a. In or about June 2015, the Valspar board of directors began to engage in discussions regarding the possibility that Valspar could be acquired by Sherwin-Williams. In or about January 2016, Valspar and Sherwin-Williams signed a

confidentiality agreement in order to pursue confidential discussions about the potential acquisition. Such discussions took place throughout February 2016. On or about March 2, 2016, Valspar opened an electronic data room containing materials in response to Sherwin-Williams' due diligence requests, and granted access to Sherwin-Williams and its legal and financial advisors. On or about March 5, 2016, representatives of Valspar and Sherwin-Williams discussed the potential timing and terms of the acquisition.

16. From my training and experience, I have learned the following:

a. When a company announces an acquisition of another company, the acquiring company's credit rating agency often evaluates, and ultimately issues a press release relating to, the impact that the acquisition could have on the acquiring company's credit rating. Therefore, companies often contact rating agencies before an acquisition is publicly announced in order to secure the rating agency's views on how a possible acquisition could impact a company's credit rating. All the major rating agencies offer a product - known at the Firm as a Rating Evaluation Service ("RES") - that provides the company with a rating committee decision with respect to a proposed acquisition.

b. When it is announced that a company will be acquired, the value of its common stock frequently increases.

PINTO-THOMAZ Learns Material, Non-Public Information
about the Potential Acquisition of Valspar

17. From reviewing documents, including email communications, maintained by the Firm, I have learned, among other things:

a. On or about March 8, 2016, at or about 10:07 a.m., SEBASTIAN PINTO-THOMAZ, the defendant, received an email from a Firm analyst ("Individual-1"), saying that the Vice President & Treasurer of Sherwin-Williams (the "Vice President"), was trying to reach PINTO-THOMAZ and that PINTO-THOMAZ should return the Vice President's call within the "next 10 minutes." At or about 10:08 a.m., PINTO-THOMAZ called the Vice President, and they spoke for approximately three minutes. At or about 10:09 a.m., PINTO-THOMAZ responded by email to Individual-1, stating that PINTO-THOMAZ was "[c]alling him now."

b. On or about March 8, 2016, at or about 1:03 p.m., PINTO-THOMAZ sent an email to his assistant asking her to

reserve a conference room for the afternoon of Thursday, March 10, 2016 for a "Sherwin-Williams Meeting."

c. On or about March 8, 2016, at or about 1:42 p.m., a managing director of the Firm sent an email to another managing director of the Firm, with the subject line "Sherwin," stating "[h]ave Sebastian set up a pre-meeting."

d. On or about March 8, 2016, at or about 2:28 p.m., PINTO-THOMAZ's assistant sent an email invitation for the March 10, 2016 meeting with Sherwin-Williams' management to certain Firm employees.

e. On or about March 10, 2016, at or about 10:23 a.m., PINTO-THOMAZ received an email from the Vice President, attaching documents in advance of their meeting that afternoon. One of those documents was a Sherwin-Williams "Rating Agency Presentation," which contained MNPI about the potential acquisition, including the price that Sherwin-Williams would offer per Valspar share, the source of funding for the acquisition, and the fact that the transaction had been approved by Sherwin-Williams' and Valspar's Boards of Directors. The second attached document was entitled "RES Review of Valspar Acquisition," was prominently labelled as "Highly Confidential," and contained MNPI, including financial projections for Sherwin-Williams in the event that it acquired Valspar.

f. On or about March 10, 2016, at or about 11:11 a.m., PINTO-THOMAZ received an email notifying him that Sherwin-Williams and the Firm had entered into an agreement whereby the Firm would perform a RES regarding Sherwin-Williams' potential acquisition of Valspar. PINTO-THOMAZ was assigned as the "primary credit analyst" and Individual-1 was assigned as the "secondary contact."

g. On or about March 10, 2016, at or about 3:00 p.m., representatives of Sherwin-Williams and representatives of the Firm, including PINTO-THOMAZ, attended a meeting to discuss the RES that the Firm would perform. PINTO-THOMAZ continued to work on the RES for Sherwin-Williams' acquisition of Valspar at least until March 23, 2016.

PINTO-THOMAZ Tips OIJADDOU and OIJADDOU Purchases Valspar Stock Before the Acquisition is Announced

18. From my review of telephonic toll records, trading records, and brokerage account records, I have learned, among other things, the following:

a. On or about March 8, 2016, at or about 10:17 a.m., just minutes after he spoke by telephone with the Vice President, SEBASTIAN PINTO-THOMAZ, the defendant, placed a telephone call to ABELL OUJADDOU, the defendant. Approximately one minute later, PINTO-THOMAZ sent a text message to OUJADDOU. Over the next several hours, PINTO-THOMAZ and OUJADDOU exchanged seven additional text messages.

b. On or about March 9, 2016, PINTO-THOMAZ and OUJADDOU exchanged approximately nine text messages.

c. On or about March 10, 2016, at or about 11:48 a.m. and 12:16 p.m., shortly after he received two highly confidential documents about the acquisition of Valspar from the Vice President, PINTO-THOMAZ sent text messages to OUJADDOU. Shortly thereafter, at or about 12:53 p.m., OUJADDOU purchased 1,000 shares of Valspar common stock. A review of OUJADDOU's brokerage records indicates he never previously traded in Valspar or Sherwin-Williams securities.

d. On or about March 11, 2016, OUJADDOU purchased an additional 1,000 shares of Valspar common stock.

e. On or about March 14, 2016, OUJADDOU purchased an additional 2,070 shares of Valspar common stock.

f. On or about March 15, 2016, PINTO-THOMAZ sent a text message to OUJADDOU.

g. On or about March 16, 2016, at or about 11:41 a.m., PINTO-THOMAZ sent a text message to OUJADDOU. Later that day, at or about 5:14 p.m., PINTO-THOMAZ called a number subscribed to the Salon, of which OUJADDOU is a co-owner, and the call lasted approximately one and a half minutes.

h. On or about March 17, 2016, at or about 11:17 a.m., the Relative called the Salon, and the call lasted approximately 3 minutes and 6 seconds. At or about 11:23 a.m., OUJADDOU bought 1,000 shares of Valspar common stock. At or about 11:24 a.m., the Salon called the Relative, and the call lasted approximately 33 seconds. At or about 11:27 a.m., OUJADDOU bought 1,500 shares of Valspar common stock.

i. On or about Friday, March 18, 2016, the last trading day before the acquisition of Valspar was publicly announced, Oujaddou bought 2,060 shares of Valspar common stock in three transactions.

The Acquisition is Announced, Valspar's Stock Price Soars, and
OUJADDOU Sells His Valspar Shares for a Profit of \$192,080

19. From my review of publicly-available records, including press releases and stock market prices, as well as brokerage records, I have learned, among other things, the following:

a. On or about Sunday, March 20, 2016, a press release publicly announced that Sherwin-Williams would acquire Valspar for \$113 per share in cash, which "represents a premium of approximately 41% to Valspar's volume weighted average price for the 30 days up to and including March 18, 2016."

b. On or about Monday, March 21, 2016, the next trading day, the price of Valspar common stock increased to an intra-day high of approximately \$104.35 and closed at \$102.58, an increase of approximately 23% over the previous trading day's closing price.

c. On or about March 23 and 24, 2016, ABELL OUJADDOU, the defendant, sold his 8,630 shares of Valspar common stock for a net profit of approximately \$192,080.

PINTO-THOMAZ Tips MILLUL and MILLUL Purchases Valspar
Securities Before the Acquisition is Announced

20. From my review of documents, email and messaging communications, iCloud storage data, and recordings maintained by a brokerage firm, I have learned, among other things, the following:

a. On or about Sunday, March 13, 2016, approximately five days after SEBASTIAN PINTO-THOMAZ, the defendant, obtained MNPI relating to the Valspar transaction, at or about 4:34 a.m., JEREMY MILLUL, the defendant, submitted an online application (the "Application") for a brokerage account (the "Brokerage Account") with a brokerage firm not herein named (the "Brokerage Firm"). In the Application, MILLUL stated that he placed, on average, 4 to 9 trades per month.

b. On or about March 14, 2016, at or about 6:07 p.m., MILLUL participated in a communication logged in PINTO-THOMAZ's iCloud account.

c. On or about March 16, 2016, at or about 7:56 a.m., MILLUL called the Brokerage Firm and requested to upgrade the Brokerage Account in order to be able to trade options.

MILLUL was told that he needed to apply online for the upgrade. MILLUL then asked how he could buy on margin and was told he had to submit a request for that upgrade as well. MILLUL stated that he would fund the Brokerage Account with \$100,000 that day. Later that day, at or about 11:40 a.m., MILLUL called the Brokerage Firm to say he wanted to do live-streaming, and was told he has to sign the "real time quote" agreement.

d. Also on or about March 16, 2016, at or about 11:24 a.m., MILLUL transferred \$100,000 from his bank account to the Brokerage Account. Approximately 10 minutes later, MILLUL purchased 480 shares of Valspar common stock.

e. On or about March 17, 2016 at 11:01 a.m., MILLUL called the Brokerage Firm to find out whether he had been approved to trade options yet. During that telephone call, MILLUL claimed to have 10 years' experience trading stocks. When asked about the average size of his stock transactions, he said it was \$20,000 to \$30,000. When asked where he did his trading, MILLUL claimed that he used to manage his father's account in France. MILLUL added that he was just "testing the water" with the Brokerage Account.

f. On or about March 17, 2016, at or about 3:00 p.m., MILLUL called the Brokerage Firm regarding an order he had tried to place but which order had been rejected. MILLUL was told that he was only approved for options trading at "level one." MILLUL responded that he had applied for "level two" options trading.¹ MILLUL was told that the Brokerage Firm likes to see that a client has traded fluidly in the past, more than one or two stock trades per year, in order to qualify for "level two" options trading. MILLUL was asked whether, in any of the past ten years, he had traded more than ten transactions in a year. MILLUL responded that he had not, which contradicted the statement he had made 4 days earlier, in the Application, that he placed 4 to 9 trades per month on average. MILLUL was then asked if he had ever traded options. MILLUL responded that he had done so for his father in a foreign account in France. When asked for how many years MILLUL had done such trading for his father, MILLUL responded that he had done so for "maybe a year." When told that he should re-apply for "level two" options trading and state that he has traded options in the past, MILLUL complained about the online application process, saying "it's

¹ According to the Brokerage Firm, "level one" trading authorization allows a client to trade only covered call options, while "level two" authorization allows a client to purchase and sell options more generally.

not really convenient" and "it's really complicated." Also on or about March 17, 2016, at or about 3:30 p.m., MILLUL called the Brokerage Firm again, saying he had received a message telling him to reapply for "level two" options trading. MILLUL asked whether he could do the re-application process over the telephone because MILLUL was traveling. MILLUL was told that the re-application could not be processed by telephone, and that MILLUL should re-apply online.

g. On or about March 18, 2016, the last trading day before the public announcement of the Valspar acquisition, at or about 10:31 a.m., MILLUL's options upgrade request was completed. At or about 10:39 a.m., MILLUL purchased 75 Valspar out-of-the-money call options with a strike price of \$90 and an expiration date of April 15, 2016 in the Brokerage Account. That day, Valspar was trading at approximately \$83 per share. From January 1, 2016 through March 17, 2016, Valspar had not traded for more than approximately \$84.66, inclusive of intra-day highs.

After the Announcement, MILLUL Sells His Valspar
Stock and Options for a Profit of \$106,806

21. From my review of brokerage records, I have learned, among other things, the following:

a. On or about March 21, 2016, the first trading day after the acquisition of Valspar was publicly announced on March 20, 2016, JEREMY MILLUL, the defendant, sold all 480 shares of his Valspar common stock and all 75 of his Valspar call options in the Brokerage Account. That day, MILLUL placed two telephone calls to the Brokerage Firm, in which he expressed his impatience at the slowness with which his trades were being executed and noted that the price of his shares and options was dropping. MILLUL made a net profit of approximately \$9,660 from trading in Valspar stock (which he had purchased for approximately \$40,000) and a net profit of approximately \$97,146 from trading in Valspar options (which he had purchased for approximately \$4,500), for a total net profit of approximately \$106,806.

b. Prior to March 16, 2016, MILLUL had not previously traded in Valspar or Sherwin Williams stock or options. In fact, I have not found any indication that prior to March 16, 2016 MILLUL had ever maintained a brokerage account in the United States or had traded in any security listed on a domestic exchange.

PINTO-THOMAZ Makes False Statements About
OUJADDOU and MILLUL in Connection with a FINRA Inquiry

22. From my review of telephonic toll records, email communications and documents maintained by the Firm, electronic documents maintained by a third party internet service provider, and documents maintained by the Financial Industry Regulatory Authority ("FINRA"), I have learned, among other things, the following:

a. On or about March 31, 2016, FINRA sent a letter to the Firm requesting a chronology of all Firm personnel who had participated in or been privy to information about the events leading up to the March 20, 2016 announcement prior to its public dissemination, as well as the earliest date on which each person became involved in or privy to information about the relevant events.

b. On or about May 17, 2016, the Firm sent an email to FINRA attaching the requested chronology. The chronology listed SEBASTIAN PINTO-THOMAZ, the defendant, among others, with an awareness date of March 9, 2016.

c. On or about May 26, 2016, in the span of approximately two and a half hours, JEREMY MILLUL, the defendant, called PINTO-THOMAZ approximately eight times. Several of those calls were routed to PINTO-THOMAZ's voicemail system. PINTO-THOMAZ did not answer or return MILLUL's calls.

d. On or about June 8, 2016, FINRA sent a letter to the Firm (the "Identification Letter"), requesting that the Firm circulate the Identification Letter and its attached list of individuals and entities (the "List") to the personnel identified in the Firm's chronology. Each Firm employee was to review the List and state whether he or she had a past or present relationship with any individual or entity on the List. The List included MILLUL and ABELL OUJADDOU, the defendant.

e. On or about June 9, 2016, at or about 5:44 a.m., the Firm distributed by email the Identification Letter and the List to the relevant Firm personnel, including PINTO-THOMAZ, requesting a response by June 17, 2016. Later that day, at or about 2:55 p.m., using his Apple iPhone 6s, PINTO-THOMAZ took two photos of the screen of his work laptop as it displayed portions of the Identification Letter. These photos were recovered from a search warrant executed on PINTO-THOMAZ's Apple iCloud account.

f. On or about June 14, 2016, having received no response from PINTO-THOMAZ, the Firm sent PINTO-THOMAZ an email reminding him to submit his response to the Identification Letter and List.

g. On or about June 14, 2016, at or about 4:50 p.m., PINTO-THOMAZ submitted his response to the Identification Letter and the List by email to the Firm (the "Email Response"). In the Email Response, PINTO-THOMAZ stated "[n]o relationship exists between myself and the individuals/entities listed." Approximately ten minutes later, PINTO-THOMAZ attempted to recall the Email Response. At or about 5:27 p.m., PINTO-THOMAZ again attempted to recall the Email Response.

h. On or about June 14, 2016, at or about 7:07 p.m., PINTO-THOMAZ submitted a second email response to the Identification Letter and the List to the Firm, in which he stated "[t]o the best of my knowledge, no relationship exists between myself and the individuals/entities listed."

i. On or about June 20, 2016, the Firm responded to FINRA's identification letter.


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23. From my review of documents maintained by financial institutions, I have learned, among other things:

a. On seven occasions, from on or about May 5, 2016 through on or about December 2, 2016, JEREMY MILLUL, the defendant, made cash withdrawals of \$500 from a bank account in his name, for a total amount of \$3,500.

b. On or about December 22, 2016, SEBASTIAN PINTO-THOMAZ, the defendant, made a cash deposit of \$3,500 into a bank account in his name.

WHEREFORE, I respectfully request that arrest warrants be issued for SEBASTIAN PINTO-THOMAZ, ABELL OUJADDOU, and JEREMY MILLUL, the defendants, and that they be arrested and imprisoned or bailed, as the case may be.



JORDAN ANDERSON
Special Agent
Federal Bureau of Investigation

Sworn to before me this
25th day of June 2018

S/Kevin Nathaniel Fox

HON. KEVIN NATHANIEL FOX
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK