

## 2 Charged with Insider Trading in Burger King Deal

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NEW YORK (AP) — U.S. federal prosecutors have charged two Brazilian nationals with insider trading in connection with 3G Capital's \$3.26 billion acquisition of Burger King in 2010.

The complaint announced Monday alleges that Waldyr Prado, a 43-year-old former Wells Fargo financial adviser, and one of his brokerage clients, Igor Cornelsen, illegally profited from insider information about the Burger King deal after Prado learned about it from another client who had invested in private-equity firm 3G.

Prado and Cornelsen, a 65-year-old director of an investment company based in the British Virgin Islands, live in Brazil and have not yet been arrested, according to the office of Preet Bharara, U.S. Attorney for the Southern District of New York, and the Federal Bureau of Investigation. Bharara's office did not immediately know what the next step would be in the proceedings. Prado left the U.S. for Brazil in 2012 after being deposed in a lawsuit brought against both men by the Securities and Exchange Commission, telling his U.S.-based supervisor that he feared he would be charged with perjury and that Brazil has no "extradition policy."

According to the criminal complaint unsealed Monday, one of Prado's clients invested in 3G Capital and in March 2010 was told by that company that it was in talks to buy Burger King. The investor signed a confidentiality agreement with 3G related to the deal, but was allowed to discuss its merits with Prado based on his role as financial adviser. But Prado "misappropriated" the information and purchased Burger King stock and options, say prosecutors.

The complaint states that Prado emailed Cornelsen in May 2010 revealing that he had "some info that I cannot say over the phone...You have to hear this." From May through August, Cornelsen purchased Burger King options. After 3G's September 2010 announcement that it planned to buy Miami-based Burger King, Prado and Cornelsen sold their holdings in the fast-food chain for profits of more than \$175,000 and about \$1.68 million, respectively.

The two are charged with securities fraud and fraud in connection with a tender offer, which each carry a maximum term of 20 years in prison. They are also charged with conspiracy to commit securities fraud and fraud in connection with a tender offer, which carries a maximum term of five years in prison.

Messages left with Cornelsen's attorney Monday evening weren't immediately returned. Prado couldn't immediately be reached for comment, and it is unclear if he is currently represented by counsel.

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