

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION
100 F Street, N.E.
Washington, D.C. 20549,

Plaintiff,

vs.

C.A. No.1:07CV00381

LUIZ GONZAGA MURAT JÚNIOR,

Defendant.

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission”) alleges that:

NATURE OF THE ACTION

1. Luiz Gonzaga Murat Júnior engaged in insider trading in American Depositary Shares (“ADSs”) of Perdigão S.A. (“Perdigão”) on the basis of material, nonpublic information concerning a tender offer for Perdigão that Sadia S.A. (“Sadia”) – the company at which he served as Chief Financial Officer and Director of Investor Relations – publicly announced on July 16, 2006 and subsequently revoked on July 21, 2006. In so doing, Murat misappropriated information in breach of the duty of trust and confidence he owed to Sadia.

2. On April 7 and June 29, 2006, Murat purchased what amounted, after an intervening stock split, to a total of 45,900 ADSs of Perdigão with an average cost basis of \$20.57 per ADS.

3. On Sunday, July 16, 2006, Sadia announced the tender offer for Perdigão. On Monday, July 17, 2006, the price of ADSs of Perdigão increased on the news and closed at \$24.50, up \$4.25 (21%) from the closing price the previous Friday. On Tuesday, July 18, 2006, Perdigão rejected the offer. On Thursday, July 20, 2006, Sadia announced a second, revised offer for Perdigão. On Friday, July 21, 2006, Perdigão rejected the revised offer at 8:47 a.m., and Sadia revoked the offer at 1:25 p.m. Between 1:25 and 2:20 p.m. that afternoon,¹ ADSs of Perdigão dropped from \$26.57 to \$22.75, before rising to close at \$24.98.

4. At 1:50 p.m. on Friday, July 21, 2006, Murat called his broker to place an order to sell his entire position, which he then revised, ultimately resulting in the sale of just 15,300 ADSs of Perdigão in two blocks at 2:09 and 2:10 p.m.

5. By trading on the basis of material, nonpublic information, Murat had imputed profits of \$180,404.00 on his purchases of Perdigão ADSs.

6. Murat knew, or was reckless in not knowing, that he traded in ADSs of Perdigão based on material, nonpublic information and in breach of a duty of trust and confidence he owed to Sadia.

7. By engaging in such conduct, defendant violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b), 78n(e)] and Exchange Act Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5, 240.14e-3].

8. Unless restrained and enjoined by this Court, defendant will continue to engage in transactions, acts and practices that violate these provisions of the federal

¹ All times given in this Complaint are in Eastern Daylight Saving Time, which is one hour behind the corresponding time in São Paulo, Brazil.

securities laws. The Commission seeks permanent injunctions against future violations and other relief requested in this Complaint.

JURISDICTION

9. This Court has jurisdiction over this action pursuant to Sections 21(d)(1), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), (e), and 78aa].

10. In connection with the transactions, acts, and practices described in this Complaint, defendant, directly or indirectly, used the means or instrumentalities of interstate commerce, the mails, or the facilities of a national securities exchange.

DEFENDANT

11. Luiz Gonzaga Murat Júnior, age 53, a resident of São Paulo, Brazil, was the Chief Financial Officer and Director of Investment Relations for Sadia S.A. from approximately 1994 through all dates relevant to this Complaint.

OTHER RELEVANT ENTITIES

12. Perdigão S.A. is a Brazilian corporation headquartered in São Paulo that produces processed foods, including meat products and frozen foods. ADSs representing shares of Perdigão are registered with the Commission under Exchange Act Section 12(b) and are listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “PDA.”

13. Sadia S.A. is a Brazilian corporation headquartered in São Paulo that produces refrigerated and frozen protein products, including processed poultry and pork. ADSs representing shares of Sadia are registered with the Commission under Exchange Act Section 12(b) and are listed on the NYSE under the ticker symbol “SDA.”

FACTS

14. From approximately 1994 through September 27, 2006, Murat served as Chief Financial Officer and Director of Investor Relations at Sadia. In those capacities, he had responsibility for serving as the public face of Sadia in communications with the market, for the disclosure of material facts with the Brazilian Securities Commission (Comissão de Valores Mobiliários or “CVM”), for the preparation of filings with the Commission, and for oversight of Sadia’s internal policy on insider trading.

15. On April 7, 2006, representatives of an investment bank met with Murat and Sadia’s Chief Executive Officer and told them that, in light of Perdigão’s recent capital restructuring, the investment bank had concluded that Sadia was in a position to attempt a takeover of Perdigão.

16. Later the same day, Murat purchased 5,100 ADSs of Perdigão at a cost of \$354,363.00.

17. On April 18, 2006, Sadia retained Brazilian counsel in connection with the possible tender offer.

18. On April 20, 2006, ADSs of Perdigão underwent a three-to-one split, bringing Murat’s holdings in Perdigão to 15,300 ADSs.

19. Also on April 20, 2006, representatives of the same investment bank met with executives from Sadia once again to discuss the possible tender offer.

20. On June 21, 2006, Sadia retained U.S. counsel in connection with the possible tender offer. On that same day, the investment bank’s parent corporation authorized the investment bank to provide financing to Sadia in connection with the proposed tender offer.

21. On June 29, 2006, Murat purchased an additional 30,600 ADSs of Perdigão at a cost of \$589,783.00. This purchase brought Murat's position in Perdigão to a total of 45,900 ADSs with an average cost basis of \$20.57 per ADS.

22. On July 13, 2006, Sadia's board of directors approved the tender offer.

23. On Sunday, July 16, 2006, Sadia announced the tender offer. At the time of the announcement, Murat knew, on the basis of his positions at Sadia, that Sadia was prepared to consider increasing the tender offer price if necessary.

24. On Monday, July 17, 2006, ADSs of Perdigão opened at \$23.12 and closed at \$24.50, up \$4.25 (21%) from the closing price the previous Friday.

25. On Tuesday, July 18, 2006, Perdigão rejected the tender offer.

26. After the close of markets on Thursday, July 20, 2006, Sadia announced a second, revised tender offer for Perdigão. Prior to the open of markets the next morning, Perdigão rejected the revised tender offer.

27. On the afternoon of Friday, July 21, 2006, Sadia made a filing with the CVM at 1:25 p.m. and issued a press release at 1:31 p.m., both of which disclosed that Sadia was revoking the tender offer. Between 1:25 and 2:20 p.m. that afternoon, ADSs of Perdigão dropped in price from \$26.57 to \$22.75.

28. Murat, aware that Sadia had done a filing with the CVM at 1:25 p.m. and issued a press release at 1:31 p.m., observed the decline in the price of ADSs of Perdigão from a terminal in his office at Sadia on the afternoon of Friday, July 21, 2006. At 1:50 p.m., when the price had declined to \$24.60, and at which point he expected the price to decline still further, Murat called his broker and instructed the representative who took the call to sell his entire position in Perdigão. The representative put him on hold, told

Murat she needed to get off the phone, and then called him back. At that point, Murat revised his order to sell just 15,300 ADSs of Perdigão, representing the quantity he had purchased on April 7, 2006. The sale was executed in two blocks at 2:09 and 2:10 p.m. and yielded proceeds of \$351,976.00.

29. Murat had imputed profits of \$180,404.00 on his purchases of Perdigão ADSs.

FIRST CLAIM

Insider Trading in Connection with Purchase or Sale of a Security

**(Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5
thereunder [17 C.F.R. § 240.10b-5])**

30. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 29 above.

31. By engaging in the foregoing conduct, Murat violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SECOND CLAIM

Insider Trading in Connection with a Tender Offer

**(Exchange Act Section 14(e) [15 U.S.C. § 78n(e)] and Exchange Act Rule 14e-3
thereunder [17 C.F.R. § 240.14e-3])**

32. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 29 above.

33. By engaging in the foregoing conduct, Murat violated Exchange Act Section 14(e) [15 U.S.C. § 78n(e)] and Exchange Act Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court enter a judgment against Murat that:

1. enjoins Murat from violating Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b), 78n(e)] and Exchange Act Rules 10b-5 and 14e-3 thereunder [17 C.F.R. §§ 240.10b-5, 240.14e-3];
2. prohibits Murat from acting as an officer or a director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];
3. orders Murat to disgorge all ill-gotten gains, with prejudgment interest;
4. orders Murat to pay appropriate civil penalties under Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

5. grants such other and further relief as this Court may deem just and proper.

Dated: February 21, 2007

Respectfully submitted,

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