



August 11, 2023

MR. JOHN GREENEWALD JR.
SUITE 1203
27305 WEST LIVE OAK ROAD
CASTAIC, CA 91384

FOIPA Request No.: 1465250-000
Subject: Berkshire Hathaway

Dear Mr. Greenewald:

The FBI has completed its review of records subject to the Freedom of Information/Privacy Acts (FOIPA) that are responsive to your request. The enclosed documents were reviewed under the FOIPA, Title 5, United States Code, Section 552/552a. Below you will find check boxes under the appropriate statute headings which indicate the types of exemptions asserted to protect information which is exempt from disclosure. The appropriate exemptions are noted on the enclosed pages next to redacted information. In addition, a deleted page information sheet was inserted to indicate where pages were withheld entirely and identify which exemptions were applied. The checked exemption boxes used to withhold information are further explained in the enclosed Explanation of Exemptions.

Section 552

☐ (b)(1)

☐ (b)(2)

☒ (b)(3)

Federal Rules of Criminal

Procedure Rule 6(e)

☒ (b)(4)

☒ (b)(5)

☒ (b)(6)

☐ (b)(7)(A)

☐ (b)(7)(B)

☒ (b)(7)(C)

☒ (b)(7)(D)

☒ (b)(7)(E)

☐ (b)(7)(F)

☐ (b)(8)

☐ (b)(9)

Section 552a

☐ (d)(5)

☐ (j)(2)

☐ (k)(1)

☐ (k)(2)

☐ (k)(3)

☐ (k)(4)

☐ (k)(5)

☐ (k)(6)

☐ (k)(7)

528 pages were reviewed and 78 pages are being released.

Please see the paragraphs below for relevant information specific to your request as well as the enclosed FBI FOIPA Addendum for standard responses applicable to all requests.

Based on the information you provided, we conducted a main and reference entity record search of the Central Records System (CRS) per our standard search policy. For more information about records searches and the standard search policy, see the enclosed FBI FOIPA Addendum General Information Section.

This is the final release of information responsive to your FOIPA request. This material is being provided to you at no charge. Duplicate copies of the same document were not processed.

Enclosed are cross-references that are identifiable with the subject of your request. Cross-references are defined as mentions of the subject of your request in files to other individuals, organizations, events, or activities. In processing the cross-references, the pages considered for possible release included only those pages that mention the subject of your request and any additional pages showing the context in which the subject of your request was mentioned.

Additionally, the enclosed documents are from a multiple subject investigation that listed the subject of your request as one of the subjects. The only portions processed were those documents that contained information concerning your subject. Documents were not considered for processing if no information about your subject was in the body of the document.

Documents were located which originated with, or contained information concerning, another Government Agency [OGA]. This information has been referred to the OGA(s) for review and direct response to you. Inquiries regarding your Other Government Agency (OGA) referral, designated within the release as "Referral/Direct," may be directed to:

Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

For your information, a search of the indices to our Central Records System reflected there were additional records potentially responsive to your Freedom of Information/Privacy Acts (FOIPA) request. We have attempted to obtain this material so it could be reviewed to determine whether it was responsive to your request. We were advised that the potentially responsive records were not in their expected location and could not be located after a reasonable search. Following a reasonable waiting period, another attempt was made to obtain this material. This search for the missing records also met with unsuccessful results.

Please refer to the enclosed FBI FOIPA Addendum for additional standard responses applicable to your request. "Part 1" of the Addendum includes standard responses that apply to all requests. "Part 2" includes additional standard responses that apply to all requests for records about yourself or any third party individuals. "Part 3" includes general information about FBI records that you may find useful. Also enclosed is our Explanation of Exemptions.

Additional information about the FOIPA can be found at www.fbi.gov/foia. Should you have questions regarding your request, please feel free to contact foipaquestions@fbi.gov. Please reference the FOIPA Request number listed above in all correspondence concerning your request.

If you are not satisfied with the Federal Bureau of Investigation's determination in response to this request, you may administratively appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, 441 G Street, NW, 6th Floor, Washington, D.C. 20530, or you may submit an appeal through OIP's FOIA STAR portal by creating an account following the instructions on OIP's website: <https://www.justice.gov/oip/submit-and-track-request-or-appeal>. Your appeal must be postmarked or electronically transmitted within ninety (90) days of the date of my response to your request. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so it may be easily identified.

You may seek dispute resolution services by emailing the FBI's FOIA Public Liaison at foipaquestions@fbi.gov. The subject heading should clearly state "Dispute Resolution Services." Please also cite the FOIPA Request Number assigned to your request so it may be easily identified. You may also contact the Office of Government Information Services (OGIS). The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

Sincerely,



Michael G. Seidel
Section Chief
Record/Information Dissemination Section
Information Management Division

Enclosures

FBI FOIPA Addendum

As referenced in our letter responding to your Freedom of Information/Privacy Acts (FOIPA) request, the FBI FOIPA Addendum provides information applicable to your request. Part 1 of the Addendum includes standard responses that apply to all requests. Part 2 includes standard responses that apply to requests for records about individuals to the extent your request seeks the listed information. Part 3 includes general information about FBI records, searches, and programs.

Part 1: The standard responses below apply to all requests:

- (i) **5 U.S.C. § 552(c).** Congress excluded three categories of law enforcement and national security records from the requirements of the FOIPA [5 U.S.C. § 552(c)]. FBI responses are limited to those records subject to the requirements of the FOIPA. Additional information about the FBI and the FOIPA can be found on the www.fbi.gov/foia website.
- (ii) **Intelligence Records.** To the extent your request seeks records of intelligence sources, methods, or activities, the FBI can neither confirm nor deny the existence of records pursuant to FOIA exemptions (b)(1), (b)(3), and as applicable to requests for records about individuals, PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(1), (b)(3), and (j)(2)]. The mere acknowledgment of the existence or nonexistence of such records is itself a classified fact protected by FOIA exemption (b)(1) and/or would reveal intelligence sources, methods, or activities protected by exemption (b)(3) [50 USC § 3024(i)(1)]. This is a standard response and should not be read to indicate that any such records do or do not exist.

Part 2: The standard responses below apply to all requests for records on individuals:

- (i) **Requests for Records about any Individual—Watch Lists.** The FBI can neither confirm nor deny the existence of any individual's name on a watch list pursuant to FOIA exemption (b)(7)(E) and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(7)(E), (j)(2)]. This is a standard response and should not be read to indicate that watch list records do or do not exist.
- (ii) **Requests for Records about any Individual—Witness Security Program Records.** The FBI can neither confirm nor deny the existence of records which could identify any participant in the Witness Security Program pursuant to FOIA exemption (b)(3) and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(3), 18 U.S.C. 3521, and (j)(2)]. This is a standard response and should not be read to indicate that such records do or do not exist.
- (iii) **Requests for Confidential Informant Records.** The FBI can neither confirm nor deny the existence of confidential informant records pursuant to FOIA exemptions (b)(7)(D), (b)(7)(E), and (b)(7)(F) [5 U.S.C. §§ 552 (b)(7)(D), (b)(7)(E), and (b)(7)(F)] and Privacy Act exemption (j)(2) [5 U.S.C. § 552a (j)(2)]. The mere acknowledgment of the existence or nonexistence of such records would reveal confidential informant identities and information, expose law enforcement techniques, and endanger the life or physical safety of individuals. This is a standard response and should not be read to indicate that such records do or do not exist.

Part 3: General Information:

- (i) **Record Searches and Standard Search Policy.** The Record/Information Dissemination Section (RIDS) searches for reasonably described records by searching systems, such as the Central Records System (CRS), or locations where responsive records would reasonably be found. The CRS is an extensive system of records consisting of applicant, investigative, intelligence, personnel, administrative, and general files compiled by the FBI per its law enforcement, intelligence, and administrative functions. The CRS spans the entire FBI organization, comprising records of FBI Headquarters, FBI Field Offices, and FBI Legal Attaché Offices (Legats) worldwide; Electronic Surveillance (ELSUR) records are included in the CRS. The standard search policy is a search for main entity records in the CRS. Unless specifically requested, a standard search does not include a search for reference entity records, administrative records of previous FOIPA requests, or civil litigation files.
 - a. *Main Entity Records* – created for individuals or non-individuals who are the subjects or the focus of an investigation
 - b. *Reference Entity Records*- created for individuals or non-individuals who are associated with a case but are not known subjects or the focus of an investigation
- (ii) **FBI Records.** Founded in 1908, the FBI carries out a dual law enforcement and national security mission. As part of this dual mission, the FBI creates and maintains records on various subjects; however, the FBI does not maintain records on every person, subject, or entity.
- (iii) **Foreseeable Harm Standard.** As amended in 2016, the Freedom of Information Act provides that a federal agency may withhold responsive records only if: (1) the agency reasonably foresees that disclosure would harm an interest protected by one of the nine exemptions that FOIA enumerates, or (2) disclosure is prohibited by law (5 United States Code, Section 552(a)(8)(A)(i)). The FBI considers this foreseeable harm standard in the processing of its requests.
- (iv) **Requests for Criminal History Records or Rap Sheets.** The Criminal Justice Information Services (CJIS) Division provides Identity History Summary Checks – often referred to as a criminal history record or rap sheet. These criminal history records are not the same as material in an investigative “FBI file.” An Identity History Summary Check is a listing of information taken from fingerprint cards and documents submitted to the FBI in connection with arrests, federal employment, naturalization, or military service. For a fee, individuals can request a copy of their Identity History Summary Check. Forms and directions can be accessed at www.fbi.gov/about-us/cjis/identity-history-summary-checks. Additionally, requests can be submitted electronically at www.edo.cjis.gov. For additional information, please contact CJIS directly at (304) 625-5590.

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

This document is made available through the declassification efforts
and research of John Greenewald, Jr., creator of:

The Black Vault



The Black Vault is the largest online Freedom of Information Act (FOIA)
document clearinghouse in the world. The research efforts here are
responsible for the declassification of hundreds of thousands of pages
released by the U.S. Government & Military.

Discover the Truth at: **<http://www.theblackvault.com>**

Separately, Justice Charles E. Ramos of New York State Supreme Court dismissed Mr. Grasso's defamation charge against John S. Reed, the departing chairman of the exchange, ensuring that Mr. Reed would not be a central figure in the matter.

At the same hearing, a New York deputy attorney general, Avi Schick, filed a motion asking that the court force Mr. Grasso to turn over his tax returns for 1995 through 2003, indicating as part of the motion that Mr. Grasso's family used a corporate jet contracted for by the New York Stock Exchange for 11 personal trips in a six-month period. The motion is to be considered early in April.

Attorney General Eliot Spitzer is suing Mr. Grasso and the Big Board in an effort to recover \$100 million that he contends was paid to Mr. Grasso in excessive compensation. Under New York's nonprofit law, compensation must be "commensurate" with services rendered. Mr. Spitzer has asserted that the exchange's board approved the pay package based on "materially incomplete, inaccurate and misleading information" and that the compensation was "excessive."

In response, Mr. Grasso is suing the stock exchange for breaching his 2003 contract, which, he argues, awards him \$50 million more in compensation. (Mr. Grasso received \$192.9 million in compensation and pension benefits in his eight years as chief executive, according to a recently released report.) Mr. Grasso also accuses the exchange of violating a nondisparagement clause in his 1999 and 2003 contracts.

The judge dismissed Mr. Grasso's defamation claim against Mr. Reed yesterday. In one of many colorful exchanges with Gerson A. Zweifach, Mr. Grasso's lawyer, the judge called Mr. Zweifach's argument a "stretch" and at another point said he would not examine the language in newspaper articles as a layman, as Mr. Zweifach said New York law dictated. "I'm not going to look at it like I was a bricklayer," he said.

Eric Starkman, Mr. Grasso's spokesman, said it was "highly likely that the decision regarding Mr. Reed will be appealed." With regard to the plane, Mr. Starkman added, "Whatever personal usage there was of the personal jet was included in Mr. Grasso's W2 or subject to reimbursement."

Mr. Grasso's case against Mr. McCall takes an interesting legal tack. It says he does not "accept the legal sufficiency or the factual accuracy" of Mr. Spitzer's complaint, but argues that if he is held liable for any amount of money, he thinks that Mr. McCall, as chairman of the compensation committee that approved his 2003 contract, should pay a portion of that claim as well as damages.

The complaint said that Mr. Grasso "was not informed by Mr. McCall at any time of any alleged deficiencies in the process" or in the deliberations of the compensation committee or the exchange's board.

Mr. Grasso's complaint is largely based on a report commissioned by Mr. Reed and compiled by Dan K. Webb, a former federal prosecutor and the exchange's lawyer. According to the complaint, Mr. McCall failed to read the contract that he was meant to approve. He also failed, it says, to read consultant reports and did not "read even the two pages of talking points designed to help him explain the terms of the 2003 agreement to other members of the board of directors."

Mr. McCall's spokesman declined to comment.

In 2003, Mr. McCall defended Mr. Grasso's tenure when he announced the approval of his contract and the decision to pay him \$139.5 million in pension benefits. He insisted at the time that the exchange had fully disclosed Mr. Grasso's compensation.

Weeks later, it became clear that the contract provided for an additional \$48 million in compensation to Mr. Grasso. This caused a firestorm that ultimately led the board to demand Mr. Grasso's resignation in September 2003. Last year, Mr. Spitzer sued Mr. Grasso over excessive compensation as well as Kenneth Langone, who preceded Mr. McCall as chairman of the compensation committee, contending that Mr. Langone did not adequately disclose certain parts of Mr. Grasso's compensation. Mr. Spitzer, a prominent Democrat, did not sue Mr. McCall, another prominent Democrat.

Mr. Langone's lawyer, Gary P. Naftalis, declined to comment.

In a move that may well have Wall Street chief executives breathing sighs of relief, Justice Ramos also suggested setting a deadline for the inclusion of any additional directors of the New York Stock Exchange. The exchange's former board and many members of its compensation committee were chief executives of powerful Wall Street firms.

AIG Considers Cutting Greenberg Ties (WSJ)

By Monica Langley

The Wall Street Journal, March 16, 2005

American International Group Inc.'s directors, after hastily pushing out Maurice "Hank" Greenberg as chief executive this week, now are considering whether to have him sever all ties with the large insurer, according to people familiar with the matter.

The AIG board is considering an early end to Mr. Greenberg's new role as nonexecutive chairman, perhaps as soon as May, the people say. Under pressure from regulators, AIG directors also are reviewing whether to seek changes in three closely held companies essentially run by Mr. Greenberg that together control about 16% of AIG's shares, the people say.

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At least one of the companies – C.V. Starr & Co., an insurance broker that does business with AIG – is likely to be sold by its owners, people familiar with the matter say. Mr. Greenberg is C.V. Starr's president and chief executive and owns 16.4% of its common shares. Regulators, as part of a broad investigation into AIG's activities, are examining whether these companies and their cross-ownership by AIG executives pose potential conflicts of interest, according to a person familiar with the investigation.

The AIG moves are part of continuing damage-control efforts by the board as the world's largest insurer grapples with growing regulatory pressure, including a probe into a transaction AIG did with a unit of Warren Buffett's Berkshire Hathaway Inc. four years ago. Pressed by AIG's independent directors, Mr. Greenberg, 79 years old, agreed to step down as AIG's chief executive Monday.

Mr. Greenberg had no comment, said his lawyer David Boies. AIG also declined to comment, a spokesman said.

One of Mr. Greenberg's first moves in his new role will be symbolic. He will vacate his corner office, replete with antiques and Asian artifacts, at AIG's lower Manhattan headquarters. His successor as CEO, Martin Sullivan, will move in next week, a person familiar with the matter says.

Among the issues in the broad regulatory investigation is a deal between AIG and Berkshire's General Re unit, at Mr. Greenberg's behest. AIG accounted for the deal as insurance, but regulators are examining whether it was used by AIG to boost its reserves, rather than for a valid economic purpose as AIG has recently maintained.

Mr. Greenberg is planning a legal strategy that will entail conceding he orchestrated the deal with General Re to boost reserves, but maintaining that he didn't believe it was wrong at the time, according to a person familiar with the matter. This strategy is aimed at trying to head off, at the very least, an obstruction of justice charge, this person says.

A deposition of Mr. Greenberg by New York Attorney General Eliot Spitzer's office and the Securities and Exchange Commission set for this week has been postponed; it's unclear when it will be rescheduled.

To help make the break from AIG, Mr. Greenberg plans to leave the country next week for some time off, this person said. The vacation comes as some AIG directors worry that the hands-on Mr. Greenberg won't be able to give up the reins of the company he has built over four decades, according to a person familiar with the matter.

At a board meeting Monday night, where Mr. Greenberg retired as CEO, he spoke effusively about Mr. Sullivan's abilities to succeed him. A few minutes later, however, when a director asked Mr. Sullivan a question, Mr. Greenberg cut off his successor to answer, according to a participant. A few directors shot nervous glances at one another; according to a participant, one director remarked after the meeting: "Will Hank allow the man who has worked for him since he was 17 to actually run AIG?"

A quiet consensus among directors is that they, led by lead director Frank Zarb, will watch over the next few weeks to see if Mr. Greenberg, a dismissive and impatient leader, can pull back. If Mr. Greenberg continues to attempt to run AIG, his days as chairman will be cut short, people familiar with the matter say.

In any case, the regulatory investigation also could bring his tenure to an early close, the people say. Mr. Greenberg turns 80 in May, and there is serious discussion among AIG directors whether he should stand for re-election as a director at the annual shareholder meeting that month, that thus losing his chairmanship, the people say.

At the same time, AIG directors are reviewing the company's relationship with C.V. Starr & Co. as well as with Starr International Co., private entities named for AIG's late founder and run largely by Mr. Greenberg and other AIG insiders.

Some directors want to know whether the companies, along with the Starr Foundation, allow Mr. Greenberg to retain significant sway in matters at AIG even though he's supposed to act strictly as a "nonexecutive chairman." That's partly because a big chunk of AIG executives' incentive compensation and stature are awarded through these vehicles.

The directors aren't yet familiar enough with the Starr institutions' bylaws or other agreements to make any judgments about their future, the people familiar with the matter say. However, some board members, concerned about their personal liability as AIG directors, are aware that the regulators are interested in the Starr entities as "archaic and obscure vehicles out of step with a public company and today's environment," according to a person familiar with the matter.

AIG Chief Faces Several Challenges Sullivan Succeeds Ousted Greenberg (USAT)

By Thor Valdmanis

USA Today, March 16, 2005

NEW YORK Shoving long-time CEO Hank Greenberg aside was just the first hurdle facing troubled insurance giant American International Group.

New CEO Martin Sullivan now must mend fences with regulators investigating his company, determine to what extent AIG must patch up its accounting so it can file an annual report, then win back Wall Street's confidence.

Underscoring how hard that might be, a major credit rating agency on Tuesday stripped AIG of its coveted AAA rating, and others threatened to do the same on concerns about the impact of government probes and the forced departure of Greenberg late Monday.

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FOI/PA# 1465250-000

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/17/2005

[redacted] date of birth [redacted]
Social Security Account Number (SSAN) [redacted]
[redacted] telephone number [redacted]
[redacted] voluntarily appeared to be interviewed at the law office
of Wiggins and Dana, 400 Atlantic Street, Stamford, Connecticut
06911, on June 15, 2005. Participating in the interview were
Federal Bureau of Investigation (FBI) Special Agent (SA) [redacted]
[redacted] and United States Department of Justice Trial Attorney [redacted]
[redacted] Also present during the interview representing [redacted]
were [redacted]

[redacted] was
advised of the identities of all present and the purpose of the
interview. [redacted] then provided the following information:

[Large redacted area]

Investigation on 06/15/2005 at Stamford, ConnecticutFile # 318A-RH-50930 -118Date dictated 06/17/2005

by SA [redacted]

AGENT IN CHARGE
TO INDEX ON WORK
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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication**

Title: (U) Case Opening Request - Diamond Hill
Capital Management, Inc.

Date: 02/09/2016

From: CINCINNATI
CI-7

Contact: [REDACTED]

Approved By: SSA [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318D-CI-7004640 (U) DIAMOND HILL CAPITAL MANAGEMENT,
INC.,
325 John H. McConnell Blvd., Suite 200
Columbus, Ohio 43215;
INSIDER TRADING

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Synopsis: (U) To request that a case be opened regarding allegations
of Insider Trading regarding Diamond Hill Capital Management, Inc.

Full Investigation Initiated: 02/09/2016

Enclosure(s): Enclosed are the following items:

1. (U) [REDACTED]
2. (U) [REDACTED]

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Details:

According to [REDACTED]

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication****Title:** (U) Submission of FINRA referral.**Date:** 07/19/2016**From:** CINCINNATI

CI-7

Contact: [REDACTED]**Approved By:** SSA [REDACTED]**Drafted By:** [REDACTED]**Case ID #:** 318D-CI-7004640(U) DIAMOND HILL CAPITAL MANAGEMENT,
INC.,
325 John H. McConnell Blvd., Suite 200
Columbus, Ohio 43215;
INSIDER TRADING**Synopsis:** (U) Submission of FINRA referral regarding trading in
Precision Castparts Corporation, dated May 18, 2016.**Full Investigation Initiated:** 02/09/2016**Enclosure(s):** Enclosed are the following items:

1. (U) PCP_SEC_FOIA_and_Referral_Letter_FINRA000006-FINRA000019.pdf
2. (U) 2 Compact Disks containing the exhibits for the PCP referral from FINRA.

Details:

The purpose of this communication is to submit a referral which was generated by FINRA (Financial Industry Regulatory Authority) and originally submitted to the U.S. Securities and Exchange Commission. It was provided to the FBI by [REDACTED] FINRA Office of Fraud Detection and Market Intelligence, [REDACTED] [REDACTED] 9509 Key West Avenue, Rockville, Maryland 20850. The referral summarizes the staff's investigation of the suspicious trading activity in NYSE listed Precision Castparts Corp. ("PCP") surrounding the August 10, 2015 press release announcing that Berkshire Hathaway Inc. ("Berkshire") had reached a definitive agreement to acquire all

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Title: (U) Submission of FINRA referral.

Re: 318D-CI-7004640, 07/19/2016

outstanding shares of PCP common stock for \$235 per share. PCP, which is headquartered in Portland, Oregon, is a worldwide, diversified manufacturer of complex metal components and products. PCP serves the aerospace, power, and general industrial markets. Berkshire, headquartered in Omaha, Nebraska, and its subsidiaries engage in diverse business activities including insurance and reinsurance, utilities and energy, freight rail transportation, finance, manufacturing, retailing and services. PCP shares are no longer traded on NYSE.

Diamond Hill Capital Management is one of the five entities whose trading in PCP prior to the August 10, 2015 press release was analyzed.

The referral letter from FINRA is attached to this communication. The exhibits for the referral have been transferred to a compact disk and placed into an FD-340 1A envelope.

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The New York Times

Tuesday, October 7, 2008

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Goldman Shares Surged Before Buffett Deal Was Unveiled

SEPTEMBER 24, 2008, 4:37 PM

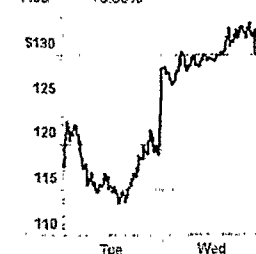
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An unusual surge in Goldman Sachs' share price in the last 10 minutes of trading on Tuesday raised eyebrows on Wall Street, as it came two hours before news of Warren E. Buffett's big investment in the bank, Reuters reports.

Goldman shares rose more than \$5 heading into the close of trading even as the rest of the market tumbled, leaving traders suspicious that inside information was used to make a profit.

"Obviously someone knew the Buffett news that was coming out. I noticed it yesterday and I was telling my colleagues something is going on with Goldman," Dave Rovelli, managing director of U.S. equity trading at Canaccord Adams in New York, told the news service.

Goldman Sachs Group Inc.
\$133.00
+7.95 +5.36%
4:05 PM ET
09/24/2008



Source: Reuters The New York Times

A Securities and Exchange Commission spokesman, John Nester, declined to comment to Reuters on whether the incident was being investigated. Goldman Sachs could not immediately be reached for comment.

Just before 6 p.m. on Tuesday, Goldman said it would get a \$5 billion investment from Mr. Buffett's Berkshire Hathaway, which investors welcomed as a much-needed vote of confidence in the bank.

Goldman's shares have since risen about 6 percent. If someone with inside knowledge of the deal was snapping up the bank's shares they would have made a significant, and illegal, profit, Reuters said.

"Someone is going to get caught, because that is easy to track, they can find out who did that," Mr. Rovelli said.

Goldman Sachs' stock rose from \$119.53 at 3:50 p.m. to \$125.05 at the close. The Standard & Poor's financials sub-index meanwhile fell from 273.79 to 273.61 in the same time frame.

"That share move at Goldman was a clear outlier. It got everybody's attention. It was clear that there was something specific going on in that stock that wasn't going on in any other stock in that space," Peter Kenny, managing director at Knight Equity Markets in



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DEALBOOK NEWS BY INDUSTRY

Jersey City, told Reuters.

When a stock moves so sharply against the rest of the market, it is usually either due to company-specific news or a big seller of the stock taking a break also known as "a seller's strike," Mr. Kenny added.

Given that volume increased in Goldman's stock in the last 10 minutes, the "seller's strike" explanation seems unlikely.

Steve Claussen, chief investment strategist at OptionsHouse, a subsidiary of PEAK6 Investments, an options trading firm in Chicago told Reuters that while options in Goldman were not particularly active, "it does raise eyebrows that the stock would attract so many buyers given that the Standard & Poor's 500 index closed near its lows."

[Go to Article from Reuters via The New York Times »](#)

8 comments so far...

1. September 24th, 2008 5:32 pm i noticed it has a trader — as well — it has to be investigated to much of coincidence — wow !!
— Posted by mpatel
2. September 24th, 2008 5:57 pm There's a very clear reason why. Insider trading. Warren Buffet has \$5B to invest in a failing company. Yet because of some ill-conceived ideas that people like John McCain subscribe to the Republican Party is afraid to raise taxes on the people who have more than they will ever spend. And all on the backs of average hardworking Americans. This isn't about black or white, Asian or Indian. It's about greed. Warren Buffet, Bill Gates and Donald Trump are not the only billionaires in this country. They will not flee for foreign shores; because they already control this country. When it looked like Goldman Sachs would collapse Warren reached deep and came through. If congress stalls long enough The others will come through too, they don't want to lose their nest egg. WAKE UP everybody the Administration and their cohorts were so busy lining their pockets and those of their comrades that they robbed the country blind and want one last take before they go.
— Posted by Sian
3. September 24th, 2008 6:15 pm So where is Christopher Cox and the SEC?
— Posted by Cox Watch
4. September 24th, 2008 7:09 pm **PUBLIC HELD HOSTAGE**
The American Investing public is being held hostage by the "institutions" in need of bailout by the American tax payer. The SEC allowed the market makers of the exchanges to take HOSTAGES in this time of duress. By allowing an "exemption" for the trading desk of the very companies who stand to benefit from a tax payer capitol infusion, the SEC has put the public in a hostage situation.
These market makers take in huge premiums from the buying and selling of option contracts, also known as derivatives. Not only are these "institutions" operating outside of the securities laws, they are actively shorting these companies in which they make a market, naked shorting. As the members of Congress debate the merits and terms of a bailout for these intuitions such as Goldman Sachs, these traders are actively selling short those stocks in which they have been allowed to make a market — the goal not only to manipulate their positions, but also to bully and frighten the American public. Making certain that the market sells off each day that a bailout package is not passed.
This is nothing short of terrorism. We need to close this loophole immediately. To allow this farce to continue is to take hostage the American Public. If this exemption is lifted, and these institutions are no longer given the latitude to manipulate the stocks on their trading desk, the pressure on the market will lift.
The public must demand that the SEC do their job and hold these entities accountable and liable! To allow the market makers to operate outside of

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Basic Industries	Financial Services	Real Estate	Technology
Consumer Goods	Food & Beverage		Telecom

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the law in this time of turmoil and fear is nothing less than a criminal act. We must stand united in demanding transparency and a completely fair, level marketplace. If these companies are not being held accountable now, we can be very certain they will not be held accountable later. That being the case, NO MONEIES should be distributed. Period! Do not negotiate with terrorist and hostage takers!

I watched as these shady trades were made in GS, it is obvious that which is taking place. Just as clear is the manipulation GS is using to mark the stocks of which they are both short and make a market for. This travesty must be addressed if Congress is going to come to the aid of these "institutions."

It is this simple: If any company can not make an Honest dollar, said company ought not be in business!

— Posted by s. max

5. September 24th, 2008 9:48 pm
- Chris Cox is sitting back gloating. He was the first one to question the exorbitant pay packages, but our elected officials were very, very slow to agree with him.
- ...But shortly after the House vote, Democratic presidential hopeful Sen. Barack Obama (D-Ill.) introduced a Senate counterpart to the House bill — suggesting that the issue could gain prominence in the presidential race.
- <http://articles.latimes.com/2007/apr/21/business/ft-exe-cpay21>
- Posted by Sian

6. September 25th, 2008 3:09 am
- The SEC won't do anything. These things are too hard to prove.
- Posted by Andrew

7. September 25th, 2008 4:47 pm
- It has to be Goldman Sachs traders themselves. Their practices often border on criminal, often violating SEC rules and screwing over their own customers for their own gain (for those that don't know, they were shorting the same financial instruments in their own accounts that they at the same time were selling and extolling the virtues to customers and clients).
- Posted by Lloyd

8. September 26th, 2008 8:14 pm
- Should not surprise anyone. You see stocks moving during some part of the day ahead of news all the time.
- Posted by Pete

Add your comments...

Name Required

E-mail Required (will not be published)

Comment

Comments are moderated and will be posted if they are on-topic and not abusive. They may be edited for length and clarity. For more information see our Member Agreement.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/12/2011

On Wednesday, October 12, 2011 [redacted]
home address [redacted] email
address [redacted] cellular telephone number
[redacted] home telephone number [redacted] at the United
State's Attorney's Office (USAO), Southern District of New York,
One Saint Andrew's Plaza, New York, New York 10007. Present for
the interview were Special Agent [redacted] Assistant
United States Attorney [redacted]

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[redacted]
[redacted] Also present and accompanying [redacted]
was [redacted] After being advised of the
identities of all those present and the nature of the interview
[redacted] provided the following information:

b5
b6
b7CInvestigation on 10/12/2011 at New York, New YorkFile # 318D-NY-306099Date dictated 10/12/2011

by SA [redacted]

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Date of transcription 10/11/2011

On Thursday, October 6, 2011, [redacted]
[redacted] work address [redacted]
[redacted] office telephone number [redacted]
email address [redacted] was interviewed at the
United States' Attorney's Office (USAO), Southern District of New
York, One Saint Andrew's Plaza, New York, New York 10007. [redacted]
was being interviewed as [redacted] Present
for the interview were Special Agents [redacted] and
[redacted] Assistant United States Attorney (AUSA)
[redacted]
[redacted] Also present and
accompanying [redacted] were [redacted]
also of [redacted] After being advised of the
identities of all those present and the nature of the interview
[redacted] provided the following information:

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b7CInvestigation on 10/06/2011 at New York, New YorkFile # 318D-NY-306099Date dictated 10/11/2011b6
b7Cby SA [redacted]
SA [redacted]

* 1A20, 21 + 22

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication**

Title: (U) Acquisition of H.J. Heinz Company by
3G Capital and Berkshire Hathaway

Date: 02/15/2013

From: NEW YORK

NY-C1

Contact: [REDACTED]

Approved By: SSA [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318D-NY-2734749

(U) HEINZ CORPORATION;
1 PPG Place, Suite 3100, Pittsburgh, PA.
15222; 3G Capital; Berkshire Hathaway;
Insider Trading

Synopsis: (U) To open a new investigative matter.

Full Investigation Initiated: 02/15/2013

Details:

On 2/14/2013, H.J. HEINZ COMPANY (HNZ) publicly announced that it had entered into a merger agreement to be acquired by BERKSHIRE HATHAWAY (BRK), office address 3555 Farnam Street, Suite 1440, Omaha, Nebraska 68131, and 3G CAPITAL (3G), office addresses 600 Third Avenue, 37th Floor, New York, New York 10016, Rua Humanita, 275, Rio de Janeiro, RJ, 22261. BRK and 3G are global investment firms. BRK and 3G will be equal equity partners in HNZ.

Under the terms of the agreement, HNZ shareholders would receive \$72.50 in cash for each share of common stock they own, in a transaction valued at \$28 billion, including the assumption of HNZ's outstanding debt. The per share price represents a 20% premium to HNZ's closing share price of \$60.48 on 2/13/2013, a 19% premium to HNZ's all-time high share price.

On 2/13/2013, the day before the public announcement, there was a

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Title: (U) Acquisition of H.J. Heinz Company by 3G Capital and Berkshire Hathaway

Re: 318D-NY-2734749, 02/15/2013

sudden burst of bullish call options buying, expecting that HNZ would rally in the coming months. A total of 3,640 calls, contracts giving the buyer the right to buy stock at a certain price by a given date, changed hands on HNZ, four times its recent daily average of 820 contracts. By contrast, just 240 bearish put options were traded. Nearly 2,600 of the options contracts were June \$65 strike calls. The price of June \$65 strike calls soared to \$7.50 per contract, which would net at least a \$1.5 million paper profit.

The increased activity in HNZ call options suggest persons traded on material, nonpublic information in violation of numerous securities regulations.

The anticipated investigative strategy is to [REDACTED]

[REDACTED]

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Assistant United States Attorney (AUSA) [REDACTED]
Securities and Commodities Fraud Unit, Southern District of New York, believed there was sufficient predication to open a criminal investigation.

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Captioned matter should be opened and assigned to Special Agent [REDACTED] The following sub-file will be opened and assigned to the writer:

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GJ Information derived through a Grand Jury

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Title: (U) Acquisition of H.J. Heinz Company by 3G Capital and Berkshire Hathaway

Re: 318D-NY-2734749, 02/15/2013

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication**

Title: (U) Key personnel/advisors involved in the
Heinz transaction

Date: 02/15/2013

From: NEW YORK

NY-C1

Contact: [REDACTED]

Approved By: SSA [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318D-NY-2734749

(U) HEINZ CORPORATION;
1 PPG Place, Suite 3100, Pittsburgh, PA.
15222; 3G Capital; Berkshire Hathaway;
Insider Trading

Synopsis: (U) To document key personnel/advisors involved in the Heinz transaction to the case file.

Full Investigation Initiated: 02/15/2013

Enclosure(s): Enclosed are the following items:

1. (U) Various open source database articles discussing HNZ transaction and participants 3G Capital and Berkshire Hathaway

Details:

On 2/14/2013, H.J. HEINZ COMPANY (HNZ), published a news release on their corporate website, <http://news.heinz.com>, that documented the \$28 million acquisition of the company by BERKSHIRE HATHAWAY (BRK) and 3G CAPITAL (3G).

According to HNZ, the following key personnel and advisors were involved in the aforementioned transaction:

- 1) CENTERVIEW PARTNERS - Served as Financial Advisor to HNZ
- 2) BANK OF AMERICA - Served as Financial Advisor to HNZ

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Title: (U) Key personnel/advisors involved in the Heinz transaction
Re: 318D-NY-2734749, 02/15/2013

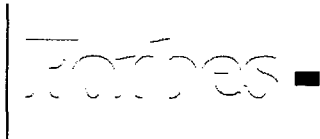
- 3) MERRILL LYNCH - Served as Financial Advisor to HNZ
- 4) DAVIS, POLK, & WARDELL, LLP. - Served as Legal Advisor to HNZ
- 5) MOELIS & COMPANY - Served as Advisor to HNZ's Transaction Committee/Board of Directors
- 6) WACHTELL, LIPTON, ROSEN, & KATZ - Served as Advisor to HNZ's Transaction Committee/Board of Directors
- 7) LAZARD - Served as Lead Financial Advisor in transaction
- 8) J.P. MORGAN CHASE - Served as Financial Advisor in transaction
- 9) WELLS FARGO - Served as Financial Advisor in transaction
- 10) KIRKLAND & ELLIS, LLP. - Served as Legal Advisor to 3G
- 11) MUNGER, TOLLES, & OLSON, LLP. - Served as Legal Advisor to BRK
- 12) WILLIAM R. JOHNSON - HNZ Chairman, President, and Chief Executive Officer
- 13) ALEX BEHRING - 3G Managing Partner
- 14) WARREN BUFFETT - BRK Chief Executive Officer

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186 **Jordan Maglich**, Contributor

I write about white-collar crime, with a focus on Ponzi schemes.

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INVESTING | 2/14/2013 @ 2:01PM | 15,732 views

Was Warren Buffett's Heinz Acquisition Leaked? Suspicious Options Data Points To Yes (UPDATE: SEC Investigating?)

Comment Now **Follow Comments**

In a surprise announcement today, billionaire Warren Buffett's Berkshire Hathaway announced it had agreed to purchase food giant H.J. Heinz Co. for \$23.2 billion, with shareholders set to receive \$72.50 a share – a nearly 20% premium to Heinz's closing price yesterday. While those shareholders are no doubt counting their good fortune today, it appears that advance news of the announcement may have leaked yesterday afternoon judging by options market trading activity. Indeed, historical options data shows that trading in the June \$65 calls yesterday was nearly non-existent, with only 14 contracts



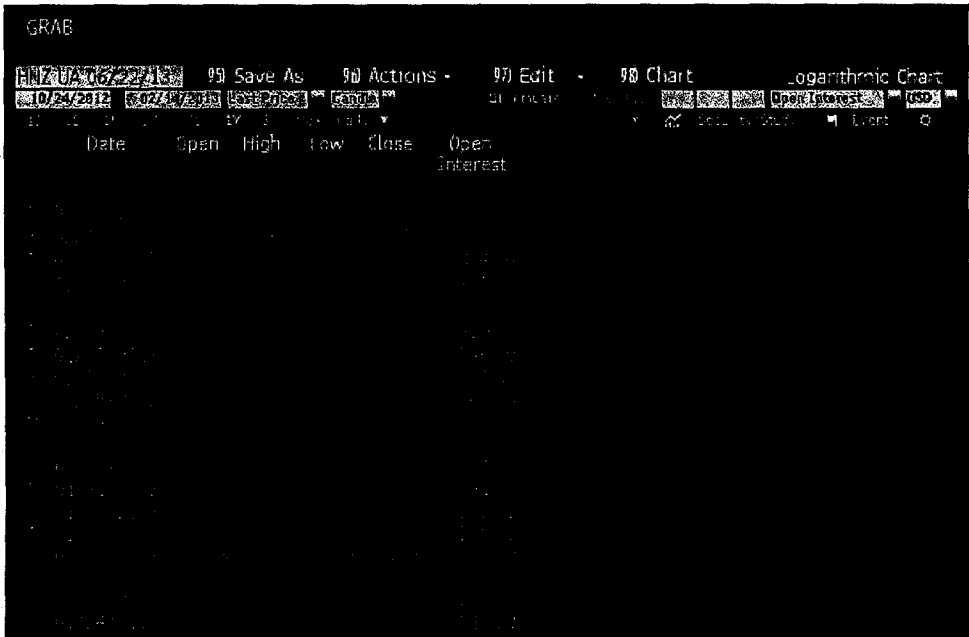
s trend continued into Wednesday, until 1:31:32 P.M., that is. In a one hour span from just after 1:30 P.M. to 2:30 P.M., over 2,500 contracts were purchased for a total outlay of nearly \$92,000. In less than 18 hours, those same contracts would be worth nearly \$2 million more after news of the deal broke.



(Image credit: AFP/Getty Images via @daylife)

Suspicious Timing

Options, which give the holder the right – but not obligation – to buy or sell a security at a specific price on or before a specific date, are favored by sophisticated investors as a cheaper way to bet on the direction of an asset with potentially exponential returns. As a result, options are often the tool of choice for those who attempt to profit off access to non-public information. In this example, the Heinz options purchased yesterday appreciated nearly 2,000% after Buffett’s purchase was announced.



credit: Zero Hedge

Recommended



However, just as suspicious trading in a company's stock can signal suspicious trading, drastic swings in options volume just before a significant event may act as a red flag for regulators. In this case, as shown in a graphic posted by Zero Hedge above and historical options data acquired by the author, the open interest in the June \$65 calls showed that less than 300 contracts had changed hands since December 2012, and as recently as mid-January had seen multiple days of zero volume in the contract. The purchase of 2,593 contracts within the span of a single hour on the last trading day before the acquisition's announcement is sure to raise questions with the Securities and Exchange Commission ("SEC" or "Commission").

On its face, the turn of events certainly appear suspicious, and it is likely the SEC may at least investigate the details behind the purchases. Indeed, insider-trading prosecutions have become a top priority for the SEC, which is recently coming off a banner year in 2012 having brought the highest ever number of insider-trading-related enforcement actions. This featured not only an increase in the sophistication of the SEC's investigative tactics, but also the use of methods such as wiretaps that were previously used for primarily drug-related and racketeering offenses. Wiretaps were front and center in the prosecution of the Galleon Group's Raj Rajaratnam, who was found guilty and received an 11-year prison sentence.

But don't expect the SEC to come out swinging in the financial presses. While in the past the SEC might first talk directly to the suspected trader, the Commission now prefers to operate under the radar, first collecting trading data from various sources and investigating potential connections between those involved in the headlines.

Another Brush With Insider-Trading Laws For Berkshire

If the incident does raise eyebrows with regulators, it would be the second time in nearly two years that an insider-trading issue was linked to Buffett's Berkshire. In March 2011, Buffett's right-hand man, David Sokol, resigned abruptly amid accusations he had mislead Berkshire about his personal stake in a chemical manufacturer he had recommended to Buffett as a takeover target. An internal Berkshire review later accused Sokol of violating company standards, but stopped short of concluding Sokol violated federal insider-

Recommended



ling laws. The SEC investigated the matter, but declined to file charges
against Sokol

The Forbes 2013 Antiretirement Guide

UPDATED AT 4:53 P.M. EST: Bloomberg is reporting that the SEC has opened a preliminary investigation into the unusual trading activity. The review is said to be in the early stages.

More options trading data for Heinz is available here (daily) and here (5-minute).

Follow Jordan Maglich on Twitter at @PonziTracker.

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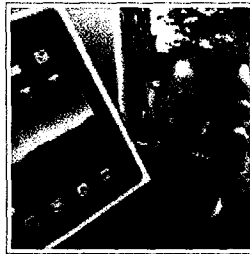
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Buffett pulls off fresh blockbuster with \$23 billion Heinz deal

12:13pm EST

By Ben Berkowitz and Martinne Geller

(Reuters) - Warren Buffett's Berkshire Hathaway and private equity firm 3G Capital will buy ketchup and baby food maker H.J. Heinz Co for \$23.2 billion in cash, a deal that combines 3G's ambitions in the food industry with Buffett's hunt for growth.

Including debt assumption, Heinz valued the transaction, which it called the largest in its industry's history, at \$28 billion. Berkshire and 3G will pay \$72.50 per share, a 19 percent premium to the stock's previous all-time high.

Heinz shares actually rose slightly above the offer price in early trading, although Buffett cautioned he had no intention of raising his bid.

The surprise purchase satisfies, at least in part, his hunt for growth through acquisition. He was frustrated in 2012 by the collapse of at least two deals in excess of \$20 billion and said he might have to do a \$30 billion deal this year to help fuel Berkshire's growth engine.

In this case, Berkshire is putting up about \$12 billion to \$13 billion cash, Buffett told CNBC, leaving it ample room for another major transaction.

Berkshire Hathaway already has a variety of food assets, including the Dairy Queen ice cream chain, chocolatier See's Candies and the food distributor McLane. Buffett, famed for a love of cheeseburgers, joked he was well acquainted with Heinz's products already and that this was "my kind of deal."

It does represent an unusual teaming of Berkshire with private equity, though; historically, Buffett's purchases have been outright his own. He and 3G founder Jorge Paulo Lemann have known each other for years, and Buffett said Lemann approached him with the Heinz idea in December.

For 3G, a little-known firm with Brazilian roots, the purchase is something of a natural complement to its investment in fast-food chain Burger King, which it acquired in late 2010 and in which it still holds a major stake.

Lemann, a globe-trotting financier with Swiss roots, made his money in banking and gained notoriety for helping to pull together the deals that ultimately formed the beer brewing giant AB InBev.

PITTSBURGH ROOTS

3G will be Heinz's operator after the deal closes, and the company will remain headquartered in Pittsburgh. Berkshire and 3G promised they would maintain the company's philanthropic commitments in the city.

But it was not immediately clear if CEO Bill Johnson would stay on. Only the fifth chairman in the company's history, Johnson is widely credited with Heinz's recent strong growth.

The company, known for its iconic ketchup bottles, Heinz 57-sauces as well as other brands including Ore-Ida frozen potatoes, has increased net sales for the last eight fiscal years in a row.

Heinz said the transaction would be financed with cash from Berkshire and 3G, debt rollover and debt financing from J.P. Morgan and Wells Fargo. Buffett told CNBC that Berkshire and 3G would be equal equity partners.

Heinz shares soared 20 percent, or \$12.09, to \$72.59 on the New York Stock Exchange.

The deal is also a potential boon for new U.S. Secretary of State John Kerry, whose wife Teresa is the widow of H.J. Heinz Co heir John Heinz. Kerry's most recent financial disclosures from his time in the U.S. Senate show a position in Heinz shares of more than \$1 million, although the precise size is unclear.

(Editing by Maureen Bavdek)



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Published on *Heinz Online Newsroom* (<http://news.heinz.com>) on 02/14/2013

H.J. Heinz Company Enters Into Agreement to Be Acquired by Berkshire Hathaway and 3G Capital

Release Date:

Thursday, February 14, 2013 7:53 am EST

Terms:

[Finance](#) ^[1] [General](#) ^[2]

Dateline City:

PITTSBURGH & OMAHA, Neb. & NEW YORK

- *Heinz shareholders to receive \$72.50 per share in cash*
- *Transaction valued at \$28 billion, largest ever in food industry*
- *Following the transaction, Heinz will remain headquartered in Pittsburgh as a private company*

PITTSBURGH & OMAHA, Neb. & NEW YORK--(BUSINESS WIRE ^[3])--H.J. Heinz Company (NYSE: HNZ) ("Heinz") today announced that it has entered into a definitive merger agreement to be acquired by an investment consortium comprised of Berkshire Hathaway and 3G Capital.

Under the terms of the agreement, which has been unanimously approved by Heinz's Board of Directors, Heinz shareholders will receive \$72.50 in cash for each share of common stock they own, in a transaction valued at \$28 billion, including the assumption of Heinz's outstanding debt. The per share price represents a 20% premium to Heinz's closing share price of \$60.48 on February 13, 2013, a 19% premium to Heinz's all-time high share price, a 23% premium to the 90-day average Heinz share price and a 30% premium to the one-year average share price.

"The Heinz brand is one of the most respected brands in the global food industry and this historic transaction provides tremendous value to Heinz shareholders," said Heinz Chairman, President and CEO William R. Johnson. "We look forward to partnering with Berkshire Hathaway and 3G Capital, both greatly respected investors, in what will be an exciting new chapter in the history of Heinz. With Heinz stock recently at an all-time high and 30 consecutive quarters of organic topline growth, Heinz is being acquired from a position of strength. As a private enterprise, Heinz will have an opportunity to drive further growth and advance our commitment to providing consumers across the globe with great tasting, nutritious and wholesome products," added Johnson.

Warren Buffett, Chairman and CEO of Berkshire Hathaway said, "Heinz has strong, sustainable growth potential based on high quality standards, continuous innovation, excellent management and great tasting products. Their global success is a testament to the power of investing behind strong brand equities and the strength of their management team and processes. We are very pleased to be a part of this partnership."

Alex Behring, Managing Partner at 3G Capital said, "We have great respect for the Heinz brands and the strong business that management and its employees operate around the world. We approached Heinz to explore how we might work together to expand the value of this storied brand. We fully recognize Heinz's value and heritage and look forward to working together with Heinz's employees, suppliers and customers as we invest in and support the company's ongoing global growth efforts."

Understanding the need to preserve Heinz's values, heritage and community connections, Berkshire Hathaway and 3G Capital have pledged to maintain Pittsburgh as its global headquarters, and to fulfill and continue its philanthropic support of community initiatives and related investments.

The transaction will be financed through a combination of cash provided by Berkshire Hathaway and affiliates of 3G Capital, rollover of existing debt, as well as debt financing that has been committed by J.P. Morgan and Wells Fargo. Berkshire Hathaway owns and invests in leading businesses across a variety of industries, including numerous iconic brands. 3G Capital is a global investment firm focused on long-term value creation, with a particular emphasis on building and expanding great brands and businesses.

The transaction is subject to approval by Heinz shareholders, receipt of regulatory approvals and other customary closing conditions, and is expected to close in the third (calendar) quarter of 2013.

Advisors for this transaction include: Centerview Partners and BofA Merrill Lynch as financial advisors to Heinz and Davis Polk & Wardwell LLP as legal advisor to Heinz. Moelis & Company acted as advisors to the Transaction Committee of Heinz's Board of Directors and Wachtell, Lipton, Rosen & Katz served as legal advisor to the Transaction Committee of Heinz's Board of Directors.

Lazard served as lead financial advisor. J.P. Morgan and Wells Fargo also served as financial advisors to the investment consortium. Kirkland & Ellis LLP is acting as legal advisor to 3G Capital. Munger, Tolles & Olson LLP is acting as legal advisor to Berkshire Hathaway.

Press Conference / Webcast

Heinz and 3G Capital invite media to attend a joint press conference today, February 14, at 11 a.m. Eastern Time at Heinz World Headquarters, One PPG Place, Suite 3100 in Pittsburgh, PA.

The press conference will be hosted by:

- William R. Johnson, Heinz Chairman, President and Chief Executive Officer
- Alex Behring, Managing Partner, 3G Capital

A live broadcast of the press conference will be available via satellite (details below) and a video webcast (listen only) of the press conference will be available in real-time and archived for playback on the company website, www.heinz.com [4].

Reporters or photographers wishing to attend the press conference in person should register in advance by contacting Jean Babilon at (412) 456-5781 or via e-mail at jean.babilon@us.hjheinz.com [5] by 10:30 a.m. on Thursday, February 14, 2013. Photo ID is required to enter the building. A multi-box will be available onsite for media use.

Live Event Dial-in Details (Listen Only):

U.S. Dial In: 1-866-515-2915

*Involved
Partners*

International Dial In: 1-617-399-5129

Passcode: Heinz

Upcoming Events

As a result of this announcement, Heinz will not participate in CAGNY (Consumer Analyst Group of New York) Conference on February 21, nor will it hold a conference call/webcast to discuss its Fiscal 2013 third-quarter results on Wednesday, February 27.

****Satellite News Feed****

A live broadcast of the press conference will be available via satellite as follows:

Thursday, February 14, 2013

Live Feed: 11 -11:30 am +15 (Eastern Time)

Re-Feed: 12 - 12:30 pm +15 (Eastern Time)

Ku-Band Digital

Galaxy 3C (located 95 degrees west)

Transponder 16, Slot a

9 mhz SD

Uplink frequency: 14311 vertical

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Archive: The archived video will be available for download from www.heinz.com [6].

About Heinz

H.J. Heinz Company, offering "Good Food Every Day"™ is one of the world's leading marketers and producers of healthy, convenient and affordable foods specializing in ketchup, sauces, meals, soups, snacks and infant nutrition. Heinz provides superior quality, taste and nutrition for all eating occasions whether in the home, restaurants, the office or "on-the-go." Heinz is a global family of leading branded products, including Heinz® Ketchup, sauces, soups, beans, pasta and infant foods (representing over one third of Heinz's total sales), Ore-Ida® potato products, Weight Watchers® Smart Ones® entrées, T.G.I. Friday's® snacks, and Plasmon infant nutrition. Heinz is famous for its iconic brands on six continents, showcased by Heinz® Ketchup, The World's Favorite Ketchup®.

About Berkshire Hathaway

Berkshire Hathaway and its subsidiaries engage in diverse business activities including property and casualty insurance and reinsurance, utilities and energy, freight rail transportation, finance, manufacturing, retailing and services. Common stock of Berkshire Hathaway is listed on the New York Stock Exchange, trading symbols BRK.A and BRK.B.

About 3G Capital

3G Capital is a global investment firm focused on long-term value, with a particular emphasis on maximizing the potential of brands and businesses. The firm and its partners have a strong history of generating value through operational excellence, board involvement, deep sector expertise and an extensive global network. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent. 3G Capital's main office is in New York City. For more information on 3G Capital and the transaction, please go to <http://www.3g-capital.com> [7].

Cautionary Statement Regarding Forward-Looking Statements

This press release and Heinz's other public pronouncements contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified by the words "will," "expects," "anticipates," "believes," "estimates" or similar expressions and include Heinz's expectations as to future revenue growth, earnings, capital expenditures and other spending, dividend policy, and planned credit rating, as well as anticipated reductions in spending. These forward-looking statements reflect management's view of future events and financial performance. These statements are subject to risks, uncertainties, assumptions and other important factors, many of which may be beyond Heinz's control, and could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Factors that could cause actual results to differ from such statements include, but are not limited to:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement,
- the failure to receive, on a timely basis or otherwise, the required approvals by Heinz's shareholders and government or regulatory agencies,
- the risk that a closing condition to the proposed merger may not be satisfied,
- the failure to obtain the necessary financing in connection with the proposed merger,
- the ability of Heinz to retain and hire key personnel and maintain relationship with customers, suppliers and other business partners pending the consummation of the proposed merger, and
- other factors described in "Risk Factors" and "Cautionary Statement Relevant to Forward-Looking Information" in Heinz's Annual Report on Form 10-K for the fiscal year ended April 29, 2012 and reports on Forms 10-Q thereafter.

The forward-looking statements are and will be based on management's then current views and assumptions regarding future events and speak only as of their dates. Heinz undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the securities laws.

Additional Information and Where to Find It

This document may be deemed to be solicitation material in respect of the proposed merger between Heinz and a subsidiary of Hawk Acquisition Holding Corporation. In connection with the proposed merger, Heinz will file a preliminary proxy statement and a definitive proxy statement with the United States Securities and Exchange Commission ("SEC"). The information contained in the preliminary filing will not be complete and may be changed. BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. The definitive proxy statement will be mailed to the shareholders of Heinz seeking their approval of the proposed merger. Heinz's shareholders will also be able to obtain a copy of the definitive proxy statement free of charge by directing a request to: H.J. Heinz Company, P.O. Box 57, Pittsburgh, Pennsylvania 15230, Attention: Corporate Affairs Department. In addition, the

preliminary proxy statement and definitive proxy statement will be available free of charge at the SEC's website, www.sec.gov [8].

Participants in the Solicitation

Heinz and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information regarding Heinz's directors and executive officers is available in Heinz's proxy statement for its 2012 annual meeting of shareholders, which was filed with the SEC on August 28, 2012. These documents are available free of charge at the SEC's website at www.sec.gov [9], and by mail at: H.J. Heinz Company, P.O. Box 57, Pittsburgh, Pennsylvania 15230, Attention: Corporate Affairs Department. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of Heinz's shareholders in connection with the proposed merger will be set forth in the preliminary proxy statement when it is filed with the SEC.

Language:

English

Contact HTML:

H.J. Heinz Company
Michael Mullen, 412-456-5751
michael.mullen@us.hjheinz.com [10]
or
Investor Group
Brunswick Group
Steve Lipin, 212-333-3810

Ticker Slug:

Ticker: HNZ
Exchange: NYSE
Ticker: BRKA
Exchange: NYSE
Ticker: BRKB
Exchange: NYSE

Source URL: <http://news.heinz.com/press-release/finance/hj-heinz-company-enters-agreement-be-acquired-berkshire-hathaway-and-3g-capita>

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[7] <http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.3g-capital.com&esheet=50564417&lan=en-US&anchor=http%3A%2F%2Fwww.3g-capital.com&index=3&md5=0e0e60792f106083817de59a03cb6e59>

[8] <http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.sec.gov&esheet=50564417&lan=en-US&anchor=www.sec.gov&index=4&md5=c5bf22e9dddf5abe07c1a5b8b903bcc9>

[9] <http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.sec.gov&esheet=50564417&lan=en-US&anchor=www.sec.gov&index=5&md5=ebd37d8122a1321da593c127042f1e7f>

[10] <mailto:michael.mullen@us.hjheinz.com>

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UPDATE 1-Bets on Heinz raise suspicion in U.S. options market

Thu, Feb 14 2013

- * Bets placed Wednesday pay off as stock soars on Thursday
- * Heinz overall call volume on Wednesday above average
- * June \$65 strike calls increase more than 20 times in value

By Doris Frankel

Feb 14 (Reuters) - Well-timed trades in the U.S. options market on H.J. Heinz Co before a takeover plan by Berkshire Hathaway and 3G Capital was publicly disclosed, prompted some option-market experts on Thursday to question whether people with knowledge of the deal made bullish bets ahead of the announcement.

Warren Buffett's Berkshire Hathaway Inc and Brazilian private equity firm 3G Capital on Thursday announced a \$72.50 per share cash deal for the ketchup and baby food maker, sending the stock up 20 percent.

On Wednesday, there was a sudden burst of bullish call options buying, expecting that H.J. Heinz shares would rally in coming months, which may be too much of a coincidence to overlook. The one-day gains on these bets would net at least a \$1.5 million paper profit, according to Trade Alert.

"The Heinz deal today has surprised many. But there was at least one individual in the options market who knew that a deal was imminent," said Jeffrey Rubin, director of research at financial research firm Birinyi Associates Inc in Westport, Connecticut.

To be sure, the questionable trading could be the result of innocuous speculation that can sometimes fuel action in the options markets.

The U.S. Securities and Exchange Commission, which looks into unusual stock and options activity, declined to comment in an email to Reuters. Exchange operator CBOE Holdings Inc also declined comment. Bloomberg reported that the SEC was reviewing the activity though that may not result in a formal investigation, citing a person familiar with the matter.

On Wednesday, a total of 3,460 calls, contracts giving the buyer the right to buy a stock at a certain price by a given date, changed hands on Heinz, four times its recent daily average of 820 contracts. By contrast, just 249 bearish put options were traded, about half their typical daily level, according to options analytics firm Trade Alert.

Nearly 2,600 of those contracts were in the June \$65 strike calls.

"To see call volume four times its normal level concentrated in out-of-the-money June strikes immediately in front of a deal is highly suspicious," said Trade Alert President Henry Schwartz. "It looks to me like a case of somebody trading on some good advance knowledge of the deal."

When investors speculate on a possible takeover, they typically buy out-of-the-money calls because they can put less money at risk and rake in a big return when a deal is announced. Owners of these calls benefit when the stock rises because the value of the call options also rise.

Trade Alert's Schwartz said more than 2,000 June \$65 strike calls traded on Wednesday for a premium of 30 to 40 cents per contract. The calls cost a premium of just \$92,000 at that strike, he said. Heinz shares had closed on Wednesday at \$60.48.

Heinz shares gained nearly 20 percent in Thursday afternoon to close at \$72.50, having earlier hit a high of \$72.60. Meanwhile, the cost of the June \$65 strike calls soared to \$7.50 per contract - which could result in a \$1.5 million paper profit, Schwartz said.

Wednesday's volume in those \$65 June calls came to 2,593 contracts. Over the last three months, average daily volume for all Heinz call options was just 1,986 contracts, according to options analytics firm Livevol in San Francisco. That is notable because Heinz shares had never reached the \$65, having hit an all-time high of \$61.75 in November 1998.

"It appears that some traders were betting that the shares would trade above \$65 for the first time ever in just four months and the next day there is a takeover bid for well over \$65," said Ophir Gottlieb, managing director of Livevol.

"These trades are suspicious and incredibly well-timed."

The stock market has long had restrictions on insider trading, where company officers or those in the know use privileged information to trade stock ahead of an event.

But the options market also has surveillance which is under the SEC and the U.S. options exchanges themselves.

The U.S. options exchanges, because of their proximity to unusual activity, are often in a better position to determine questionable trades. In 2006, they set up the Options Surveillance Regulatory Authority, or ORSA, as a central organization to collaborate on insider trading surveillance and investigations for the U.S. options industry.

CBOE, which leads the coordinated efforts on the behalf of the U.S. exchanges, said that it takes its regulatory responsibility seriously and investigates unusual trading activity.

"However, we do not comment on individual investigations," a CBOE spokeswoman said.

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Fri, Feb 15, 2011

Dow **↑0.10%** Nasdaq **↑0.14%****Free Level II Quotes****E*TRADE**[LEARN MORE](#)**Berkshire Hathaway Inc. (BRK-B) - NYSE****99.38** **↑0.17 (0.17%)** 10:30AM EST - Nasdaq Real Time Price

Profile

Berkshire Hathaway Inc.

3555 Farnam Street

Suite 1440

Omaha, NE 68131

United States - [Map](#)

Phone: 402-346-1400

Fax: 402-346-3375

Website: <http://www.berkshirehathaway.com>Take your
business online.

YAHOO! SMALL BUSINESS

Details

Index Membership:	N/A
Sector:	N/A
Industry:	N/A
Full Time Employees:	271,000

Business Summary

Berkshire Hathaway, Inc. is a publicly owned investment manager. Through its subsidiaries, the firm primarily engages in the insurance and reinsurance of property and casualty risks business. Berkshire Hathaway was founded in 1889 and is based in Omaha, Nebraska.

Key Statistics

Company Websites

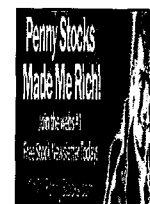
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Board (M-
Concern)
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Key Executives

Mr. Warren

Chairman
Chief Executive Officer

Mr. Charles Mung

Vice-Chairman
Wesco Financial
Chief Executive Officer
Financial Services

Mr. Marc L.

Chief Financial Officer

Mr. Daniel

Principal Accounting Officer
Vice President and Controller

Mr. Todd Con

Portfolio Manager

Amounts are
are for the last
bonuses, etc.

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication****Title:** (U) Request for FoA assistance**Date:** 07/09/2013**To:** SFoA [REDACTED]b6
b7C**From:** NEW YORK

NY-C1

Contact: [REDACTED]**Approved By:** [REDACTED]b6
b7C
b7E**Drafted By:** [REDACTED]**Case ID #:** 318D-NY-2734749

(U) HEINZ CORPORATION;

1 PPG Place, Suite 3100, Pittsburgh, PA.
15222; 3G Capital; Berkshire Hathaway;
Insider Trading**Synopsis:** (U) Request for the assistance of Forensic Accountant (FoA)

[REDACTED]

b6
b7C**Full Investigation Initiated:** 02/15/2013**Details:**

On 2/14/2013, H.J. HEINZ COMPANY (HNZ) publicly announced that it had entered into a merger agreement to be acquired by BERKSHIRE HATHAWAY (BRK), office address 3555 Farnam Street, Suite 1440, Omaha, Nebraska 68131, and 3G CAPITAL (3G), office addresses 600 Third Avenue, 37th Floor, New York, New York 10016, Rua Humanita, 275, Rio de Janeiro, RJ, 22261. BRK and 3G are global investment firms. BRK and 3G will be equal equity partners in HNZ.

Under the terms of the agreement, HNZ shareholders would receive \$72.50 in cash for each share of common stock they own, in a transaction valued at \$28 billion, including the assumption of HNZ's

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Title: (U) Request for FoA assistance

Re: 318D-NY-2734749, 07/09/2013

outstanding debt. The per share price represents a 20% premium to HNZ's closing share price of \$60.48 on 2/13/2013, a 19% premium to HNZ's all-time high share price.

On 2/13/2013, the day before the public announcement, there was a sudden burst of bullish call options buying, expecting that HNZ would rally in the coming months. A total of 3,640 calls, contracts giving the buyer the right to buy stock at a certain price by a given date, changed hands on HNZ, four times its recent daily average of 820 contracts. By contrast, just 240 bearish put options were traded. Nearly 2,600 of the options contracts were June \$65 strike calls. The price of June \$65 strike calls soared to \$7.50 per contract, which would net at least a \$1.5 million paper profit.

The increased activity in HNZ call options suggest persons traded on material, nonpublic information in violation of numerous securities regulations.

The assigned FoA will be responsible for analyzing financial records related primarily to the HNZ acquisition. Specific responsibilities will include analyzing brokerage records of various HNZ investors identified by the Case Agent.

◆◆

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication**

Title: (U) Miami Lead - Site Survey/Property
Management interview

Date: 07/31/2013

From: NEW YORK

NY-C1

Contact: [REDACTED]

Approved By: SSA [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318D-NY-2734749 (U) HEINZ CORPORATION;
1 PPG Place, Suite 3100, Pittsburgh, PA.
15222; 3G Capital; Berkshire Hathaway;
Insider Trading

Synopsis: (U) To set lead to Miami to conduct site survey and
interview property management personnel.

Full Investigation Initiated: 02/15/2013

Administrative Notes: (U) On 7/31/2013, SA [REDACTED] discussed the
captioned lead with SSA [REDACTED] via telephone. [REDACTED] concurred with the
lead being routed to his squad.

Details:

On 2/14/2013, H.J. HEINZ COMPANY (HNZ) publicly announced that it
had entered into a merger agreement to be acquired by BERKSHIRE
HATHAWAY (BRK) and 3G CAPITAL (3G). BRK and 3G are global investment
firms. BRK and 3G are equal equity partners in HNZ.

On 2/13/2013, the day before the public announcement, there was a
sudden burst of bullish call options buying, expecting that HNZ would
rally in the coming months. A total of 3,640 calls, contracts giving
the buyer the right to buy stock at a certain price by a given date,
changed hands on HNZ, four times its recent daily average of 820
contracts. By contrast, just 240 bearish put options were traded.
Nearly 2,600 of the options contracts were June \$65 strike calls. The

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Title: (U) Miami Lead - Site Survey/Property Management interview
Re: 318D-NY-2734749, 07/31/2013

price of June \$65 strike calls soared to \$7.50 per contract, which would net at least a \$1.5 million paper profit.

The increased activity in HNZ call options suggest persons traded on material, nonpublic information in violation of numerous securities regulations.

New York believes the suspicious HNZ call option activity was done largely by [REDACTED]

[REDACTED]	date of birth	[REDACTED]
[REDACTED]	date of birth	[REDACTED]
[REDACTED]	is also affiliated with	[REDACTED] may

have a U.S. address located at [REDACTED]

[REDACTED] may also have a U.S. address located at [REDACTED]

New York requests Miami to conduct a site survey of both residences to determine if [REDACTED] currently own the said residences and if they are currently occupying the residences. If possible, please discreetly interview property management personnel to confirm ownership and occupancy.

New York included a deadline for the captioned lead of 8/16/2013 because the Securities and Exchange Commission, as well as, New York anticipates the service of a grand jury subpoena.

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FEDERAL BUREAU OF INVESTIGATION
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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication****Title:** (U) Lead - Locate/Interview [REDACTED]
[REDACTED]**Date:** 09/05/2013**From:** NEW YORK

NY-C1

Contact: [REDACTED]b6
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b7E**Approved By:** SSA [REDACTED]**Drafted By:** [REDACTED]**Case ID #:** 318D-NY-2734749(U) HEINZ CORPORATION;
1 PPG Place, Suite 3100, Pittsburgh, PA.
15222; 3G Capital; Berkshire Hathaway;
Insider Trading**Synopsis:** (U) To request Kona Resident Agency to locate and interview
[REDACTED]**Full Investigation Initiated:** 02/15/2013b6
b7C**Administrative Notes:** (U) Per email and telephone communications on 9/9/2013, Special Agent [REDACTED] instructed the lead be sent to Squad HN-CE1.**Enclosure(s):** Enclosed are the following items:

1. (U) [REDACTED] Lexis Nexis
2. (U) [REDACTED] Clear
3. (U) [REDACTED] DMV
4. (U) [REDACTED] NCIC

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On 2/14/2013, H.J. HEINZ COMPANY (HNZ) publicly announced that it had entered into a merger agreement with BERKSHIRE HATHAWAY (BRK) and 3G CAPITAL (3G). BRK and 3G are global investment firms. Under the terms of the agreement, HNZ shareholders would receive \$72.50 in cash for each share of common stock they own, in a transaction valued at \$28

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Title: (U) Lead - Locate/Interview [REDACTED]

Re: 318D-NY-2734749, 09/05/2013

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billion, including the assumption of HNZ's outstanding debt. The per share price represents a 20% premium to HNZ's closing share price of \$60.48 on 2/13/2013, a 19% premium to HNZ's all-time high share price.

Between 1/22/2013 and 1/23/2013, approximately three weeks before the HNZ public announcement, [REDACTED] date of birth [REDACTED] social security account number [REDACTED] home address [REDACTED] [REDACTED] telephone numbers [REDACTED] purchased [REDACTED] shares of HNZ common stock for [REDACTED] On 2/19/2013, five days following the HNZ public announcement, [REDACTED] sold all [REDACTED] shares of HNZ common stock for [REDACTED] realizing a profit of [REDACTED] The increased trading activity and timing of [REDACTED] trading in HNZ common stock suggests he traded on material, nonpublic information in violation of numerous securities regulations.

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New York requests Kona Resident Agency to locate and interview [REDACTED]

The interviewing Agent should ask [REDACTED] the following 14 questions:

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Title: (U) Lead - Locate/Interview

Re: 318D-NY-2734749, 09/05/2013



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(Administrative Note: Various database checks have been conducted on including Lexis Nexis, Clear, DMV, and NCIC. NCIC and DMV database checks yielded negative results. Digital copies of the database results have been attached hereto.)

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication****Title:** (U) Lead - Locate/Interview [REDACTED]
[REDACTED]**Date:** 09/11/2013**To:** [REDACTED]**From:** NEW YORK

NY-C1

Contact: [REDACTED]**Approved By:** SSA [REDACTED]**Drafted By:** [REDACTED]**Case ID #:** 318D-NY-2734749

(U) HEINZ CORPORATION;

1 PPG Place, Suite 3100, Pittsburgh, PA.

15222; 3G Capital; Berkshire Hathaway;

Insider Trading

Synopsis: (U) To request Tulsa Resident Agency to locate and interview
[REDACTED]**Full Investigation Initiated:** 02/15/2013**Enclosure(s):** Enclosed are the following items:

1. (U) [REDACTED] Clear Report
2. (U) [REDACTED] DMV
3. (U) [REDACTED] DMV
4. (U) [REDACTED] NCIC

Details:

On 2/14/2013, H.J. HEINZ COMPANY (HNZ) publicly announced that it had entered into a merger agreement with BERKSHIRE HATHAWAY (BRK) and 3G CAPITAL (3G). BRK and 3G are global investment firms. Under the terms of the agreement, HNZ shareholders would receive \$72.50 in cash for each share of common stock they own, in a transaction valued at \$28 billion, including the assumption of HNZ's outstanding debt. The per share price represents a 20% premium to HNZ's closing share price of

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Title: (U) Lead - Locate/Interview [REDACTED]

Re: 318D-NY-2734749, 09/11/2013

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\$60.48 on 2/13/2013, a 19% premium to HNZ's all-time high share price.

On 2/13/2013, the day before the HNZ public announcement, [REDACTED]
[REDACTED] date of birth [REDACTED] social security account
number [REDACTED] home address [REDACTED]
[REDACTED] telephone numbers [REDACTED] purchased [REDACTED]
shares of HNZ common stock for [REDACTED] On 6/10/2013, [REDACTED] redeemed
all [REDACTED] shares of HNZ common stock for [REDACTED] realizing a profit
of [REDACTED] The increased trading activity and timing of [REDACTED]
trading in HNZ common stock suggests he traded on material, nonpublic
information in violation of numerous securities regulations.

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New York requests Tulsa Resident Agency to locate and interview
[REDACTED]

The interviewing Agent should ask [REDACTED] the following 14 questions:

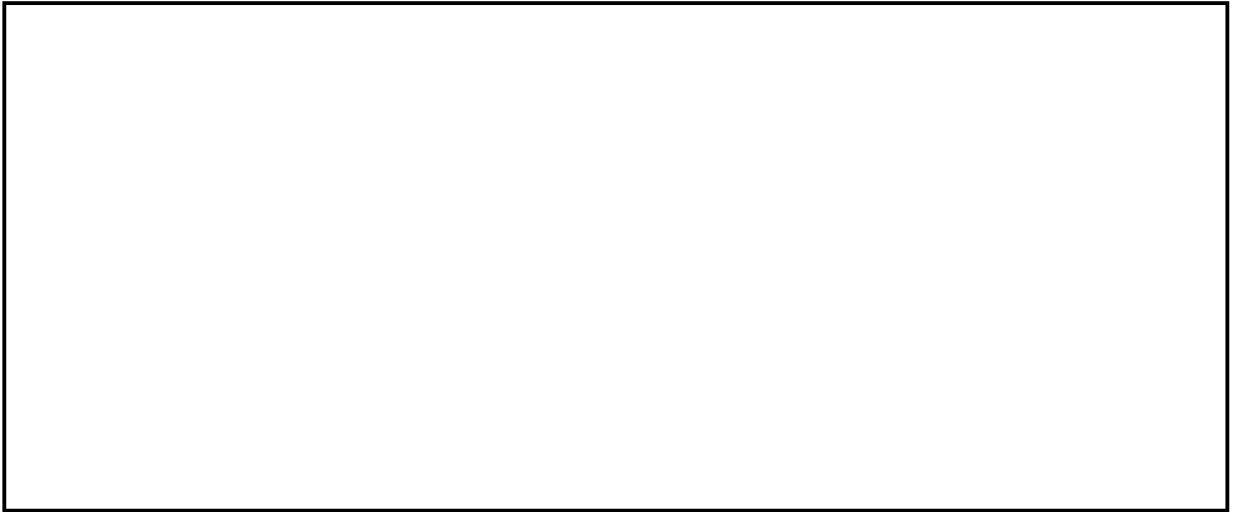
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Title: (U) Lead - Locate/Interview

Re: 318D-NY-2734749, 09/11/2013



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(Administrative Note: Various database checks have been conducted on including Clear, DMV, and NCIC. NCIC database checks yielded negative results. Digital copies of the database results have been attached hereto.)

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 09/12/2013

[redacted] date of birth (DOB) [redacted] social security account number [redacted] telephone number [redacted] was interviewed at his residence at [redacted] Also present was [redacted]

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After being advised of the identity of the interviewing Agent and the nature of the interview, [redacted] provided the following information:

[redacted] is currently retired. He was previously the [redacted] Prior to that [redacted] was employed as professor of [redacted] at [redacted] and as a professor of [redacted] at the [redacted] was also a [redacted] during the Korean War [redacted] from 1951-52. [redacted] has a PHD in [redacted] from the [redacted] and received his bachelors degree at [redacted]

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[redacted] has been investing in the market since approximately [redacted] does his own research into the companies he is considering investing in. [redacted] researches analytical performance data online and calls the CEO's of companies if possible to get information on board members. [redacted] likes to get into the fundamentals of the companies he is researching to decide if they will be a good investment. Since [redacted] he knows how to look into the fundamentals of a company to assess it as an investment opportunity.

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[redacted] invests exclusively in common stock. He has researched how to trade on derivatives but has yet to do so. [redacted] prefers to invest in pharmaceutical companies, financial companies, and business development companies with high dividends. [redacted] prefers to hold stocks for a long period of time and collect dividends. He does not short or long stocks.

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[redacted] does all of his investing/trading himself online over the internet. [redacted] utilizes ZACKS and FIDELITY INVESTMENTS with a majority of the activity currently being through FIDELITY. [redacted] believes that his trading in HEINZ was conducted through FIDELITY.

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[redacted] does not have brokerage accounts anywhere and does not have a financial advisor. [redacted] prefers to make his own investing decisions.

Investigation on 09/11/2013 at Hilo, Hawaii, United States (In Person)

File # 318D-NY-2734749 Date drafted 09/12/2013

by [redacted]

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Continuation of FD-302 of Interview of [REDACTED], On 09/11/2013, Page 2 of 2

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Sometimes people show [REDACTED] things and ask for investing advice from him which he will sometimes provide.

[REDACTED] purchased HEINZ stock because it was a food stock with a straight line of growth. The stock had produced an increase in value for a significant period of time. [REDACTED] felt like the stock would return around 10 percent and would provide a good dividend in line with his general investment strategy. [REDACTED] had planned to hold the stock for a long time.

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A stock purchase of [REDACTED] would be a small trade for [REDACTED]. He has about [REDACTED] in six accounts and trusts that he uses to invest. [REDACTED] has never previously invested in HEINZ.

[REDACTED] sold the stock because it was taken over by "Buffet's company," which was later identified as BERKSHIRE HATHAWAY. Once the take-over was announced, HEINZ no longer fit in with [REDACTED] investment strategy to hold onto stocks. [REDACTED] believed that HEINZ stock would stagnate and would suspend their dividends during the merger. The growth trend of a smaller company being absorbed by a bigger company would not be a priority to the bigger company. [REDACTED] wanted to sell the stock so he could invest in a more active company that would have a dividend. Buffet is good at making money but not necessarily for shareholders. [REDACTED] liked HEINZ on its own but not as a part of BERKSHIRE HATHAWAY and [REDACTED] had no desire to be invested in BERKSHIRE HATHAWAY.

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[REDACTED] does not know anyone at HEINZ, 3G CAPITAL, or BERKSHIRE HATHAWAY or any public relations or legal firms that represent them. [REDACTED] did not call anyone at HEINZ prior to deciding to invest in HEINZ. [REDACTED] did not know who 3G CAPITAL was or that they were involved in the merger.

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[REDACTED] does not know anyone else who invested in HEINZ, nor did he tell anyone to invest in HEINZ.

[REDACTED] does not know [REDACTED]
[REDACTED]
[REDACTED] stated that a review of his phone or e-mail records would show no contact between himself or any of those individuals.

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[REDACTED] did not receive advance notice or any material non-public information concerning the upcoming HEINZ merger. The announcement came as a complete surprise to [REDACTED] would not have bought the stock if he had known there would have been a merger.

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 09/17/2013

On September 13, 2013, [redacted] date of birth [redacted]
[redacted] social security account number [redacted] home address [redacted]
[redacted] cellular telephone number [redacted]
[redacted] home telephone number [redacted] e-mail address [redacted]
[redacted] was interviewed telephonically by Special Agent [redacted]
[redacted] After being advised of the identity of the
interviewing Agent and the nature of the interview, [redacted] stated the
following:

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[redacted] attended the [redacted] for one year under the
G.I. Bill. He studied [redacted]

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From 1961 to 1999, [redacted] was a [redacted] From 1999
to the Present, [redacted] has been retired.

[redacted] has been investing in the market for [redacted]
conducts his own market research and makes his own decisions on what to
invest in. He uses the Internet to perform his market research. He does
not have any subscriptions to investment periodicals.

[redacted] only invests in common stock. He does not invest in a
specific sector or industry. [redacted] described his trading strategy as
long term. [redacted] looks for common stocks that produce dividends.

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[redacted] executes his trades in person through a Broker at the
Citibank branch on [redacted]
Citibank Broker is [redacted] (phonetic).

[redacted] initially invested in H.J. HEINZ CORPORATION (HNZ) years ago.
He initially bought [redacted] shares of HNZ, then an additional [redacted] shares
after that. He bought these shares with his own money from his savings
account.

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[redacted] wealthy cousin, passed away four
or five years ago and left him [redacted] took [redacted] from
the inheritance and placed it in his checking account at Citibank. Last
year, [redacted] used the remaining inheritance to purchase [redacted] shares of
HNZ in two separate Citibank accounts.

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Investigation on 09/13/2013 at New York, New York, United States (Phone)

File # 318D-NY-2734749 Date drafted 09/16/2013

by [redacted]

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Continuation of FD-302 of Interview of [REDACTED], On 09/13/2013, Page 2 of 3

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HNZ is the only company [REDACTED] has ever purchased common stock for. He has had CD's and savings accounts in the past.

The HNZ investment made [REDACTED] over night. Citibank informed [REDACTED] that he made the profit on HNZ.

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Citibank advised [REDACTED] not to purchase HNZ. Citibank wanted [REDACTED] to invest in annuities. [REDACTED] is a legend at Citibank because of his trade in HNZ. It was like winning a horse race.

[REDACTED] has three brokerage accounts and two checking accounts at Citibank. He also has accounts at Sovereign (Santandar) Bank.

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[REDACTED] did not give [REDACTED] any advise about HNZ. [REDACTED] another Citibank Broker, tried to talk [REDACTED] out of investing all his money in one stock like HNZ. [REDACTED] advised him to diversify.

In 2002, [REDACTED] was on his way to Florida. He read a Georgia newspaper that discussed HNZ. The newspaper said HNZ produced good dividends and, at the time, [REDACTED] had some extra money. Savings accounts do not pay much interest and HNZ had a good reputation so [REDACTED] decided to invest in HNZ common stock. The newspaper article and HNZ's reputation led [REDACTED] to purchase an additional [REDACTED] HNZ shares.

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The purchase of [REDACTED] HNZ shares was the biggest trade [REDACTED] ever placed. The [REDACTED] HNZ shares will transfer to [REDACTED]'s son and daughter upon his death.

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[REDACTED] does not know anyone else who traded in HNZ.

[REDACTED] does not know anyone that is employed at HNZ, BERKSHIRE HATHAWAY, or 3G CAPITAL.

When BRK and 3G purchased HNZ, [REDACTED] lost all of his [REDACTED] HNZ shares. He wanted to hold onto them. The proceeds of the HNZ trade made [REDACTED] approximately [REDACTED]. With the money, [REDACTED] purchased EXXON and VERIZON common stock. These trades were placed through Citibank. [REDACTED] bought EXXON because [REDACTED] worked at [REDACTED] as a [REDACTED] made a lot of money in Exxon stock so that is why [REDACTED] invested in EXXON. [REDACTED] randomly picked VERIZON to invest in. Neither EXXON nor VERIZON are performing well, but they both produce dividends.

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[REDACTED] does not know the following individuals: [REDACTED]

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Continuation of FD-302 of Interview of [REDACTED], On 09/13/2013, Page 3 of 3

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[REDACTED]

[REDACTED] has never possessed material, non-public information prior to his investment in HNZ. The HNZ public announcement took [REDACTED] by surprise.

[REDACTED] is [REDACTED] neighbor and a retired [REDACTED] ALFONSO MANTIONE passed away. [REDACTED] husband [REDACTED] invested in the stock market a lot but lost money often. He was a [REDACTED] and died last year. [REDACTED] is a retired [REDACTED] and lives in [REDACTED] is not sure if [REDACTED] invested in HNZ.

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[REDACTED] got a kick out of the Citibank employees when they said [REDACTED] was a legend for his trading in HNZ. [REDACTED] agrees that his HNZ trading looks suspicious.

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Prior to the captioned interview, [REDACTED] emailed his friend [REDACTED] [REDACTED] informing him that the FBI was going to interview him regarding his HNZ trading. [REDACTED] jokingly stated in the e-mail "they have nothing on me."

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication****Title:** (U) English-Portuguese translation of**Date:** 09/19/2013[redacted] Emails to [redacted]
[redacted]b6
b7C**From:** NEW YORK

NY-C1

Contact: [redacted]**Approved By:** SSA [redacted]b6
b7C**Drafted By:** [redacted]**Case ID #:** 318D-NY-2734749

(U) HEINZ CORPORATION;

1 PPG Place, Suite 3100, Pittsburgh, PA.

15222; 3G Capital; Berkshire Hathaway;

Insider Trading

Synopsis: (U) To update the case file with English-Portuguese translations of emails between [redacted]b6
b7C**Full Investigation Initiated:** 02/15/2013**Enclosure(s):** Enclosed are the following items:

1. (U) Email translations Task #125822
2. (U) FD1025

Details:

On 9/17/2013, [redacted] Acting Record Examiner Analyst, FBI, telephone number [redacted] provided Special Agent [redacted] [redacted] translations of emails between [redacted] a target in the captioned investigation, and [redacted] [redacted] Financial Advisor (Task #125822).

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An e-mail between [redacted] dated 2/13/2013, states [redacted] This e-mail took place the day before the public announcement of the HEINZ buyout. This was also the day that [redacted] purchased [redacted] HEINZ call options with Goldman

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Title: (U) English-Portuguese translation of [REDACTED] Emails to
[REDACTED]

Re: 318D-NY-2734749, 09/19/2013

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Sachs - Switzerland. The telephone number [REDACTED] belongs to
[REDACTED]

The emails were translated from Portuguese into English and are
attached hereto.

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 11/08/2013

FINANCIAL RECORDS (NON-NSL)

Do not disseminate outside the FBI except as authorized by the Right to Financial Privacy Act, 12 U.S.C. 3412 and, if obtained by federal Grand Jury Subpoena, by 12 U.S.C. 3420.

[redacted] white male, Date of Birth (DOB) [redacted]
Social Security Account Number (SSAN) [redacted] residential address [redacted]
[redacted] business telephone number [redacted]
[redacted] cellular telephone number [redacted] was interviewed at
his place of business [redacted]
[redacted] Present during the interview were FEDERAL BUREAU OF
INVESTIGATION Special Agents [redacted] After
being advised of the identity of the interviewing agents and the nature of
the interview, [redacted] provided the following information:

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[redacted] graduated from [redacted] in 1958 with a degree in [redacted]
[redacted] After graduation, [redacted] worked for [redacted]
which was headquartered in [redacted] until 1975. [redacted] came to [redacted]
[redacted] in 1975 to work for [redacted] In [redacted] of
[redacted] founded [redacted] is the owner of [redacted] Last
year, [redacted] earned approximately [redacted] in profits. [redacted] advised that [redacted]
has approximately [redacted] in a bank/investment account. Recently,
[redacted] a company located in Colorado, placed a
[redacted] order for [redacted]

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[redacted] has been investing "pretty hard" in the market for the last [redacted]
[redacted] first invested in the market between [redacted] with
approximately [redacted] had extra cash the last few years, and invests
in the market for entertainment. [redacted] stated his investments were "just a
game" and he never tried to make a living on his investments. [redacted] does not
conduct market research, but reads about different companies and the market
frequently.

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Investigation on 11/06/2013 at Tulsa, Oklahoma, United States (In Person)File # 318D-NY-2734749 Date drafted 11/07/2013

by [redacted]

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318D-NY-2734749

Continuation of FD-302 of Interview of [REDACTED], On 11/06/2013, Page 2 of 3

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[REDACTED] invests primarily in the oil and natural gas industry since [REDACTED] [REDACTED] has no formal trading strategy. [REDACTED] goal is to make money.

[REDACTED] has three investment accounts with ARVEST ASSET MANAGEMENT (ARVEST). [REDACTED] ARVEST account ending in [REDACTED] is managed by [REDACTED] account manager, office telephone number [REDACTED]. ARVEST tends to purchase stocks that provide dividends and steady growth. [REDACTED] opened the account ending in [REDACTED] with approximately [REDACTED]. [REDACTED] does not actively trade in this account, but checks its activity online. [REDACTED] saw that [REDACTED] had purchased stock in HEINZ (HNZ), then researched the company and realized they provided a 3.7 percent dividend to shareholders. [REDACTED] placed a purchase order for [REDACTED] shares of HNZ at \$60 per share in [REDACTED] using a separate ARVEST account ending in [REDACTED] which [REDACTED] personally manages. The purchase of [REDACTED] shares at \$60 a share executed on [REDACTED]. The next day, [REDACTED] went to a Tulsa branch of ARVEST where he learned the HNZ's stock price had increased to \$72.50. [REDACTED] stated that he should have bought [REDACTED] shares of the stock. At the time of the trade, [REDACTED] liquid net worth was approximately [REDACTED]. [REDACTED] had brokerage accounts with ARVEST since 2012. [REDACTED] does not have a financial advisor and stated he "doesn't need one."

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[REDACTED] believed he ordered [REDACTED] shares of HNZ stock approximately six weeks before the trade was executed. HNZ provided a large dividend, which is why [REDACTED] was interested. [REDACTED] stated he normally conducts trades of this size. Since the financial value of the transactions is so high, he is required to call ARVEST and speak to a broker on the phone to complete the trade transaction. [REDACTED] said the shares automatically sold on June 10, 2013 because the merger paid out all stockholders on this date. [REDACTED] received [REDACTED] for his [REDACTED] shares of HNZ.

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[REDACTED] never personally invested in HNZ prior to [REDACTED]. Financial records provided to the interviewing Agents during the interview showed [REDACTED] the ARVEST account manager, purchased [REDACTED] shares of HNZ on [REDACTED] at \$55 per share. On [REDACTED] HNZ paid a dividend of \$557, and on [REDACTED] paid a dividend of \$740.57.

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318D-NY-2734749

Continuation of FD-302 of Interview of [REDACTED], On 11/06/2013, Page 3 of 3

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[REDACTED] does not know anyone who works at HNZ, Berkshire Hathaway (BRK), or 3G Capital (3G). [REDACTED] does not know anyone associated with a public relations firm, or legal office associated with any of the noted companies. [REDACTED] broker at ARVEST, [REDACTED] is the only person [REDACTED] knows to have invested in HNZ. [REDACTED] does not remember mentioning his HNZ trading prior or in close proximity to the execution.

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[REDACTED] does not know the following individuals: [REDACTED]

[REDACTED]

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[REDACTED] stated that he knows a [REDACTED] but not [REDACTED]. [REDACTED] knows [REDACTED] through her younger sister [REDACTED] who "had a relationship" with [REDACTED] is a good friend of [REDACTED] who worked at [REDACTED] as [REDACTED] has not worked for [REDACTED] for approximately four to five years. [REDACTED] never invested money and currently resides in [REDACTED] purchased a home in [REDACTED] for [REDACTED] is currently [REDACTED] and [REDACTED] is currently attending college to become a [REDACTED].

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[REDACTED] did not possess material or non-public information in advance of the HNZ public announcement but "wishes he had." [REDACTED] stated that he was not above insider trading, but did not have access to any non-public information regarding HNZ.

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[REDACTED] provided agents with hard copies of his ARVEST Asset Management account activity for accounts ending in [REDACTED] also provided agents with a copy of his Open Order Buy Request for HNZ which showed that [REDACTED] requested to purchase [REDACTED] shares of HNZ stock at \$60 a share on [REDACTED]. This Open Order Buy Request was good through [REDACTED]. [REDACTED] An electronic copy of the above mentioned documents are attached to this FD-302.

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FEDERAL BUREAU OF INVESTIGATION**Electronic Communication****Title:** (U) Locate/Serve grand jury subpoena [REDACTED] **Date:** 11/07/2014b3
b6
b7C**From:** NEW YORK

NY-C1

Contact: [REDACTED]**Approved By:** SSA [REDACTED]b6
b7C
b7E**Drafted By:** [REDACTED]

Case ID #: 318D-NY-2734749 (U) HEINZ CORPORATION;
1 PPG Place, Suite 3100, Pittsburgh, PA.
15222; 3G Capital; Berkshire Hathaway;
Insider Trading

Synopsis: (U) To set lead to West Palm Beach Resident Agency.**Full Investigation Initiated:** 02/15/2013**Enclosure(s):** Enclosed are the following items:

1. (U) [REDACTED] Photo
2. (U) [REDACTED] GJ Subpoena and Advice of Rights

b3
b6
b7C**Details:**

On 2/14/2013, H.J. HEINZ COMPANY (HNZ) publicly announced that it had entered into a merger agreement to be acquired by BERKSHIRE HATHAWAY (BRK) and 3G CAPITAL (3G). BRK and 3G are global investment firms. BRK and 3G are equal equity partners in HNZ. Under the terms of the agreement, HNZ shareholders would receive \$72.50 in cash for each share of common stock they own, in a transaction valued at \$28 billion, including the assumption of HNZ's outstanding debt. The per share price represents a 20% premium to HNZ's closing share price of \$60.48 on 2/13/2013, a 19% premium to HNZ's all-time high share price.

In close proximity to and before the aforementioned public announcement, several individuals traded and profited in HNZ. It is

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Title: (U) Locate/Serve grand jury subpoena [REDACTED]

Re: 318D-NY-2734749, 11/07/2014

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believed that the following individual [REDACTED]
[REDACTED]

The bio-data for this individual is listed below:

[REDACTED]

b3
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NCIC yielded positive results on [REDACTED]

New York requests West Palm Beach Resident Agency to:

1) Locate [REDACTED] and serve him with the attached grand jury subpoena. (NOTE - The Agent assigned should not attempt to interview [REDACTED] as he is represented.)

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(Administrative Note: A photo of [REDACTED] grand jury subpoena, and Advice of Rights is attached hereto.)

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1A	<u>20</u>		2013-08-02	<u>27</u>	(U) (5) FD-315s, fax transmission confirmations, and [redacted] e-mail dated 8/2/2013	Digital and Physical
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Type	#	Acquired By	Acquired On	Serial	Summary	Record Type
1A	<u>1</u>		2013-02-15	<u>2</u>	(U) Various open source database articles discussing HNZ transaction and participants 3G Capital and Berkshire Hathaway	Digital
1A	<u>2</u>		2013-02-20	<u>3</u>	(U) SEC complaint (13 CIV 1080) against Heinz Traders dated 2/15/2013	Digital
1A	<u>3</u>		2013-02-20	<u>4</u>	(U) SEC/AUSA Meeting notes	Physical
1A	<u>4</u>		2013-02-28	<u>5</u>	(U) [redacted] email dated 2/28/13, Arch B-02660 List	Digital
1A	<u>5</u>		2013-02-27	<u>6</u>	(U) SEC Access Request and Approval	Digital and Physical
1A	<u>6</u>		2013-02-28	<u>7</u>	(U) HNZ trading records and associated documents obtained from SEC - LA	Digital
1A	<u>7</u>		2013-03-04	<u>8</u>	(U) Documents noted in Associated FD-1057 dated 3/5/2013	Digital
1A	<u>8</u>		2013-03-05	<u>9</u>	(U) FD-448, (2) FD-315s, Transmission Verification Report, [redacted] email dated 3/5/2013	Digital
1A	<u>9</u>		2013-02-28	<u>10</u>	(U) [redacted] interview notes	Digital and Physical
1A	<u>10</u>		2013-03-11	<u>11</u>	(U) Documents as noted in associated FD-1057 dated 3/12/2013	Digital and Physical
1A	<u>11</u>		2013-03-12	<u>12</u>	(U) Documents as noted in associated FD-1057 dated 3/12/2013	Digital
1A	<u>12</u>		2013-03-15	<u>13</u>	(U) [redacted] FD-315s, FD-448, Transmission Verification report	Digital
1A	<u>13</u>		2013-03-14	<u>14</u>	(U) [redacted] interview notes	Digital and Physical
1A	<u>14</u>		2013-03-28	<u>15</u>	(U) Heinz bluesheet data	Physical
1A	<u>15</u>		2013-06-06	<u>16</u>	(U) (1) CD labeled "Burger King Holdings, Inc. & H.J. Heinz Company, FINRA documents, (1) SEC Letter dated 6/6/2013	Physical
1A	<u>16</u>		2013-06-27	<u>17</u>	(U) Documents listed in associated FD-1057 dated 6/27/2013	Digital
1A	<u>17</u>		2013-07-08	<u>18</u>	(U) (1) CD labeled "Burger King Holdings, Inc. & H.J. Heinz Company matter -- Brokerage Account--July 5,2013, (1) SEC Cover letter dated 7/5/2013	Physical
1A	<u>18</u>		2013-07-30	<u>22</u>	(U) Documents noted in associated FD-4057 dated 7/31/2013	Digital
1A	<u>19</u>		2013-08-01	<u>26</u>	(U) (1) CD labeled "Burger King Holdings, Inc. & H,J, Heinz Company matter -- FINMA/Brokerage Accounts--July 30,2013"	Physical

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File Number 318D-NY-2734749Field Office Acquiring Evidence NYOSerial # of Originating Document 4Date Received 2/20/13From SEC-LA/SDNY
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SATo Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ NoGrand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ NoTitle: Heinz Corp;
Insider TradingReference: _____
(Communication Enclosing Material)Description: ☐ Original notes re interview of- SEC/SDNY Meeting Notesb6
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318D-NY-2734749

Type	#	Acquired By	Acquired On	Serial #	Summary	Record Type
1A	<u>21</u>		2013-08-08	<u>28</u>	(U) [redacted] NDA	Digital
1A	<u>22</u>		2013-08-07	<u>29</u>	(U) [redacted] database checks	Digital
1A	<u>23</u>		2013-08-14	<u>30</u>	(U) SEC Production 8-14-13 - [redacted]	Digital
1A	<u>24</u>		2013-08-08	<u>31</u>	(U) Photo of [redacted]	Digital
1A	<u>25</u>		2013-08-09	<u>31</u>	(U) Interview Notes of [redacted]	Digital and Physical
1A	<u>26</u>		2013-08-08	<u>32</u>	(U) [redacted] Photo	Digital
1A	<u>27</u>		2013-08-08	<u>32</u>	(U) [redacted] Photo	Digital
1A	<u>28</u>		2013-08-09	<u>32</u>	(U) Interview Notes of [redacted]	Digital and Physical
1A	<u>29</u>		2013-08-23	<u>33</u>	(U) 6E letter	Digital
1A	<u>30</u>		2013-09-05	<u>35</u>	(U) [redacted] DMV, NCIC, Clear, and Lexis Nexis database results	Digital
1A	<u>31</u>		2013-09-11	<u>36</u>	(U) [redacted] Clear Report, NCIC results, and DMV check	Digital
1A	<u>32</u>		2013-09-16	<u>38</u>	(U) SEC/AUSA meeting notes dated 9/16/13	Physical
1A	<u>33</u>		2013-09-13	<u>39</u>	(U) [redacted] interview notes	Digital and Physical
1A	<u>34</u>		2013-09-16	<u>40</u>	(U) [redacted] forwarded email chain dated 9/16/2013, [redacted] interview notes	Digital and Physical
1A	<u>35</u>		2013-09-19	<u>41</u>	(U) Email translations Task #125822, FD1025	Digital
1A	<u>36</u>		2013-09-19	<u>42</u>	(U) Documents noted in associated FD-302 dated 9/19/13	Digital
1A	<u>37</u>		2013-09-19	<u>43</u>	(U) [redacted] interview notes	Digital and Physical
1A	<u>38</u>		2013-09-11	<u>44</u>	(U) Interview notes of [redacted]	Physical

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File Number 318D - NY - 2734749Field Office Acquiring Evidence NYOSerial # of Originating Document 39Date Received 9/16/13From

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Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ NoTitle: HeinzReference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of- interview notes

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File Number 318D-NY-2734749

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☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Heine Corp;
Insider Trading

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

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Title: (U) Subfile Opening Document

Date: 02/25/2013

From: NEW YORK

NY-C1

Contact: [REDACTED]

Approved By: SSA [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318D-NY-2734749-FF (U) HEINZ CORPORATION;
1 PPG Place, Suite 3100, Pittsburgh, PA.
15222; 3G Capital; Berkshire Hathaway;
Insider Trading

Synopsis: (U) To request opening of a Forfeiture Sub-file.

Details:

Suspicious, timely call-options trading leading up to the acquisition of H.J. Heinz Company by Berkshire Hathaway and 3G Capital suggests insider trading.

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Electronic Communication

Title: (U) Subfile Opening Document

Date: 02/25/2013

From: NEW YORK

NY-C1

Contact: [REDACTED]

Approved By: SSA [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318D-NY-2734749-FF_GJ (U) HEINZ CORPORATION;
1 PPG Place, Suite 3100, Pittsburgh,
PA. 15222; 3G Capital; Berkshire
Hathaway; Insider Trading

Synopsis: (U) To request opening of a Forfeiture Grand Jury sub-file.

Details:

Suspicious, timely call-options trading leading up to the acquisition of H.J. Heinz Company by Berkshire Hathaway and 3G Capital suggests insider trading.

Opeing of Forfeiture grand jury sub-file is requested.

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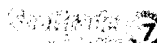
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Former Moody's Exec Blows Whistle on Bad Ratings: Is It a Smoking Gun?

Posted Sep 23, 2009 02:32pm EDT by Aaron Task in Investing, Newsmakers

Related: MCO, MHP, XLF, ^DJI, ^GSPC, BRK-A, SKF

The hits just keep on coming for rating agencies, and not in the feel-good, Top-40 kinda way.

- Earlier this month, U.S. District Judge Shira Scheindlin ruled Moody's and Standard & Poor's could not claim first amendment protection because the ratings in question weren't publicly disseminated. The ruling was specific to a \$5.86 billion structured investment vehicle called Cheyne Finance, but could have broader legal implications.
- David Einhorn of Greenlight Capital told CNBC he's short Moody's and S&P's parent McGraw Hill, calling Scheindlin's ruling a "game changer." Meanwhile, Warren Buffett's Berkshire Hathaway has sold about 8.8 million shares of Moody's stock so far this year, according to regulatory filings.
- Last week, the SEC passed rules aimed at improving disclosures and reducing conflicts of interest for rating agencies.

The next blow is expected to come Thursday, when former Moody's managing director turned whistleblower Eric Kolchinsky is scheduled to testify before Congress.

Kolchinsky worked for Moody's for eight years and eventually oversaw the group responsible for rating securities known as collateralized debt obligations (CDO).

Today, Kolchinsky feels "some moral responsibility for the poor CDO ratings" issued under his watch, The Wall Street Journal reports. "I was part of the process that did all this damage, and I feel I should try to do something now to make sure it doesn't happen again."

Perhaps the most damning part of Kolchinsky's critique, as detailed by The Journal, is that Moody's was still employing the same faulty rating process in early 2009, despite the implosion of CDOs and other mortgage-related securities in 2007-2008. "Moody's issued an opinion which was known to be wrong," Kolchinsky wrote to the firm's chief compliance officer in July about a rating issued in January 2009, The Journal reports. (Meanwhile, another former Moody's exec tells The Business Insider that Kolchinsky is right and Moody's should be "liquidated right now.")

As you'll see in the accompanying clip, Henry and I agree the bigger problem is that too much power has been concentrated in the hands of too few rating agencies. But we disagree on whether Kolchinsky's comments are a true "smoking gun," providing proof of wrongdoing by Moody's, and by extension S&P and other (smaller) rivals.



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MCO	20.70	-1.66
MHP	26.02	-0.29
SKF	24.38	0.48
XLF	15.17	-0.17
^GSPC	1,060.89	-10.77
^DJI	9,749.01	-89.86
C	4.64	-0.01
CAT	53.53	-0.81
CHK	28.48	-0.63
GNH	0.16	-0.01
GOOG	500.57	1.51
INTC	19.85	0.32
MSFT	25.83	0.06
SOHU	70.90	2.61
XNL	NaN	NaN

^Á Compare all symbols on a chart

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Former Moody's Exec Blows Whistle on Bad Ratings: Is It a Smoking Gun?



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Posted on Sun, Oct. 18, 2009

How Moody's sold its ratings - and sold out investors

Kevin G. Hall | McClatchy Newspapers

last updated: October 21, 2009 06:36:56 PM

WASHINGTON -- As the housing market collapsed in late 2007, Moody's Investors Service, whose investment ratings were widely trusted, responded by purging analysts and executives who warned of trouble and promoting those who helped Wall Street plunge the country into its worst financial crisis since the Great Depression.

A McClatchy investigation has found that Moody's punished executives who questioned why the company was risking its reputation by putting its profits ahead of providing trustworthy ratings for investment offerings.

Instead, Moody's promoted executives who headed its "structured finance" division, which assisted Wall Street in packaging loans into securities for sale to investors. It also stacked its compliance department with the people who awarded the highest ratings to pools of mortgages that soon were downgraded to junk. Such products have another name now: "toxic assets."

As Congress tackles the broadest proposed overhaul of financial regulation since the 1930s, however, lawmakers still aren't fully aware of what went wrong at the bond rating agencies, and so they may fail to address misaligned incentives such as granting stock options to mid-level employees, which can be an incentive to issue positive ratings rather than honest ones.

The Securities and Exchange Commission issued a blistering report on how profit motives had undermined the integrity of ratings at Moody's and its main competitors, Fitch Ratings and Standard & Poor's, in July 2008, but the full extent of Moody's internal strife never has been publicly revealed.

Moody's, which rates McClatchy's debt and assigns it quite low value, disputes every allegation against it. "Moody's has rigorous standards in place to protect the integrity of ratings from commercial considerations," said Michael Adler, Moody's vice president for corporate communications, in an e-mail response to McClatchy.

Insiders, however, say that wasn't true before the financial meltdown.

"The story at Moody's doesn't start in 2007; it starts in 2000," said Mark Froeba, a Harvard-educated lawyer and senior vice president who joined Moody's structured finance group in 1997.

"This was a systematic and aggressive strategy to replace a culture that was very conservative, an accuracy-and-quality oriented (culture), a getting-the-rating-right kind of culture, with a culture that was supposed to be 'business-friendly,' but was consistently less likely to assign a rating that was tougher than our competitors," Froeba said.

After Froeba and others raised concerns that the methodology Moody's was using to rate investment offerings allowed the firm's profit interests to trump honest ratings, he and nine other outspoken critics in his group were "downsized" in December 2007.

"As a matter of policy, Moody's does not comment on personnel matters, but no employee has ever been let go for trying to strengthen our compliance function," Adler said.

Moody's was spun off from Dun & Bradstreet in 2000, and the first company shares began trading on Oct. 31 that year at \$12.57. Executives set out to erase a conservative corporate culture.

To promote competition, in the 1970s ratings agencies were allowed to switch from having investors pay for ratings to having the issuers of debt pay for them. That led the ratings agencies to compete for business by currying favor with investment banks that would pay handsomely for the ratings they wanted.

Wall Street paid as much as \$1 million for some ratings, and ratings agency profits soared. This new revenue stream swamped earnings from ordinary ratings.

"In 2001, Moody's had revenues of \$800.7 million; in 2005, they were up to \$1.73 billion; and in 2006, \$2.037 billion. The exploding profits were fees from packaging . . . and for granting the top-class AAA ratings, which were supposed to mean they were as safe as U.S. government securities," said Lawrence McDonald in his recent book, "A Colossal Failure of Common Sense."

He's a former vice president at now defunct Lehman Brothers, one of the highflying investment banks that helped create the global crisis.

From late 2006 through early last year, however, the housing market unraveled, poisoning first mortgage finance, then global finance. More than 60 percent of the bonds backed by mortgages have had their ratings downgraded.

"How on earth could a bond issue be AAA one day and junk the next unless something spectacularly stupid has taken place? But maybe it was something spectacularly dishonest, like taking that colossal amount of fees in return for doing what Lehman and the rest wanted," McDonald wrote.

Ratings agencies thrived on the profits that came from giving the investment banks what they wanted, and investors worldwide gorged themselves on bonds backed by U.S. car loans, credit card debt, student loans and, especially, mortgages.

Before granting AAA ratings to bonds that pension funds, university endowments and other institutional investors trusted, the ratings agencies didn't bother to

scrutinize the loans that were being pooled into the bonds. Instead, they relied on malleable mathematical models that proved worthless.

"Everyone else goes out and does factual verification or due diligence. The credit rating agencies state that they are just assuming the facts that they are given," said John Coffee, a finance expert at Columbia University. "This system will not get fixed until someone credible does the necessary due diligence."

Nobody cared about due diligence so long as the money kept pouring in during the housing boom. Moody's stock peaked in February 2007 at more than \$72 a share.

Billionaire investor Warren Buffett's firm Berkshire Hathaway owned 15 percent of Moody's stock by the end of 2001, company reports show. That stake, largely still intact, meant that the Oracle from Omaha reaped huge financial rewards while Moody's overlooked the glaring problems in pools of subprime mortgages.

A Berkshire spokeswoman had no comment.

One Moody's executive who soared through the ranks during the boom years was Brian Clarkson, the guru of structured finance. He was promoted to company president just as the bottom fell out of the housing market.

Several former Moody's executives said he made subordinates fear they'd be fired if they didn't issue ratings that matched competitors' and helped preserve Moody's market share.

Froeba said his Moody's team manager would tell his team that he, the manager, would be fired if Moody's lost a single deal. "If your manager is saying that at meetings, what is he trying to tell you?" Froeba asked.

In the 1990s, Sylvain Raynes helped pioneer the rating of so-called exotic assets. He worked for Clarkson.

"In my days, I was pressured to do nothing, to not do my job," said Raynes, who left Moody's in 1997. "I saw in two instances -- two deals and a rental car deal -- manipulation of the rating process to the detriment of investors."

When Moody's went public in 2000, mid-level executives were given stock options. That gave them an incentive to consider not just the accuracy of their ratings, but the effect they'd have on Moody's -- and their own -- bottom lines.

"It didn't force you into a corrupt decision, but none of us thought we were going to make money working there, and suddenly you look at a statement online and it's (worth) hundreds and hundreds of thousands (of dollars). And it's beyond your wildest dreams working there that you could make that kind of money," said one former mid-level manager, who requested anonymity to protect his current Wall Street job.

Moody's spokesman Adler insisted that compensation of Moody's analysts and senior managers "is not linked to the financial performance of their business unit."

Clarkson couldn't be reached to comment.

Clarkson's own net worth was tied up in Moody's market share. By the time he was pushed out in May 2008, his compensation approached \$3 million a year.

Clarkson rose to the top in August 2007, just as the subprime crisis was claiming its first victims. Soon afterward, a number of analysts and compliance officials who'd raised concerns about the soundness of the ratings process were purged and replaced with people from structured finance.

"The CEO is from a structured finance background, most of the people in the leadership were from a structured finance background, and it was putting their people in the right places," said Eric Kolchinsky, a managing director in Moody's structured finance division from January 2007 to November 2007, when he was purged, he said, for questioning some of the ratings. "If they were serious about compliance, they wouldn't have done that, because it isn't about having friends in the right places, but doing the right job."

Another mid-level Moody's executive, speaking on the condition of anonymity for fear of retribution, recalls being horrified by the purge.

"It is just something unthinkable, putting business people in the compliance department. It's not acceptable. I was very upset, frustrated," the executive said. "I think they corrupted the compliance department."

One of the new top executives was Michael Kanef, who was experienced in assembling pools of residential mortgage-backed securities, but not in compliance, the division that was supposed to protect investors.

"What signal does it send when you put someone who ran the group that assigned some of the worst ratings in Moody's history in charge of preventing it from happening again," Froeba said of Kanef. Clarkson and Kanef, who remains at Moody's, were named in a class-action lawsuit alleging that Moody's misled investors about its independence from companies that paid it for ratings.

Kanef went after Scott McCleskey, the vice president of compliance at Moody's from the spring of 2006 until September 2008, and the man that Moody's said was the one to see for all compliance matters.

"It's speculation, but I think Scott was trying to get people to follow some rules and people weren't ready to accept that there should be rules," Kolchinsky said.

McCleskey testified before the House of Representatives Oversight and Government Reform Committee on Sept. 30 and described how he was pushed out on the heels of the people he'd hired.

"One hour after my departure, it was announced that I would be replaced by an individual from the structured finance department who had no compliance experience and who, to my recollection, had been responsible previously for rating mortgage-backed securities," McCleskey testified.

His replacement, David Toner, had no compliance background. SEC documents describe him as a former team director for mortgage-backed securities from 2006 to 2008.

McCleskey had raised concerns about the integrity of the ratings process, and Moody's had excluded him from meetings in January 2008 with the Securities and Exchange Commission about the eroding quality of pools of subprime loans that Moody's had blessed with top ratings.

SEC officials, however, didn't bother to seek out McCleskey, even though he was the "designated compliance officer" in company filings with the agency. The SEC maintains that its officials met with Kanef because he was McCleskey's superior.

SEC spokesman Erik Hotmire said that officials met with Kanef because "we ask to interview whomever we determine is appropriate."

Another former Moody's executive, requesting anonymity for fear of legal action by the company, said the agency might've understood what was going wrong better if it had talked to the hands-on compliance officials.

"If they had known he'd (Kanef) come from structured finance, the conflict of having him in that position should have been evident from the start," the former executive said.

Others who worked at Moody's at the time described a culture of willful ignorance in which executives knew how far lending standards had fallen and that they were giving top ratings to risky products.

"I could see it coming at the tail end of 2006, but it was too late. You knew it was just insane," said one former Moody's manager. "They certainly weren't going to do anything to mess with the revenue machine."

Moody's wasn't alone in ignoring the mounting problems. It wasn't even first among competitors. The financial industry newsletter Asset-Backed Alert found that Standard & Poor's participated in 1,962 deals in 2006 involving pools of loans, while Moody's did 1,697. In 2005, Standard & Poor's did 1,754 deals to Moody's 1,120. Fitch was well behind both.

"S&P is deeply disappointed in the performance of its ratings on certain securities tied to the U.S. residential real estate market. As far back as April of 2005, S&P warned investors about increased risks in the residential mortgage market," said Edward Sweeney, a company spokesman. S&P revised criteria and demanded greater buffers against default risks before rating pools of mortgages, he said.

Still, S&P continued to give top ratings to products that analysts from all three ratings agencies knew were of increasingly poor quality. To guard against defaults, they threw more bad loans into the loan pools, telling investors they were reducing risk.

The ratings agencies were under no legal obligation since technically their job is only to give an opinion, protected as free speech, in the form of ratings.

"As an analyst, I wouldn't have known there was a compliance function. There was an attitude of carelessness, or careless ignorance of the law. I think it is a result of the mentality that what we do is just an opinion, and so the law doesn't apply to us," Kolchinsky said.

Experts such as Columbia University's Coffee think that Congress must impose some legal liability on credit rating agencies. Otherwise, they'll remain "just one more conflicted gatekeeper," and the process of pooling loans — essential to the flow of credit — will remain paralyzed and economic recovery restrained.

"If (credit) remains paralyzed, small banks cannot finance the housing demand. They have to take them (investment banks) these mortgages and move them to a global audience," said Coffee. "That can't happen unless the world trusts the gatekeeper."

(This article is part of an occasional series on problems in mortgage finance.)

MORE FROM MCCLATCHY

Why haven't any Wall Street tycoons been sent to the slammer?

House panel ready to pass sweeping reform of exotic finance

Watchdog: Obama's mortgage relief efforts aren't good enough

A year after financial crisis, the consumer economy is dead

Worse than subprime? Other mortgages imploding slowly

Bernanke: Recession is over, but tough times will linger

Questions to Moody's from McClatchy

A Webcast of House Oversight and Government Report Committee hearing on credit-rating agencies

2008 SEC report on credit ratings agencies

McClatchy Newspapers 2009

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/17/2010

To: New York

From: New York
C-35/BQMRA

Contact: SA [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318F-NY-300428 (Pending) - 30

Title: ~~CHANGED~~
~~MOODYS CORPORATION;~~
~~BERKSHIRE HATHAWAY;~~
~~ET AL~~

Synopsis: To change the title of the case based on new developments.

Previous Title: Title marked "Changed" to reflect the addition of BERKSHIRE HATHAWAY as a subject in this investigation. Title previously carried as "MOODYS CORPORATION; ET AL".

Details: As per conversation on May 17, 2010, with Assistant United States Attorney of the Southern District of New York [REDACTED] the Securities and Exchange Commission (SEC) has identified a pattern of suspicious trading with regards to MOODYS CORPORATION. The SEC has been investigating MOODYS CORPORATION for some time. On March 18, 2010, MOODYS received a WELLS NOTICE from the SEC. A WELLS NOTICE informs those involved in SEC investigations of the existence of an inquiry and allows them to submit a statement setting forth their position on the matter. BERKSHIRE HATHAWAY is the largest stockholder of MOODYS CORPORATION. On March 18 and March 19, 2010, BERKSHIRE HATHAWAY sold 1 million shares of MOODYS CORPORATION. Information regarding the SEC investigation of MOODYS CORP was not made public until May 10, 2010, which led to a decline in MOODYS CORPORATION's stock price. This investigation will focus on whether BERKSHIRE HATHAWAY made their decision to sell on March 18th and 19th of 2010, based on information revealed through the WELLS NOTICE.

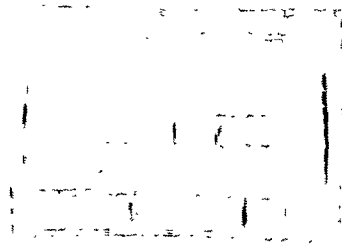
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To: New York From: New York
Re: 318F-NY-300428, 05/17/2010

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/24/2012

To: New York.

From: New York

C-35

Contact: SA [redacted]

ext. [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 318F-NY-300428 (Pending) -31

Title: MOODYS CORPORATION;
ET AL

Synopsis: Recommendation to close investigation.

Details: This matter was opened in July of 2008 based on a request for assistance from the United States Attorney's Office (USAO) for the Southern District of New York. Specifically, Assistant United States Attorney (AUSA) [redacted] requested the FBI to assist the USAO with the investigation of the matter which was referred to the USAO from the Securities & Exchange Commission (SEC) in Washington, D.C. The investigation concerned improper ratings of certain securities based on faulty computer models, the decision by MOODYS' executives not to downgrade the securities after they became aware of the problem, and the potential for insider trading in MOODYS securities prior to the matter becoming public. After investigation and review of the matter, the USAO declined prosecution concluding that a criminal case was not in the interests of justice.

In addition to the original matter, over time there have been additional allegations of wrongdoing that have come to light and have been sent or collected into this file. For example, allegations have been made pursuant to the SEC's ongoing examination of the credit rating agencies, from hearings held by the U.S. House of Representatives Committee on Oversight and Government Reform, and in the press. Further, an allegation was made concerning suspicious trading in MOODYS by BERKSHIRE HATHAWAY. However, these matters are dated and no further

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Close out file
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closed 2/1/12

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To: New York From: New York
Re: 318F-NY-300428, 01/24/2012

information has been provided or developments have occurred in connection with such allegations.

As a result of the above and in the absence of any new developments or specific request for investigatory assistance, it is recommended that this case be closed.

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