



# Arrested for Insider Trading On \$600M MGM Takeover

A “high-ranking” manager at online casino giant LeoVegas and two other individuals have been arrested in Stockholm on suspicion of insider trading, Swedish newspaper Aftonbladet reports

The manager is suspected of leaking privileged information about MGM Resorts International’s \$600 million acquisition of LeoVegas before the deal went public. [온라인카지노사이트](#)

The two other suspects have no direct connection to the company, the newspaper said. All three were arrested on November 10.

LeoVegas’ press manager, Daniel Valiollahi, confirmed that a company employee had been arrested, but emphasized that it was not a “person on the board or management team.” “As a company, we set high standards for ourselves when it comes to regulatory compliance, and since June, we have cooperated with the authorities in their investigation,” he added.

## HQ Raided in June

Sweden’s Economic Crime Authority (SEC) raided LeoVegas’ Stockholm offices on June 7. Later that day, the agency announced it had launched a preliminary investigation into the possible insider trading of LeoVegas’ shares.

At the time, the operator said in a message to the Nasdaq Stockholm it was fully assisting SEC with its inquiries, but was not aware of any criminal suspicion.

LeoVegas’ shares skyrocketed by 42% on Monday, May 2, on the announcement of MGM’s bid to acquire the company. But its stock had been on an upward trajectory in the month preceding news of the deal.

The MGM offer of SEK61 (US\$6.16) per share to acquire all of LeoVegas’ share capital represented a 44% premium on the closing share prices the Friday before the announcement.

The company’s board had known about the deal more than five months prior, according to Swedish financial newspaper, Dagens Industri.

## Trades 'Worth Millions'

The three accused are suspected of having made trades “worth millions” during this period, prosecutor Pontus Hamilton confirmed to Aftonbladet.

One million Swedish Krona is equal to just over US\$95,000, which suggests the trades generated in the region of several hundred thousand dollars.

The manager’s lawyer, Conny Cedermark, told the newspaper her client “denies any wrongdoing and hopes that this misunderstanding will soon be cleared up.”

The two other suspects also deny they have acted illegally.

## Deal Closed September

MGM was not put off by the reports of suspected insider trading. The US casino giant closed the all-cash deal in early September, with 96% of LeoVegas shareholders voting in favor of the takeover.

“The completion of this transaction represents a major milestone for MGM Resorts as we continue to pursue our strategy of growing our online gaming footprint worldwide,” said Bill Hornbuckle, MGM Resorts’ CEO and president, at the time.

“We look forward to welcoming the LeoVegas team and are excited to begin working with them to grow our global digital gaming business and maximize the full potential of our omnichannel strategy.