



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
JORGE NEHER**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

A. Overview

1. This matter concerns the failure by Jorge Neher (“Neher”) to comply with important policies in place at his firm aimed at maintaining the integrity of capital markets by ensuring confidential, material information is safeguarded and that trading is appropriately restricted in order to prevent impropriety or the appearance of impropriety.

B. The Respondent(s)

2. In the relevant period of 2014-2015, Neher was a partner in the Bogota, Colombia office of Norton Rose Fulbright (“NRF”), a major international law firm.
3. Neher was the lead partner for a firm client, which was an Ontario reporting issuer.

C. Background to Allegations

NRF Policies

4. On October 29, 2014, Neher was sent an email that also went to all members of NRF attaching a copy of the newly-adopted Norton Rose Fulbright Global Practices Standards policy by email. The policy applied worldwide to all members of the firm, including partners. The policy included policies on trading in publicly-listed securities (the “Trading Policy”). The Bogota office had not previously been subject to a similar policy regarding trading in publicly-listed securities.

5. The Trading Policy notes that a fundamental principle of securities legislation is that everyone investing in securities should have equal access to information that may affect their decision to trade in securities. The Trading Policy also notes:

Firm members, whether lawyers, agents or staff member, will undoubtedly become aware of material undisclosed information in the conduct of the firm’s business, either concerning a client or concerning a public company with which a client is dealing. It is critical that firm members preserve and maintain the confidentiality of this material undisclosed information and do not disclose this information to any third parties, except in accordance with applicable securities laws...This policy is designed to assist in preventing any impropriety or the appearance of any impropriety regarding a firm member trading in securities of a public company.

6. Further, the Trading Policy sets out, among other obligations:

- (a) Firm members are required to report when they possess material, undisclosed information with respect to publicly-listed entities so that those entities could be added to the Black Book, a list of issuers for which trading of securities is prohibited; and
- (b) Pre-clearance is required prior to any purchase or sale of securities of a public company or related derivative.

7. Despite being sent the October 29, 2014 email, Neher failed in his obligations to read, understand and comply with the Trading Policy as set out below.

Prohibited Trading by Neher

8. After the Trading Policy had been sent to him, Neher failed to seek pre-clearance of trades in shares of the client, which were conducted through a trading account located in Toronto, as required by the Trading Policy. This included purchases of the client's securities while those purchases were expressly prohibited due to the client having been placed on NRF's Black Book list. Neher had no personal knowledge that the client had been placed on this list, although he would have known this had he followed the Trading Policy. Neher's trades were part of an investment strategy in shares of the client that he had pursued since April 2014, before the Trading Policy was adopted and sent to him.

Importance of Trading Policies to the Public Interest

9. Policies like the Trading Policy are an important part of maintaining the integrity of capital markets by ensuring confidential, material information is safeguarded and that trading is appropriately restricted in order to prevent impropriety or the appearance of impropriety.

10. As a lawyer, Neher was in a position of trust and is subject to a high professional standard to avoid any appearance of conflicts of interest and any appearance of misuse of confidential information obtained in the course of the solicitor-client relationship. Neher should have taken reasonable steps to ensure that he was complying with NRF's policies before trading in publicly-listed securities of a client.

D. Conduct Contrary to the Public Interest

11. Neher's conduct was contrary to the public interest as he failed to adhere to the high standard of conduct expected of him in the circumstances.

12. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, this 12th day of May, 2017.