

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 95906 / September 23, 2022

INVESTMENT ADVISERS ACT OF 1940
Release No. 6149 / September 23, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-21152

In the Matter of

**JOSE LUIS CASERO
SANCHEZ,**

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jose Luis Casero Sanchez (“Respondent” or “Sanchez”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From September 2019 through May 2021, Sanchez worked in the Warsaw, Poland office of Goldman Sachs & Co. (“Goldman Sachs”). Goldman Sachs is the primary broker-dealer subsidiary of The Goldman Sachs Group, Inc., a global investment banking, securities and investment management firm. Goldman Sachs has been registered with the Commission as a broker-dealer since January 1936 and as an investment adviser since May 1981. Sanchez, 35 years old, currently resides in Spain.

B. ENTRY OF INJUNCTION

1. On September 29, 2021, the Commission charged Sanchez with insider trading in the civil action entitled U.S. Securities and Exchange Commission v. Jose Luis Casero Sanchez, et al., Case Number 1:21-CV-8085 (PKC), filed in the United States District Court for the Southern District of New York (the “Civil Action”). The same day the Commission filed its complaint in the Civil Action (the “Complaint”), the Commission obtained a temporary restraining order to freeze Sanchez’s assets, including certain accounts he used to conduct this scheme.

2. On April 7, 2022, a default judgment was entered against Sanchez in the Civil Action permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 14(e) of the Exchange Act, and Rules 10b-5 and 14e-3 thereunder.

3. The allegations in the Complaint concern the same conduct alleged herein. Sanchez failed to appear in the Civil Action, has not acknowledged any wrongdoing, and has not offered any assurances against future violations of the securities laws.

C. INSIDER TRADING SCHEME

1. In general, and as alleged in the Complaint, between September 2020 and May 2021 Sanchez abused his position of trust and confidence at Goldman Sachs by accessing and misappropriating sensitive information concerning at least 45 mergers and acquisitions, tender offers, financing transactions, and other significant corporate events involving Goldman Sachs’s clients and/or potential clients (the “Deals”). As further alleged in the Complaint, Sanchez unlawfully traded on the basis of that information.

2. In or about September 2019, Sanchez began working as a Senior Analyst in the Compliance Division of Goldman Sachs. Specifically, Sanchez was an employee in the Control Room in Goldman Sachs’s office in Warsaw, Poland at relevant times, including between September 2020 and May 2021.

3. While employed at Goldman Sachs, Sanchez had access to, and was entrusted with, material, nonpublic information about transactions in which Goldman Sachs was involved. In addition, Sanchez received and/or had access to emails containing material, nonpublic information about potential transactions involving Goldman Sachs.

4. Access logs, as well as other documents and information, show that Sanchez updated, directly accessed, possessed, and/or had access to material, nonpublic information relating to all of the Deals prior to placing trades in connection with each of the Deals. Sanchez accordingly was aware of material nonpublic information concerning each such trade he made in connection with the Deals.

5. Between September 2020 and May 2021, Sanchez traded profitably on at least 45 Deals based on material, nonpublic information he misappropriated from Goldman Sachs.

As alleged in the Complaint, Sanchez used four U.S.-based brokerage accounts held in the names of his parents, but which Sanchez controlled, to place his illegal trades. Sanchez alternated his trading among these four accounts to avoid detection.

6. Sanchez generated profits of approximately \$471,725 in connection with his scheme.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed

to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondent by any means permitted by the Commission's Rules of Practice. This Order also shall be served upon Respondent as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R. § 201.141(a)(2)(iv).

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to service of paper copies, service to the Division of Enforcement of all opinions, orders, and decisions described in Rule 141, 17 C.F.R. § 201.141, and all papers described in Rule 150(a), 17 C.F.R. § 201.150(a), in these proceedings shall be by email to the attorneys who enter an appearance on behalf of the Division, and not by paper service.

Attention is called to Rule 151(a), (b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(a), (b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed electronically in administrative proceedings using the Commission's Electronic Filings in Administrative Proceedings (eFAP) system access through the Commission's website, www.sec.gov, at <http://www.sec.gov/eFAP>. Respondent also must serve and accept service of documents electronically. All motions, objections, or applications will be decided by the Commission.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 75-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Vanessa A. Countryman
Secretary