UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,	
Plaintiff,	**Civil Action No.**
v.	**10-CV-**
JUAN JOSE FERNANDEZ GARCIA, AND LUIS MARTIN CARO SANCHEZ,	
Defendants.	

10C 5268

JUDGE ASPEN

MAGISTRATE JUDGE MASON

FILED UNDER SEAL

COMPLAINT

Plaintiff United States Securities and Exchange Commission ("Commission") alleges as follows:

NATURE OF THE ACTION

1. This is an insider trading case involving highly profitable and highly suspicious trading in the call option contracts ("calls") of Potash Corporation of Saskatchewan, Inc. ("Potash") (NYSE: POT) by the Defendants just prior to an August 17, 2010 public announcement by Potash that it had received and rejected an unsolicited proposal from BHP Billiton Plc ("BHP") to acquire Potash's stock for $130 per share (the "Proposal"), a premium of 16% over Potash stock's closing price on August 16, 2010. As a result of the Proposal, Potash's stock price on Tuesday, August 17, rose 27.7% over the previous day's closing price, placing the Defendants in a position to gain substantial profits.

2. On August 12, 13, and 16, 2010, Defendant Juan Jose Fernandez Garcia ("Garcia"), a Madrid, Spain resident and the Head of European Equity Derivatives at Banco Santander, S.A., an advisor to BHP in connection with its tender offer, purchased a total of 282 call options for approximately $13,669, all of which he sold on August 17, 2010 for a profit of approximately $576,000. On information and belief, Garcia engaged in these trades while in the possession of material, nonpublic information concerning the Proposal.

3. On August 12 and 13, 2010, Defendant Luis Martin Caro Sanchez ("Sanchez"), a Madrid, Spain resident, purchased a total of 331 call options for approximately $47,499, all of which he sold on August 17, 2010, for a profit of approximately $497,000. On information and belief, Sanchez engaged in these trades while in the possession of material, nonpublic information concerning the Proposal.

4. Garcia and Sanchez both maintain brokerage accounts at Interactive Brokers, LLC ("Interactive Brokers") and they engaged in similar trading patterns in Potash calls. On August 18, 2010, Sanchez made a withdrawal request to Interactive Brokers for 412,000 Euros ($530,298 USD, all dollar conversions use the average interbank rate for that day). This constituted the majority of the proceeds of the options sales and the majority of the remaining funds in Sanchez's brokerage account. Sanchez requested that the funds be transferred to Banco Pastor, S.A. in Madrid, Spain. After Interactive Brokers reviewed and rejected this request, Sanchez made another withdrawal request on August 19, 2010 at 3:39 Eastern Time ("ET") for 150,000 Euros ($192,986) to be transferred to the same bank in Madrid. This request remains pending.

5. The Commission brings this emergency action in order to freeze the proceeds of the Defendants' Potash options trades. The Commission is concerned that, absent an asset freeze, all of the proceeds of these highly suspicious trades will be transferred outside of the United States where they will be beyond the jurisdiction and reach of United States Courts.

JURISDICTION AND VENUE

6. The Commission brings this action pursuant to Sections 21(d) and 21(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(d) and 78u(e)].

7. This Court has jurisdiction over this action pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa].

8. Venue is proper in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa].

9. Acts, practices and courses of business constituting violations alleged herein have occurred within the jurisdiction of the United States District Court for the Northern District of Illinois and elsewhere. All of the subject options trading took place at the Chicago Board Options Exchange located in Chicago, Illinois through accounts at Interactive Brokers, which has offices in Chicago, Illinois.

10. The Defendants, directly and indirectly, made use of the means and instrumentalities of interstate commerce and of the mails in connection with the acts, practices, and courses of business alleged herein.

11. The Defendants will, unless enjoined, continue to engage in the acts, practices and courses of business set forth in this complaint, and acts, practices and courses of business of similar purport and object.

FACTS

Defendants

12. **Juan Jose Fernandez Garcia**, is 35 years old and, according to his brokerage records, is a resident of Madrid, Spain. He is employed by Banco Santander as the Head of European Equity Derivatives Research.

13. **Luis Martin Caro Sanchez**, is 36 years old and, according to his brokerage records, is a resident of Madrid, Spain. He maintained a brokerage account at Interactive Brokers, where Garcia also maintained a brokerage account.

Relevant Entities

14. **Potash Corporation of Saskatchewan Inc.** is the world's largest fertilizer company by capacity, producing the three primary crop nutrients – potash (K), phosphate (P) and nitrogen (N). The mineral potash is an important fertilizer, strengthening plant stalks and roots and helping crops fight disease and injury. As the world's leading potash producer, Potash is responsible for approximately 20 percent of global capacity. Potash's common stock is traded on the New York Stock Exchange ("NYSE") and the Toronto Stock Exchange, and options on its stock are traded on the Chicago Board Options Exchange ("CBOE"), a national stock options market located in Chicago. Potash is based in Saskatoon, Saskatchewan, Canada.

15. **BHP Billiton Plc** is a global natural resources company. BHP is based in Melbourne, Australia. As described in more detail below, BHP made an unsolicited $38.6 billion tender offer to Potash, which equated to $130 per share.

16. **Banco Santander, S.A.** is one of the largest banks in the world, and is based in Spain. Banco Santander served as a financial adviser to BHP in connection with its tender offer to Potash and provided a portion of the financing for the offer.

Call Options

17. Equity call options, such as those traded at the CBOE, give the buyer the right, but not the obligation, to purchase a company's stock at a set price (the "strike price") for a certain period of time (through "expiration"). In general, one buys a call option, or call, when the stock price is expected to rise, or sells a call when the stock price is expected to fall. For example, one "August 2010 130" call on Potash stock would give the purchaser the right to buy 100 shares of that stock for $130 per share before the call expired on August 21, 2010. If Potash stock went above $130 before the call expired, the call owner could either exercise the call and acquire the stock at $130 per share, or sell the call, which would have increased in value. If Potash's stock price failed to reach the $130 strike price before the call expired and the holder had not sold the option, the call would expire worthless. If at the time of purchase the call strike price is above the price at which the stock is then trading, the call is "out-of-the-money" because it would be unprofitable to exercise the call and pay more for the stock than if it were purchased on a stock market. For a given expiration month, out-of-the-money options are cheaper to buy than those that are conversely "in-the-money" to afford the buyer increased leverage to compensate for the increase in risk.

BHP's Tender Offer

18. On August 17, 2010, before the NYSE and CBOE markets opened for trading, Potash issued a press release announcing that its Board of Directors had received

and rejected an unsolicited offer from BHP to acquire Potash for $130 per share, a premium of 16% over Potash's closing stock price on August 16, 2010. Potash also released a copy of a letter from BHP to Potash dated August 13, 2010. The letter from BHP purported to follow-up on a meeting on August 12, 2010 between BHP's Chief Executive Officer and Potash's Chief Executive Officer about BHP's unsolicited Proposal.

19. As a result of the public announcement on August 17, 2010, Potash's stock price rose 27.7% over the previous day's closing price, closing at $143.17, up $31.02 per share.

Garcia's Suspicious and Profitable Potash Options Trading

20. As of August 2, 2010, the Garcia Account had a net equity value of 7,757.98 Euros ($10,121.50) and held no Potash securities.

21. On August 12, 13, and 16, 2010, Garcia purchased a total of 282 calls on Potash stock. Garcia paid a total of $13,669.54 to purchase these calls on Potash stock from August 12 to August 16. At least 276 of the 282 calls that Garcia purchased were out-of-the-money when he acquired them. Moreover, 267 of the 282 contracts purchased by Garcia were in the "front month" August series and, as such, were due to expire on Saturday, August 21, 2010.

22. Specifically, on August 12, 2010, Garcia purchased a total of 200 calls on Potash stock. The calls were due to expire on August 21, 2010, and had the following strike prices:

Strike Price	Quantity
$110	1

$115	50
$120	95
$125	22
$130	32

Garcia purchased the calls for prices ranging from $0.02 to $3.34 per contract, for a total purchase price of $6,213.21.

23. On August 12, 2010, Potash's stock traded on the NYSE in a range of $106.56 to $112.88 per share, which was well below the strike prices on the vast majority of the contracts purchased by Garcia. Thus, all of the options were out-of-the-money, except for just one contract.

24. On August 13, 2010, Garcia purchased 17 calls on Potash stock. The calls were due to expire on August 21, 2010, and had the following strike prices:

Strike Price	**Quantity**
$115	5
$120	12

Garcia acquired the calls for prices ranging from $0.30 to $0.93 per contract, for a total purchase price of $842.44.

25. On August 13, 2010, Potash's stock opened at $112.37 per share and traded on the NYSE in a range of $110.06 to $112.75 per share, which was below the strike prices on all 17 calls purchased that day by Garcia. Thus, these options were out-of-the-money.

26. On August 16, 2010, Garcia deposited $4,000 into his account and purchased 65 calls on Potash stock. Of the 65 calls, 50 were due to expire on August 21,

2010, and 15 were due to expire on September 18, 2010. The calls had the following strike prices:

August Calls:	**Strike Price**	**Quantity**
	$130	50
September Calls:	**Strike Price**	**Quantity**
	$110	5
	$115	5
	$120	5

Garcia purchased the calls for prices ranging from $0.06 to $6.50 per contract, for a total purchase price of $6,613.89.

27. On August 16, 2010, Potash's stock traded on the NYSE between $110.57 and $112.77 per share, which was below the strike prices on all but 5 of the 65 calls purchased on August 16 by Garcia. Thus, 60 of the 65 options were out-of-the-money.

28. As part of the aforesaid trading, on August 16, 2010, Garcia added 50 August 130 calls to his existing portfolio of 217 "front-month" August contracts, a 23% increase in the number of August contracts. For these 50 contracts with a remaining "shelf life" to expiration of only 4 days, Garcia was effectively wagering that Potash stock would increase in value by at least approximately $18 in just a few days time.

29. Garcia's Potash options trading is highly suspicious. Garcia is the Head of European Equity Derivatives at Banco Santander, an advisor to BHP in connection with its tender offer.

30. From January 1 to August 12, 2010, Garcia did not trade in any Potash securities in his Interactive Brokers account, and he had only engaged in minimal options

trading in a few other securities. Virtually all of the Potash calls that Garcia purchased were out-of-the-money with exercise prices ranging from of $110 to $130, and expiration dates ranging from August 21, 2010 to September 18, 2010, meaning that the price of Potash stock would have to rise significantly by those dates for the options to have value. Many of these out-of-the-money call option purchases represented a substantial bet that the price of Potash stock would increase by a substantial amount within a matter of days. Further, the Garcia Account did not purchase any Potash call options at a strike price above $130, the offering price made by BHP in its tender offer to Potash.

31. The closing price for Potash stock on Monday, August 16, 2010 was $112.15. On Tuesday, August 17, 2010, Potash opened at $143.11 per share, an increase of $30.96 per share, or 27.61%, over the closing price the previous day. Potash stock was the largest percentage gainer on the NYSE on August 17, 2010, climbing 27.66%. What had been out-of-the-money call options at strike prices ranging from $115 to $130 then became in-the-money, and consequently were worth much more than when they were purchased.

32. On August 17, 2010, between 9:30:29 and 9:32:44 a.m. ET, Garcia sold his entire holding of 282 Potash call option contracts, generating aggregate proceeds of $589,702.53. The trades settled the next day, on August 18. Garcia's profit on the Potash call options is $576,033 USD (or approximately 447,192 Euros).

33. As a result of the trading in Potash call options in August 2010, the net equity value of Garcia's Interactive Brokers account climbed to 458,236.07 Euros ($587,307) as of the close on August 17, 2010, an increase from the beginning of the month's equity of 5,664%.

34. On information and belief, at the time Garcia purchased the Potash calls as set forth above, he was in possession of material, nonpublic information about BHP's proposed acquisition of Potash.

Sanchez's Suspicious and Profitable Potash Options Trading

35. As of August 2, 2010, Sanchez's account at Interactive Brokers had a net equity value of 22,380 Euros ($29,198.30) and held no Potash securities.

36. On August 12 and 13, 2010, Sanchez purchased a total of 331 calls on Potash stock. All of the calls acquired by Sanchez had a $125 strike price and were due to expire on September 18, 2010. Sanchez paid a total of $47,499 to purchase calls on Potash stock on August 12 and 13, 2010.

37. Specifically, on August 12, 2010, Sanchez purchased 161 calls on Potash stock. He purchased the calls for prices ranging from $1.08 to $1.58 per contract, for a total purchase price of $23,449.87. As of August 2, 2010, Sanchez's account had a net equity value of 22,380 Euros ($29,198.30). On August 12, 2010, Potash's stock traded well below the $125 strike price on the 161 calls. Thus, the options were out-of-the-money.

38. On August 13, 2010, Sanchez deposited $25,000 into his account and purchased 170 calls on Potash stock. He purchased the calls for prices ranging from $1.33 to $1.50, for a total purchase price of $24,049.17. On August 13, 2010, Potash's stock traded well below the $125 strike price on the 170 calls. Thus, the options were out-of-the-money.

39. Sanchez's trades are highly suspicious. From January 1 to August 12, 2010, Sanchez did not own or trade any Potash securities in his Interactive Brokers

account. The Potash calls all had September 18, 2010 expiration dates and were purchased out-of-the-money with an exercise price of $125, approximately $12 over the Potash stock closing prices on August 12 and 13, 2010. These out-of-the-money call options purchase represented a substantial bet that the price of Potash stock would increase by more than $12 within a matter of a month. Further, Sanchez did not purchase any Potash call options at a strike price above $130, the offering price made by BHP in its Proposal to Potash.

40. As stated above, the opening price for Potash stock on the NYSE on the morning of August 17, 2010 was $143.11, which was 27.6% above the prior day's close. The closing price on August 17 of $143.17 was 27.8% above the closing price on August 12, 2010, and 28.6% above the closing price on August 13, 2010, when Sanchez purchased the majority of his call options. What had been out-of-the-money call options at $125 strike prices then became in-the-money, and were consequently worth much more than when they were purchased.

41. On August 17, 2010, between 10:28 and 11:55 a.m. ET, Sanchez sold his entire position of 331 Potash calls, generating aggregate proceeds of $544,452.37. The trades settled on August 18, 2010. Sanchez's profit on the Potash call options is $496,953.33 (or approximately 385,800 Euros).

42. As a result of the trading in Potash call options in August 2010, the net equity value of Sanchez's Interactive Brokers account climbed to 431,157 Euros ($552,601) as of the close on August 17, 2010, an increase from the beginning of the month's equity of 1,826.51%.

43. On information and belief, at the time Sanchez purchased the Potash calls as set forth above, he was in possession of material, nonpublic information about BHP's proposed acquisition of Potash.

Sanchez's Recent Efforts to Transfer his Ill-Gotten Profits to Spain

44. Since August 17, 2010, Sanchez has at least twice attempted to remove funds from his brokerage account and send them to a bank account in Spain.

45. Specifically, on August 18, 2010, at 3:39 a.m. ET, Sanchez requested the wiring of 412,000 Euros ($530,298) from his Interactive Brokers account to an account at Banco Pastor, S.A. in Madrid, Spain. Then, just yesterday, on August 19, 2010, at 2:48 a.m. EST, Sanchez again attempted to transfer funds overseas, by requesting that 150,000 Euros ($192,986) be wired to his account to Banco Pastor, S.A. in Madrid Spain.

COUNT I

Violations of Section 10(b) of the Exchange Act, and Rule 10b-5 Thereunder (Against Both Defendants)

46. Paragraphs 1 through 45 are realleged and incorporated by reference.

47. As more fully described in paragraphs 1 through 45 above, the Defendants, in connection with the purchase and sale of securities, by the use of the means and instrumentalities of interstate commerce and by the use of the mails, directly and indirectly: used and employed devices, schemes and artifices to defraud; made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated or would have operated as a fraud and deceit upon purchasers and sellers and prospective purchasers and sellers of securities.

48. The Defendants acted with scienter.

49. By reason of the foregoing, the Defendants violated Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5].

COUNT II

Violations of Section 14(e) of the Exchange Act, and Rule 14e-3 Thereunder (Against Both Defendants)

50. Paragraphs 1 through 45 are realleged and incorporated by reference.

51. As more fully described in paragraphs 1 through 45 above, prior to the public announcement of the tender offer for Potash, and after a substantial step or steps to commence the tender offer had been taken, Defendants purchased securities of Potash while in possession of material information relating to the tender offer, which information they knew or had reason to know was nonpublic and had been acquired directly or indirectly from a person acting on behalf of the offering person; the issuer of the securities sought or to be sought by the tender offer; or an officer, director, partner, employee, or other person acting on behalf of the offering person or such an issuer.

52. By reason of the foregoing, the Defendants violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that the Defendants committed the violations charged and alleged herein.

II.

Issue a Temporary Restraining Order and Orders of Preliminary and Permanent Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining the Defendants, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j] and Rule 10b-5 [17 CFR § 240.10b-5] thereunder.

III.

Issue a Temporary Restraining Order and Orders of Preliminary and Permanent Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining Defendants, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, that violate Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder.

IV.

Issue an Order that prevents the Defendants, and each of Defendants' financial and brokerage institutions, agents, servants, employees attorneys-in-fact, and those

persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, email service, or service in accordance with such Order, or otherwise, from withdrawing, transferring, pledging, encumbering, assigning, dissipating, concealing or otherwise disposing of any assets in their accounts maintained at Interactive Brokers in account number ***5658 in the name of Defendant Garcia and account number ***5228 in the name of Defendant Sanchez.

V.

Issue an Order requiring Defendants to repatriate any assets or funds transferred to foreign accounts that were obtained as a result of Defendants' insider trading in Potash securities through other brokerage accounts, if any, and freezing those assets or funds.

VI.

Issue an Order permitting expedited discovery.

VII.

Issue an Order enjoining and restraining the Defendants, and any person or entity acting at their direction or on their behalf, from destroying, altering, concealing, or otherwise interfering with the access of the Commission to relevant documents, books and records.

VIII.

Issue an Order requiring Defendant to disgorge all ill-gotten gains from the violative conduct alleged in this Complaint, and to pay prejudgment interest thereon.

IX.

Issue an Order requiring Defendants to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1].

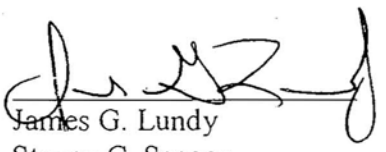
X.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

XI.

Granting such other relief as this Court may deem just and appropriate.

Respectfully submitted,



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Dated: August 20, 2010

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