

# Press Release



SUPERINTENDENCIA  
VALORES Y SEGUROS

## **27th CIVIL COURT RULES IN FAVOR OF THE SVS AND RATIFIES SANCTION FOR NON-COMPLIANCE WITH THE OBLIGATION TO ABSTAIN FROM PURCHASING SHARES**

The Superintendencia de Valores y Seguros (SVS) was informed today, January 8, 2009, of a resolution adopted by the 27th Civil Court of Santiago, with respect to the claim filed by Mr. Juan José Cueto Plaza, in response to the sanction applied to him by the SVS on July 6, 2007.

At that time, the SVS issued a sanction against Mr. Cueto with a fine of 1,620 UF for failing to comply with the obligation of abstention established by the Securities Market Law (LMV), when he acquired a total of 250 thousand shares of LAN Airlines S.A. on July 24, 2006, through the company Inversiones Mineras del Mar Cantábrico S.A. At the time of Mr. Cueto's purchase, he was the director of the company and had access to information from its financial statements before this information was available to the public.

The ruling clearly rejects the arguments put forth by the defense, which sought to eliminate the sanction. On the contrary, it accepts the arguments of the SVS, reaffirming, among other points, that financial statements constitute privileged information, that is, independently of the effects produced by their disclosure in the market.

The ruling, in whereas clause No. 8, indicates that article 164 of the LMV is clear with respect to the financial statements of LAN, from which the sanction in question originated, as well as "those of any other corporate entity, ruled by the LMV, contain and represent privileged information, as long as these have not been disclosed in the market".

Furthermore, in whereas clause No. 10, the ruling indicates that the reproachable conduct of Mr. Cueto Plaza, which was sanctioned by the SVS, constitutes: "...a clear infraction of the abovementioned legal standards, without the need to consider the subjective motivations of guilt of the offender, which are unnecessary when considering the obvious unlawfulness committed when violating – in itself – the Chilean public law, reflections which are evident and exclude supposed transgressions of the fundamental rights of the claimant and non-existing administrative excesses of the SVS".

The SVS Superintendent, Guillermo Larraín, welcomed the legal resolution, indicating that “it supports the technical, independent and partial character historically held by the SVS in its work of supervising, sanctioning and regulating securities and insurance entities”.

He added that “this ruling ratifies the conviction held by the SVS that the information contained in financial statements of a company constitutes privileged information per se, and for this reason, the conduct corresponding to any person with access to this privileged information is to abstain from participating in any transactions”.

**See Ruling**

Santiago, January 8, 2009