



SFE Bulletin No: **120/02**

From: SFE Corporation Limited ABN 74 000 299 392

Date of Issue: 20 November 2002

**DISCIPLINARY ACTION IMPOSED BY THE BUSINESS CONDUCT COMMITTEE &
THE MARKET PRACTICES COMMITTEE**

Participants are advised, pursuant to General By-Law G.11.65, of disciplinary action taken by the Business Conduct Committee (BCC) and the Market Practices Committee (MPC), since the last Bulletin.

PARTICIPANT 1

It was identified that the Full Participant failed to comply with:

- (i) Trading Rule TR.10.2(ii)
(Failure to take an expression of interest to the market);
- (ii) Trading Rule TR.17.1(c)(v)
(Withholding in order to cross);
- (iii) General By-Law G.3.14(f) by virtue of a failure to comply with Section 1266(4) of the Corporations Act 2001 (Cth) and Trading Rule TR.18
(Disclosure of information);
- (iv) Point 6 of Schedule F to Trading Rule TR.16.1
(Custom Market Rules); and
- (v) General By-Law G.3.14(b)
(Failure to deal in a proper and efficient manner).

The enquiry identified that the Participant had failed to enter an expression of interest into the SYCOM® market, withheld orders to cross, disclosed order information, failed to comply with Custom Market Rules and failed to deal in a proper and efficient manner.

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In accordance with General By-Law G.11.36(b) the MPC imposed a fine of \$2,000 upon the Participant for the identified breaches.

In addition, in accordance with General By-Law G.11.36(d) the MPC imposed a Reprimand upon each of the two employees of the Full Participant for the identified breaches.

PARTICIPANT 2

It was identified that the Full Participant failed to comply with:

- (i) General By-Law G.3.14(b)
(Failure to deal in a proper and efficient manner)
- (ii) General By-Laws G.3.16(q)(ii) and G.3.16(r)
(Failure to comply with prescribed terms 1.5(c) and 1.8(a) of the First Schedule Part B)

The enquiry identified that the Participant failed to deal in a proper and efficient manner and failed to comply with prescribed terms 1.5(c) and 1.8(a) of the First Schedule Part B.

In accordance with General By-Law G.11.36(d) the BCC imposed a Reprimand upon the Participant for the identified breaches.

PARTICIPANT 3

It was identified that the former Associate Participant failed to comply with:

- General By-Law G.27(a)(i)
(Failure to retain audio tapes containing client instructions for a minimum three (3) month period)

The enquiry identified that the former Associate Participant had failed to retain any conversations relating to client instructions for the required three (3) month period.

In accordance with General By-Law G.11.36(b), the BCC imposed a fine of \$3,000 upon the former Associate Participant for the identified breach.

PARTICIPANT 4

It was identified that the former Associate Participant failed to comply with:

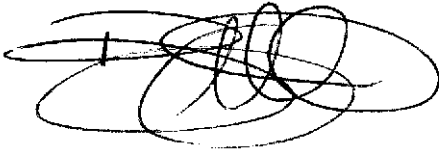
- General By-Law G.4.16(d)(i)
(Failure to lodge quarterly returns)

On 30 August 2002, the Participant applied for and was granted an extension of time to lodge the Return by no later than 3 September 2002. The return was not received by the Exchange until 6 September 2002, which was after the extension due date.

In accordance with General By-Law G.11.36(d), the BCC imposed a Reprimand upon the former Associate Participant for the identified breach.

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Please note that all fines imposed by the BCC and the MPC, as noted above, are stated exclusive of Goods & Services Tax.

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line extending to the left.

BRONWYN HILL
MANAGER, COMPLIANCE & SURVEILLANCE

20 NOVEMBER 2002