



ASTC Bulletin

Date: 16 June, 2009

Key topics

1. Value Nominees Pty Limited

Reading List

Compliance Managers
Managing Directors
ASTC Participants
Office Managers
Share Registries

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PARTICIPANT BULLETIN

DISCIPLINARY MATTERS

The Disciplinary Tribunal ('the Tribunal') has determined the following:

Value Nominees Pty Limited ('Value Nominees') has been fined \$15,000 (plus GST) for contravening ASTC Settlement Rule 8.15.8(a), in that it failed by 18 April 2008 to transmit a Valid Originating message requesting ASTC apply a Holder Record Lock to all Holdings under that Holder Record within 1 Business Day of receiving Notice of Death of the relevant Holder.

Value Nominees did not contest the contravention before the Tribunal.

The circumstances of this matter are detailed as follows:

By letter to ASX dated 21 July 2008, Value Nominees self reported an issue regarding a failure to transmit a Valid Originating Message requesting ASTC to apply a Holder Record Lock to all Holdings under a deceased's Holder Record within 1 Business Day of receiving Notice of Death of the deceased.

On 11 February 2008, Value Nominees received informal notice, via phone call, of the deceased's death.

On 11 February 2008, Value Nominees sent a 203 Message (Registration Details Update Request) requesting ASTC to apply a Holder Record Lock to all Holdings under the deceased's Holder Record.

On 11 February 2008, CHESS sent Value Nominees a 518 Message (Rejected Transaction) due to insufficient details regarding Value Nominees' request to apply a Holder Record Lock to all Holdings under the deceased's Holder Record, which was missed by Value Nominees.

On 17 April 2008, Value Nominees received formal notice of the deceased's death from the executors of the deceased's estate. Value Nominees was obliged to request the placement of a Holder Record Lock on the deceased's Holdings within 1 Business Day of receiving formal notice of death. However, Value Nominees mistakenly believed it had already placed the Holder Record Lock on the relevant Holdings and was in compliance with the requirements under the ASTC Settlement Rules.

On 15 July 2008, Value Nominees realised its previous attempt to lock the HIN had failed and sent a Valid Originating 203 Message (Registration Details Update Request) requesting ASTC to apply a Holder Record Lock to all Holdings under the deceased's Holder Record.

On 15 July 2008, CHESS sent Value Nominees a 218 Message (Accepted Registration Details Update) and a 220 Message (Authorised Registration Details) regarding Value Nominees' request to apply a Holder Record Lock to all Holdings under the deceased's Holder Record.

In determining penalty, the Tribunal also took into account the following matters:

- The circumstances and duration of the contravention;
- Value Nominees self reported the contravention;
- Value Nominees' co-operation with ASTC and ASX Investigations in the investigation of the matter;
- Value Nominees took immediate action to rectify the matter upon realising its previous error;
- Value Nominees did not contest the contravention;
- Value Nominees' attempt to apply a Holder Lock on 11 February 2008 prior to the required obligation under the ASTC Settlement Rules;
- Remedial action that Value Nominees has taken to prevent any future breaches with respect to deceased Holders;
- Value Nominees' disciplinary history (Value Nominees has only appeared on one previous occasion in regards to a similar matter. However, Value Nominees has breached aspects of its obligations with respect to deceased Holders on three occasions and have previously been issued with a No Action letter and a Warning letter);
- No loss was suffered by any party; and
- The placement of a Holder Record Lock on the holdings of a relevant holder who has died is an important and fundamental requirement to ensure the security of the deceased's assets and therefore the integrity of the market.