

ASX Circular

Date: 16 May, 2007

Key topics

1. Grange Securities Limited

Reading List

Client Advisers  
Compliance Managers  
DTR Operators  
Managing Directors  
Office Managers  
Operations Managers (back office)

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No responsibility is accepted for any inaccuracies contained in the matter published.

## DISCIPLINARY MATTERS

The ASX Disciplinary Tribunal ("the Tribunal") has determined that Grange Securities Limited ("Grange") contravened ASX Market Rule 16.12.3 in that it failed to report a transaction to SEATS in the time and manner set out in the ASX Market Rule Procedures, and ASX Market Rule 6.1.1 in failing to immediately record that transaction in its accounts as required under Schedule S1A.2.7 to the Rules.

Grange elected not to contest the contraventions before the Tribunal. The Tribunal imposed a fine of \$25,000 (plus GST) in respect of these contraventions.

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

- (a) Grange identified and self reported the contravention immediately;
- (b) Grange provided full co-operation to ASX Investigations in the investigation of the matter;
- (c) The matter was an isolated and one-off incident;
- (d) Corrective action was undertaken promptly to prevent reoccurrence of the matter. Grange conducted training with staff and updated its compliance manual to cover procedures for similar transactions; and
- (e) Grange has not been the subject of any prior Tribunal proceedings.

The circumstances of the matter are detailed as follows:

On 17 February 2006 Futuris Corporation Limited announced its offer of hybrid securities called Futuris Hybrids, and which were to be issued pursuant to a prospectus dated 28 February 2006. Grange was a co-manager to the issue.

On 29 March 2006, Grange entered into a conditional agreement with the client for the placement of 30,000 Futuris Hybrid notes. This agreement was conditional on the issue and listing of Futuris Hybrids. On 11 April 2006, Futuris Hybrids ("FCLPA") were admitted to quotation and commenced trading on a deferred settlement basis.

The transaction subject of the agreement between Grange and its client became unconditional upon the commencement of the quotation of FCLPA on 11 April 2006 and accordingly Grange's obligation to immediately report the transaction to SEATS arose on that date.

Grange did not report the transaction as a Block Special Crossing to SEATS, nor record the transaction in its accounts, until eight days later on 19 April 2006.