ASX
AUSTRALIAN SECURITIES EXCHANGE

ASX Circular

Date: 7 September 2009

Key topics
1. Cameron Stockbrokers Limited

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

Contact

Jodie Maurer

Telephone

(02) 9227 0472

ASX Limited
ABN 98 008 624 691
Exchange Centre
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square NSW 1215

Internet: http://www.asx.com.au

DISCIPLINARY MATTERS

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

Between 2 October 2007 and 24 December 2007 Cameron Stockbrokers Limited ('Camerons') contravened the following ASX Market Rules:

- ASX Market Rule 4.10.1, in that Camerons failed to maintain sufficiently detailed order records in respect of nine Market Transactions; and

- ASX Market Rule 4.10.5, in that Camerons failed to make order records immediately after receiving instructions to enter into eight Market Transactions, and, in respect of two of those transactions, record the time Camerons received instructions.

Camerons did not contest the contraventions before the Tribunal.

For these contraventions the Tribunal imposed a fine of $25,000 (plus GST).

The circumstances of this matter are detailed as follows:

ASX Compliance conducted an on-site review and identified issues with Camerons' order records. Camerons were subsequently requested to conduct monthly order record reviews for a three month period. A total of 133 order records were reviewed from October 2007 to December 2007 inclusive. The following issues were identified as potential breaches of ASX Market Rules 4.10.1 and 4.10.5:

- two order records failed to accurately record the time that instructions were received by Camerons;

- four order records failed to adequately include particulars of instructions received by Camerons, including discretion;

- one order record failed to accurately record the number of financial products to be bought and failed to adequately record details of amendment to the instructions;

- six order records were not made immediately; and

- two order records were not made immediately and failed to accurately record the time that instructions were received by Camerons.

In determining sanction, the Tribunal took into account a number of matters, including the following:

a) The circumstances and facts of the matter;

b) The good disciplinary history of Camerons, having had no disciplinary sanctions recorded against it by the Tribunal;

c) Camerons cooperated with ASX in relation to the conduct of its investigation into the matter;

d) Camerons agreed not to contest the contravention; and

e) The remedial action taken by Camerons to improve its compliance with the ASX Market Rules, namely the implementation of additional controls and procedures, reduced the penalty that would otherwise have been appropriate.

The Tribunal noted that:

- Order record systems are integral controls through which the ASX and Participants supervise compliance with the requirements of the ASX;

- The requirement that Participants ensure that transactions are recorded in the specified time and manner is an important client protection safeguard against unauthorised trading activity, and facilitates the conduct of an orderly market; and

- The failure to meet ASX requirements for order records has the potential to adversely affect the integrity of ASX markets.

Disciplinary Tribunal Sanction Guidelines

The misconduct occurred before 31 March 2008, that being the Effective Time under the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook (‘Rulebook’). Therefore, the applicable Tribunal sanction guidelines are those contained in ASX Market Rules Guidance Note 18 which was effective at the material time. The Tribunal determined that this Contravention was classified as a Level 2 Serious Contravention, for which the applicable penalty range is $20,000 - $100,000 (plus GST). Taking into account the mitigating and aggravating circumstances in this matter the Tribunal determined that a fine of $25,000 was an appropriate sanction. The Tribunal is of the opinion that this sanction will act as a deterrent and appropriately serves the interests of ASX and Market Participants.