

# OMX Surveillance

## Monthly report November 2007

### Stockholm

The Disciplinary Committee of the OMX Nordic Exchange Stockholm (the Exchange) has during November issued fines in one case. The listed company D. Carnegie & Co AB (Carnegie) and its subsidiary Carnegie Investment Bank AB (the Bank) have contravened the rules applying at the Exchange. With respect to the Bank, brokers have manipulated market prices to conceal intentional incorrect valuations previously undertaken within the Bank's derivative trading portfolio (trading portfolio). Due to this, the Disciplinary Committee has decided to fine the Bank SEK 5 million. The fine that the Bank will have to pay is the highest fine that the Disciplinary Committee ever has levied against a member firm. Carnegie, in its capacity as a listed company, contravened the listing agreement with the Exchange by disclosing incorrect information, partly in the interim report for the first quarter of 2007 and partly in a press release concerning the impact of the valuation manipulations on Carnegie's earnings, where the effects for the years 2005 and 2006 were not accounted for. For these violations, the Disciplinary Committee has decided that Carnegie shall pay a fine corresponding to four annual fees, making a total of SEK 1,783,000.

One company was criticized for not having followed the information rules regarding repurchases of the companies' own shares. The company had not published a press release with the information that the company intended to start a buy back program before the repurchases were initiated.

During the month, three cases have been handed over to the Swedish Financial Supervisory Authority. All of these cases have concerned suspected illegal insider trading.

Trading halts were implemented in Boss Media AB in connection with market rumours regarding a possible take-over offer on the company and in Securitas Direct AB in connection with the publication of a public offer from ESML Intressenter AB. The shares in Securitas Direct AB were due to the offer also placed on the observation segment.

### Helsinki

One company was criticized because the CEO in an interview had given information to the media regarding the future prospects of one of the company's business segments without disclosing the information by a stock exchange release.

One company was criticized for giving misleading information to the media, which had an effect of the company's share price. However, the information given by the CEO in an interview had been taken out of its context by the journalists, which made it even more misleading. The company was also criticized because it took several hours before it corrected the information by disclosing a stock exchange release.

It was decided that the shares of Takoma Oyj shall remain on the observation segment. The Exchange had requested Takoma Oyj to provide a statement regarding the company's fulfillment of the Listing Requirements. Based on Takoma Oyj's statement, the Exchange considered that the essential aspects of the administration of the company are outsourced to Panostaja Oyj. The responsibility for the fulfillment of the financial functions always rests with the listed company and

having essential parts of the financial expertise based on external personnel is not acceptable. Takoma Oyj therefore has a significant failure in fulfilling of the requirements for administration of the company. Takoma Oyj has also less than 500 shareholders. In addition only 4,59 percent of the shares were in public hands on 22 October, 2007 i.e. considerably less than the requirement for 25 percent. Thus, Takoma Oyj fails significantly to satisfy the Listing Requirements stating that conditions for a sufficient demand and supply shall exist in order to facilitate a reliable price formation process.

## **Copenhagen**

One company received a reprimand for not publishing an announcement concerning an order at the time when the company realised that a journalist had knowledge about the order. By doing so the company did not ensure that all market participants had simultaneous access to all material information about the company and therefore violated the disclosure rules

BioMar A/S was transferred to the observation segment due to the fact that the company had entered into an agreement to acquire Provimi Fish Feed's activities in Chile, Denmark and Spain. The agreement is conditional upon adequate approvals by the relevant authorities.

Brdr. A og O Johansen A/S was transferred to the observation segment due to the fact that the board of directors of the company had been informed that a conditional agreement of transfer of shares had been entered into between J-F. Lemvigh-Müller Holding A/S, Evoleska Holding AG, Niels A. Johansen and Jens Johansen. Hereafter J-F. Lemvigh-Müller Holding A/S will be obliged to give a mandatory bid to the shareholders of Brdr. A og O Johansen

Pharmexa A/S was transferred to the observation segment due to the fact that the company had lost half of the share capital.

## **Iceland**

One *bond* issuer was criticized for not publishing price sensitive information in the ICEX News System before the information was disseminated on a meeting with investors several days before the *shares* of the company were admitted to trading on the Exchange.

The shares of Tryggingamiðstöðin hf. were placed on the observation segment due to a voluntary bid from FL Group hf.

The shares of Vinnslustöðin hf. were placed on the observation segment since the board had applied for delisting of the shares from the Exchange.

## **Tallinn**

The Listing and Surveillance Committee (LSC) of the Tallinn Stock Exchange (TSE) decided to impose a fine in the amount of two hundred fifty thousand kroons to AS Kalev for violation of the information disclosure rules. The company did not publish information regarding possible changes in the agenda for the shareholders meeting. During the meeting, AS Kalev published a stock exchange announcement where it disclosed the intention to sell five subsidiaries. In addition to that AS Kalev also announced that on the same day it had signed the relevant sale agreements and that Kalev through the transaction will exit from two of its main activities area. The subsidiary companies sales agreement was approved by the meeting despite the fact that many shareholders were not in advance informed about that such important issues were to be decided upon in the meeting.

The LSC decided to impose a fine in the amount of fifty thousand kroons to AS Tallink for violation of the information disclosure rules. On November 10 2006, Tallink Grupp had published a stock exchange announcement, where it stated that Tallink Grupp would answer the accusations about a presumable incident on the board of M/S Silja Symphony after the internal investigation. TSE requested Tallink Grupp to publish the information at the latest on October 25, 2007. Tallink Grupp did however not disclose the requested investigation before the set deadline.

The LSC decided to impose a fine in the amount of ten thousand kroons to AS Starman for a violation of the information disclosure rules since the company had not included the Corporate Governance Recommendation Report in the audited financial report.

### **Riga**

The trading in AS Brīvais vilnis was suspended since the company had given price sensitive information to a third party during an interview without prior publication of the information through the Riga Stock Exchange (RSE) disclosure channel. According to the rules of the RSE a company is not allowed to give this kind of information to a third party if it has not been distributed via the RSE official information disclosure channel. The trading was resumed immediately after the publication of the required information.

The RSE has informed the Financial and Capital Market Commission regarding the above mentioned surveillance case.

### **Vilnius**

Four companies were criticized for failing to submit information to the Vilnius Stock Exchange (VSE) in accordance with the rule that states that a listed company has to provide information to the exchange before or at the same time as it is released to the market. In the first case the notice to attend an extraordinary general meeting of the shareholders in the company appeared in the press before it was submitted to the VSE. In the second case information about a signed big commercial agreement first appeared in media. The third case concerned a forecast regarding the company's result and the last case concerned information about the draft decisions of an extraordinary general meeting and draft articles of association.

The VSE has informed the Lithuanian Securities Commission about the above mentioned cases.

Criticism was issued towards one exchange member who was acting as a market maker and had violated the exchange rules by using the wrong owner categories. With reference to the fact that he was the first market maker at the VSE and that he had just started this activity, no stricter sanctions were applied.

One case was reported to the Financial Supervision Authority. This case concerned a suspected illegal insider trading in a situation where two exchange members by placing orders in the order book and coordinating their actions had concluded a transaction in such a way that enabled them to transfer shares to each other bypassing other exchange members.

The trading in Rokiskio Suris ORS was halted in connection with the implementation of a corporate action into the Central Depository systems. The trading in VST, Rytu Skirstomieji Tinklai and Lietuvos Energija was halted in connection with the appearance of contradictory information in media regarding the valuation of the three companies' shares. The shares of the three companies were later moved to the surveillance segment.

## **First North**

The Disciplinary Committee (DC) of the OMX Nordic Exchange Stockholm decided that the shares in FME Europe AB (formerly Fly Me Europe AB) should be delisted from First North. The DC found that FME's only operational subsidiary had been declared in bankruptcy and that FME itself is in the process of corporate reorganization. The company lacked an agreement with a Certified Adviser and its financial situation was extremely unclear. There was also some uncertainty as to the company's ability to meet the disclosure requirements. The company's share had been suspended from trading for more than eight months and it was unclear when conditions might prevail that would warrant rescinding the suspension. The shares of FME were for these reasons delisted with immediate effect.

OMX Nordic Exchange Copenhagen decided that Abaris Ejendomme A/S should be delisted from First North, due to the fact that First North repeatedly had requested to get a statement from the management of the company regarding the conditions within the company. First North did not succeed in getting this information. The decision of the delisting was based on the following:

- There was decisive insecurity concerning the conditions of the company.
- First North had repeatedly tried to contact the management of the company to get a clarification of the conditions of the company. This had not been possible.
- The company's Certified Adviser had left the company with reference to the fact that it was not possible to get access to information from the company and therefore the Certified Adviser was not able to fulfil its obligations.
- Both the board of directors and the management of the company had decided to leave the company with reference to the insecurity that had arisen.
- Initiatives had not been taken, to re-establish the managerial situation of the company.
- A company on First North must have the right organization and the right employees to fulfil the demands, concerning disclosure of information to the market. This was not the case for Abaris Ejendomme.
- In reality the company had closed down and did no longer exist as a company admitted to trading, since it had not responded to the approaches from First North, since it did not publish announcements, since it had no management and since no steps had been taken to re-establish the situation.

One Certified Adviser (CA) was criticized for having given incorrect advice in an information matter to a company on First North for which they acted as CA.