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CORPORATE & FINANCIAL
WEEKLY DIGEST

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Market Abuse Fine Increased by Appeal Tribunal

On October 20, the Financial Services and Markets Tribunal issued its decision in the matter of Andre Jean Scerri and the UK Financial Services Authority (FSA). Mr. Scerri's fine was increased from £46,062.50 to £66,062.50 (roughly $104,276).

Mr. Scerri was a private investor in Amerisur Resources plc. On May 23, 2007, he was given inside information by another private investor that an order had been placed for the following day at discounted prices (the Placing). Mr. Scerri immediately cancelled his order to increase his position in Amerisur. After Amerisur's broker formally made him an insider in the Placing, Mr. Scerri sold his remaining positions before the public announcements. He then rebuilt the majority of his position by buying back at discounted prices. The disgorgement represents the difference between the two prices.

The FSA initially decided not to impose the penalty of £20,000 (roughly $31,500) due to Mr. Scerri's financial hardship. However, the Tribunal found that his evidence had been incomplete and misleading and that his hardship had been self-induced (due to making hundreds of unsuccessful trades after being notified by the FSA of their proposed penalty).

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