

Corporate & Financial Weekly Digest

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[FSA Fines Former CEO for Market Abuse](#)

On July 6, the UK Financial Services Authority (FSA) announced that it had fined Henry Cameron, CEO of Sibir, a former Alternative Investment Market (AIM)-quoted energy company, £350,000 (approximately \$530,000) for making misleading announcements to the market regarding payments from Sibir to its major shareholder Chalva Tchigirinski. The penalty reflected a Stage 1 (30%) discount under the FSA's settlement discount scheme.

Mr. Cameron was responsible for Sibir making two separate market announcements in December 2008 and February 2009, stating that Sibir had paid a total of \$115.4 million to Mr. Tchigirinski. The correct amount was more than \$300 million. This created a false market in Sibir's shares by giving a misleading impression as to the nature and value of Sibir's assets and the risks the company faced. When the true position became clear, Sibir's shares were suspended from trading on AIM and its quotation was subsequently cancelled. Cameron was suspended from Sibir in February 2009 and dismissed in April 2009.

Margaret Cole, Director of Enforcement and Financial Crime at the FSA, said, "As the most senior executive director at Sibir, Cameron should have known these announcements were misleading and the serious impact they were likely to have on the market. The consequences of his market abuse were so serious that it led to the suspension of trading in Sibir's shares on AIM. Our fine reflects the gravity of his irresponsible actions and shows that we are serious about taking action against directors of publicly traded companies who commit market abuse. It is not acceptable for directors to take action which is in the interests of some shareholders while keeping others in the dark."

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Katten Muchin Rosenman LLP
Charlotte Chicago Irving London Los Angeles New York Washington, DC