

**IN THE PROCEEDINGS BEFORE THE ENFORCEMENT
COMMITTEE ESTABLISHED IN TERMS OF SECTION 10(3) OF
THE FINANCIAL SERVICES BOARD ACT, NO 97 OF 1990**

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CASE NO: **06/2014**

In the matter of:

THE DIRECTORATE OF MARKET ABUSE

Applicant

10 and

DVOULETY, JAROSLAV

Respondent

ORDER

15 WITH DUE CONSIDERATION to the settlement agreement (attached
marked annexure "A") in terms of section 6B(7)(a) of the Financial
Institutions (Protection of Funds) Act, No. 28 of 2001, I hereby
determine that the Respondent contravened section 75(1) of the
Securities Services Act, No 36 of 2004 and impose a penalty of R50
20 000 inclusive of costs to be paid on or before 30 May 2014. The
remaining terms and conditions of the settlement agreement are
incorporated and made an order of the Enforcement Committee.

25 Signed at **PRETORIA** on the 17TH day of **April 2014**.

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C F Eloff

Chairperson of the Enforcement Committee

**IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS
OF SECTION 10(3), READ WITH 10A OF THE FINANCIAL
SERVICES BOARD ACT, 97 OF 1990**

CASE NO: **06/2014**

In the matter of:

THE DIRECTORATE OF MARKET ABUSE

Applicant

and

DVOULETY, JAROSLAV

Respondent

**SETTLEMENT AGREEMENT IN TERMS OF SECTION 6B(7)(a)
OF THE FINANCIAL INSTITUTIONS (PROTECTION OF
FUNDS) ACT, 28 OF 2001**

1. The parties

1.1. The Directorate of Market Abuse ("DMA") is a committee of the Financial Services Board ("FSB"), established in terms of section 83(1) of the Securities Services Act, No 36 of 2004 (Act). The DMA is the Applicant in this matter. The Applicant is herein represented by Cuthbert King Chanetsa, the Deputy Executive Officer of Investment Institutions of the FSB, and the Acting Chairperson of the DMA.

1.2. The Respondent is Mr Jaroslav Dvoulety (identity number 4711105097081), an adult male, who resides at 2 Ebenezer Street Bracken Downs, Extension 5, Alberton, Gauteng.



2. Background Facts

2.1. Alert Steel Holdings LTD (Alert Steel) shares are listed securities on the Alternative Exchange of the JSE LTD, which is a regulated market.

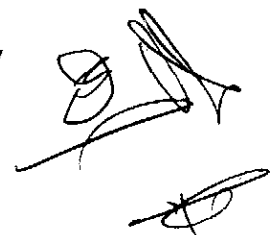
2.2. The Respondent at all relevant times held an on-line share trading account with SBG Securities (Pty) Ltd (SBG), through which he traded in securities on the JSE for his own account.

3. The Contravention

3.1. It is agreed between the parties that the Respondent contravened Section 75(1)(a) read with sections 75(3)(a) and 75(3)(d) of the Act in that:

3.1.1. On 26 April 2013 the Respondent at 14:26 entered an order to sell 5000 Alert Steel shares at 104cps through the account he held at SBG.

3.1.2. Later on the same day he used a manipulative, improper, false and deceptive trading practice when at 16:52 during the closing auction call phase, being near the close of market, he instructed and approved the entry

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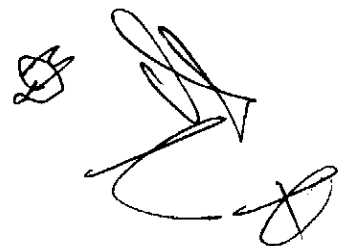
of a bid to purchase 200 Alert Steel shares at 104cps for the benefit of his account held at SBG, the primary purpose of which was to unduly and improperly influence the market price of the Alert Steel share and to change the closing price of the Alert Steel share to a higher price.

3.1.3. The Respondent's bid for 200 Alert steel shares at the end of the closing auction process matched with the Respondent's earlier order to sell 5000 Alert Steel shares at 104 cps, which resulted in him purchasing 200 Alert Steel shares at 104cps for his own account. This bid involved no change in the beneficial ownership of the 200 Alert Steel shares. This bid caused the closing price of the Alert Steel share price to change from 85cps to 104cps.

3.1.4. This transaction created a false or deceptive appearance of the trading activity in connection with the Alert Steel share and created an artificial price for the Alert Steel share.

4. The mitigating circumstances

4.1. It is been agreed that the following mitigating factors are relevant to the matter:

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4.1.1. The Respondent accepted responsibility for the
contravention;

4.1.2. The Respondent's contravention involved only one
trade;

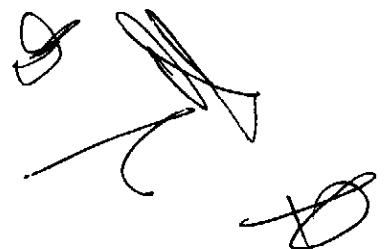
4.1.3. The Respondent was not previously found guilty of
contravening any provision of the Act;

4.1.4. The Respondent co-operated fully with regard to the
enforcement action against him.

5. The agreed penalty

5.1. In the light of the above, and in terms of section 6B(7)(a)
of the FI Act (Financial Institutions (Protection of Funds)
Act, No 28 of 2001), the parties have agreed that the
Respondent will pay a penalty of R50 000, inclusive of
costs, in settlement of the matter, on 30 May 2014.

5.2. The parties humbly request that the Honourable
Chairperson makes the settlement an order, as envisaged in
section 6B(7)(b) of the Financial Institutions (Protection of
Funds) Act.



6. Other conditions

6.1. This agreement is subject to approval by the Enforcement Committee and the parties specifically record that they are aware of the possibility that the Enforcement Committee may not accept the terms of this agreement. If the Enforcement Committee declines to make this agreement an order, then in such event this agreement will be null and void.

6.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the FSB to institute legal proceedings, the Respondent herewith consents to pay all legal costs to the FSB on the Attorney and Client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax.

6.3. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB.

6.4. The parties choose as their domicillum citandi et executandi their respective address set out below for all purposes arising out of or in connection with this agreement at which address all

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the processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties. However the notice contemplated in terms of section 6E of the FI Act shall be delivered by electronic email. For the purpose of this agreement the parties' respective addresses shall be:

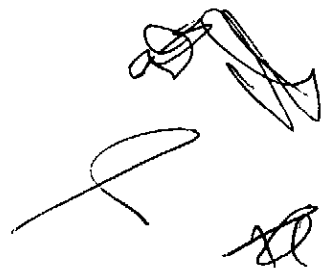
Financial Services Board
Block B, Riverwalk Office Park
41 Matroosberg Road
Ashlea Gardens ext 6
Pretoria
0081

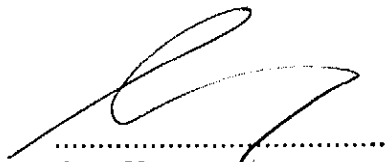
Respondent:
2 Ebenezer Street Bracken Downs
Extension 5
Alberton
1448

Respondent's e-mail - Jdvouy@ananzi.co.za.

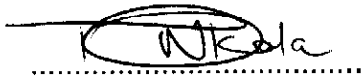
6.5. This agreement constitutes the whole agreement between the parties and is in full and final settlement of the respondent's liability for an administrative sanction including costs to the DMA arising from these contraventions.

Signed at PRETORIA on 17th of MARCH ²⁰¹⁴ on behalf of the Directorate of Market Abuse.

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C K Chanetsa



Witness

Signed at PRETORIA on 17. APRIL 2014 on behalf of the Respondent.



J Dvoulety



Witness