

**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: **13/2014**

In the matter of:

**THE FINANCIAL SERVICES BOARD
DIRECTORATE OF MARKET ABUSE**

First Applicant
Second Applicant

and


DEETLEFS, DAVID

Respondent

ORDER

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 78 of the Financial Markets Act, Act 19 of 2012, and impose a penalty of R14 152 (fourteen thousand one hundred and fifty two rand) and an amount of R15 000 (fifteen thousand rand) towards the costs of the investigation. The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

Signed at **PRETORIA** on the^{15th} day of **October 2014**.



.....
C F Eloff
Chairperson of the Enforcement Committee

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**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 parties ("Parties") to this settlement agreement ("Agreement") are the Financial Services Board ("FSB") and the Directorate of Market Abuse ("the Directorate") herein represented by Mr. Cuthbert King Chanetsa in his capacity as the Deputy Executive

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Officer of Investment Institutions and Chairperson of the Directorate; and

- 1.2. Mr David Deetlefs ("Deetlefs" or "the Respondent"), who at all relevant times to this matter was the Financial Director of Huge Group Limited ("Huge").

2. Contravention of section 78 of the Financial Markets Act, 19 of 2012 (the FMA)

- 2.1. It is agreed between the Parties that on 26 November 2013, whilst in possession of non-public, price sensitive information (the "Non-Public Information") in respect of Huge, Deetlefs purchased 47 174 Huge shares (the "Relevant Shares") at 60 cps (cents per share).
- 2.2. The non-public, price sensitive information was only made public on 27 November 2013, when Huge published a SENS (Stock Exchange News Service) announcement (the "SENS Announcement") advising that, as a result of successful negotiations with one of its suppliers, and due to improved operating results, it expected its earnings to improve by 200% for the period ending 28 February 2014 (year-end). Huge previously reported a loss for the financial year ended 28 February 2013.
- 2.3. The Huge share price increased from a closing price of 60 cps on 26 November 2013 to a closing price of 75 cps subsequent to the publication of the SENS Announcement on 27 November 2013.

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2.4. In the circumstances Deetlefs admits having contravened section 78 (1) (a) of the FMA.

3. The mitigating circumstances

3.1. It is also agreed that *inter alia* the following mitigating factors are relevant to the matter:

3.1.1. Deetlefs' possession of the Non-Public Information played no role in his decision to purchase the Relevant Shares. The purchase of the Relevant Shares constituted the fulfillment of a historic commitment by Deetlefs given on 30 August 2013 to purchase 47 174 Huge shares.

3.1.2. There was no intention by Deetlefs to benefit from, or profit from, the Non-Public Information by speculating in Huge shares or by securing a benefit from exposure to movement in the price of Huge shares.

3.1.3. The contravention occurred as a result of a *bona fide* oversight on the part of Deetlefs.

3.1.4. Deetlefs did not dispose of any Huge shares subsequent to the publication of the SENS Announcement. He still holds the Relevant Shares.

3.1.5. Deetlefs fully and voluntarily co-operated during the investigation and enforcement process and demonstrated a sincere intention to comply with FSB administered legislation.

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3.1.6. Deetlefs accepted responsibility for his inadvertent oversight and elected not to require the Enforcement Committee to expend time through a protracted case.

3.1.7. Mr Deetlefs has not been found to have previously contravened any other legislation administered by the FSB.

4. The agreed penalty

4.1. In terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, the Parties agree that in settling the matter the Respondent will pay an administrative penalty of R14 152 (fourteen thousand one hundred and fifty two Rand) and an amount of R15 000 (fifteen thousand Rand) towards the costs of the investigation being an aggregate amount of R29 152 (twenty nine thousand one hundred and fifty-two Rand) (the "Settlement Amount").

4.2. 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 in which event the Parties agree this Agreement shall be null and void *ab initio* and that any admission given by Deetlefs in this Agreement shall be deemed to be withdrawn *ab initio* and neither the Directorate nor the FSB shall be entitled to rely on this Agreement, or any provisions hereof, or any admission given herein in any subsequent proceeding against Deetlefs;

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4.3. 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.

4.4. Deetlefs shall pay the Settlement Amount to the FSB within 10 business days of the settlement being made an order by the Honourable Chairperson as contemplated in paragraph 4.3 above. Payment of the Settlement Amount to the FSB shall constitute a full and final settlement of Case No. 13/2014 and of all and any charges arising out of, or in any way connected with, the transaction referenced in paragraph 2.1 above.

5. Other conditions

5.1. If the Respondent does not comply with the terms of this Agreement and it is necessary for the FSB to proceed with legal proceedings, the Respondent herewith consents to pay all reasonable and actually incurred legal costs of such proceedings to the FSB on the attorney and client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax (if applicable);

5.2. No leniency or postponement given by the FSB to the Respondent or any amendment to the terms and conditions of this Agreement will be binding unless such postponement, leniency or amendment is reduced to writing and signed by the Parties;

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

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5.4. This Agreement constitutes the whole agreement between the Parties in regard to the subject matter hereof.

5.5. The Parties select the addresses below as their *domicilium citandi et executandi* for purposes of service of the Enforcement Committee order and for any notice or pleading related to a breach of this Agreement:

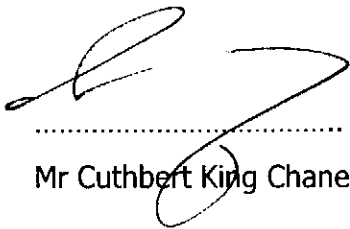
The Financial Services Board and the Directorate

Block B, Riverwalk Office Park
41 Matroosberg Road
Ashlea Gardens
Pretoria

Deetlefs

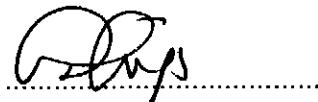
1st Floor
East Wing
146A Kelvin Drive
Woodmead
Johannesburg
2191

Signed at PRETORIA on ~~14~~ 13 October 2014 on behalf of the Financial Services Board and the Directorate of Market Abuse.



Mr Cuthbert King Chanetsa

Signed at Sandton on 13 October 2014 by Mr David Deetlefs



Mr David Deetlefs