

**IN THE PROCEEDINGS BEFORE THE ENFORCEMENT COMMITTEE
ESTABLISHED IN TERMS OF SECTION 97 OF THE SECURITIES
SERVICES ACT, 36 OF 2004**

CASE NO: **02/2014**

In the matter of:

THE DIRECTORATE OF MARKET ABUSE

The Referring Party

and


CHRISTOPHER JOHN MURRAY

Respondent

ORDER

WITH DUE CONSIDERATION to the documents placed before this Panel, including the admissions made by the respondent, the Panel finds that the respondent has contravened section 75(1) of the Securities Services Act, No 36 of 2004. We hereby impose a penalty of R750 000 inclusive of costs on the respondent in terms of section 103(1)(a) of the Securities Services Act.

Signed at **PRETORIA** on the 27TH day of **FEBRUARY 2014**.

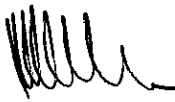


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C F Eloff

Chairperson of the Enforcement Committee



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H M S Msimang



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H K Dlepu

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CHRISTOHER JOHN MURRAY

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**ADMISSIONS BY THE RESPONDENT IN TERMS OF SECTION 103(1)
OF THE SECURITIES SERVICES ACT, 36 OF 2004**

1. I, Christopher John Murray, confirm that I have read and understood the particulars of contravention. I hereby under oath make the following admissions in terms of section 103(1) of the Securities Services Act, No.36 of 2004 (Act) [as the Act stood prior to its amendment] and state the following facts:

1.1. At all relevant times, I was employed as a portfolio manager by Watermark Securities (Pty) Ltd (Watermark). At all relevant times Watermark was an "authorised user" that was authorised to perform trading and investment services as well as acting as a non-clearing derivatives and products member of the JSE Ltd (JSE). The JSE is licensed to operate an exchange.

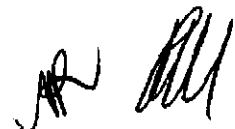


1.2. My duties as a portfolio manager included providing investment advice and I exercised discretion in the management of JSE authorized investments on behalf of clients of Watermark.

1.3. African Dawn Capital Limited (Afdawn) is a public company whose shares are listed on the Alternative Exchange (ALTX) of the JSE. ALTX is a regulated market.

1.4. As a result of research that I undertook of the results and public statements released by Afdawn during the course of 2008, I formed a strong conviction that the Afdawn share price was trading well below its fair value which I assessed at all relevant times as being approximately 800 cents per share.

1.5. Acting on the understanding that I had identified a profitable trading opportunity, I pursued a risky and aggressive acquisition strategy that involved acquiring shares, relying on my belief that the volume weighted average price at which I acquired the shares would still be significantly lower than my assessed fair value of Afdawn. In following my conviction, at no point did I offer shares in the market but rather sought additional leverage initially through the purchase of single stock futures (SSF's) and later contracts for difference (CFD's) on Afdawn shares.



- 1.6. At all relevant times I invested in Afdawn shares, SSF's and CFD's both for certain clients of Watermark for whose funds and investments I had a full discretionary mandate and for my own personal trading account.
- 1.7. At all relevant times I instructed the purchase of the Afdawn shares that resulted in the trades referred to in Annexure "A" of the particulars of contravention (hereafter referred to as the shares"). In each instance my instruction was executed by a dealer at Watermark. The trades on the 5th and 10th of September 2008 and on the 22nd October 2008 were executed by Ms C Marcia. The remaining trades were executed by Mr MD Sweeney.
- 1.8. In respect of each trade referred to in Annexure "A" of the particulars of contravention, I contravened Section 75(1)(a) read with section 75(3)(d) of the Act in that:
- 1.8.1. I instructed and approved the entry of a bid during the closing auction period which was near the close of market. My bid was successfully matched at end of the closing auction process. My bid caused the Afdawn share price to close at a price that was higher than it would have closed for

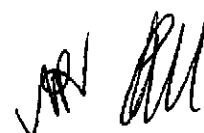


that particular day thereby causing the closing price of the Afdawn share to change to a higher price.

1.8.2. Although I was acting in a manner that was consistent with my trading strategy, I foresaw the possibility that the manner in which I placed the bid to purchase the shares could constitute an improper and manipulative trading practice and once executed could cause the closing price of the Afdawn share to change to a higher price thereby creating a false or deceptive appearance of the trading activity in connection with the Afdawn share and creating an artificial price for the Afdawn share.

1.8.3. I nevertheless acted recklessly and reconciled myself to this possibility and instructed the purchase of the aforementioned shares which resulted in the use of an improper and manipulative trading practice, which practice created a false and deceptive appearance of the trading activity and created an artificial price in connection with the Afdawn share.

1.8.4. These shares were purchased for my own account and/or for the account of clients I had full discretion to manage.

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1.8.5. The purpose for purchasing the shares was to act on my understanding as to the fair value of the shares and show strong support in the market for the shares at the higher price levels to instill confidence in the share. At all relevant times I did not sell or attempt to "job" the share to take advantage of the short-term price movement and remained a willing buyer of Afdawn shares at a price higher than was offered by the market.

2. MITIGATING FACTORS

2.1. I am truly remorseful for the manner in which I purchased the aforesaid shares and the artificial effect these transactions had on the Afdawn share price.

2.2. I have not in the past been found guilty of contravening any provision of the Act.

2.3. I have suffered considerable personal, financial and reputational loss as a result of my investment in African Dawn shares.

2.3.1. My marriage broke down due to the considerable financial stress that I was placed under arising from the losses that I



incurred from investing in Afdawn shares. In 2009 I was served with divorce papers and I am now divorced.

2.3.2. I lost my house and all its contents in terms of the divorce settlement. I now reside with a friend to whom I pay rent and contribute towards household expenses.


2.3.3. I have sold all my remaining assets being my motor vehicle and life policies in order to school my two children and to part-settle outstanding legal and other expenses. I have outstanding legal bills in excess of R200 000.

2.3.4. I cannot afford a vehicle and use a borrowed vehicle to commute to and from my workplace.

2.3.5. My only source of income is derived from my current employment as an equity sales trader at Investec Bank Ltd.

2.3.6. As the only income earner I am responsible for my children's monthly expenses and for maintenance payments to my ex-wife.

2.3.7. I have suffered considerable emotional and mental stress over the past four and a half years, deeply regretting my

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actions and the consequential suffering on my children and immediate family.

2.3.8. I am under significant mental stress regarding the threat of being prevented from retaining my current employment and hence not being able to support my children.

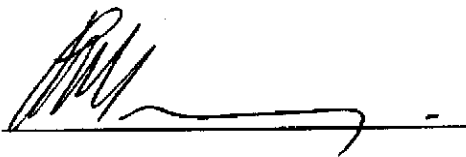
2.4. At no time did I sell the shares or ultimately profit from the purchase of the shares.

2.5. I have co-operated and assisted where possible during the enforcement process.

2.6. The offending transactions occurred only on 10 trading days.

3. PENALTY

3.1. I tender to pay a penalty of R750 000.



Deponent



I certify that the deponent acknowledged to me that he knows and understands the content of this declaration and that he has no objection to taking this declaration, that he has no objection to taking this prescribed oath and considers it to be binding on his conscience.

Thus signed and sworn before me at
Sandton on this 21 day of
February 2014.



Commissioner of Oaths

Anupriahini Rajah
COMMISSIONER OF OATHS
Non-practising Attorney
100 Grayston Street Sandton, 2196
Johannesburg

