



London
STOCK EXCHANGE

28 December 2007

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STOCK EXCHANGE AIM DISCIPLINARY NOTICE

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SECTION C2.2 NOTICE

1. Pursuant to section C2.2 of the AIM Disciplinary Procedures and Appeals Handbook (the "Handbook"), the Exchange announces that it has recently taken the following disciplinary actions, which resulted in the AIM Executive Panel privately censuring and fining the parties concerned as detailed below.
2. An AIM company was privately censured and fined £15,000. The company was found to have breached Rule 31 of AIM Rules for Companies, February 2007 ("AIM Rules") as it failed to seek advice from its nominated adviser regarding compliance with the AIM Rules, which resulted in the company not notifying its nomad of payments being made to another company which it was intending to acquire. This contributed to the company breaching AIM Rule 12, as the payments when aggregated constituted a substantial transaction and the company failed to release an announcement of the payments without delay as required by AIM Rule 12.
3. An AIM nominated adviser ("nomad") was privately censured and fined £30,000 in relation to a failure to exercise due skill and care in respect of the admission of a company to AIM. The nomad was found to have breached Rule 39 of the AIM Rules for Companies, August 2005 (the "AIM Rules"). In particular, the nomad failed to:
 - identify that the age of the audited financial information contained in the admission document necessitated inclusion of interim accounts in compliance with the AIM Rules (they were released at the Exchange's direction subsequent to admission);
 - identify that the admission document contained projections that were not presented in a format that was in compliance with the AIM Rules, as a result of which the assumptions upon which these projections were based were not readily identifiable; and
 - ensure that the required level of analysis was done for the purpose of confirming that the company's working capital was sufficient for twelve months and to support the working capital statement required by the AIM Rules.

4. Any queries relating to this AIM Notice should be addressed to:
aiminvestigations@londonstockexchange.com.

Bob Beauchamp
Manager, Investigations & Enforcement
AIM Regulation

Notes:

AIM Rules for Companies, August 2005

Under AIM Rules 43 and 44, if the Exchange considers that a nomad has breached its responsibilities under Rule 39 of the AIM Rules, or that the integrity and reputation of AIM has been or may be impaired as a result of its conduct of judgement it can refer the matter to the AIM Executive Panel ("AEP").

Under the AIM Disciplinary Procedures and Appeals Handbook, in force at the time, if the AEP finds, on the balance of probabilities, that the nomad has breached the AIM Rules it may impose one or more of the following sanctions:

- censure the nomad (such censure to remain private insofar as disclosing the identity of the censured party);
- impose a fine of up to £25,000 for each breach; or
- refer the case to the AIM Disciplinary Committee.

AIM Rules for Companies, February 2007

Under AIM Rules 42 and 44, if the Exchange considers that an AIM company has breached its responsibilities under the AIM Rules, it can refer the matter to the AEP.

Under the AIM Disciplinary Procedures and Appeals Handbook, in force at the time, if the AEP finds, on the balance of probabilities, that the AIM company has breached the AIM Rules it may impose one or more of the following sanctions:

- censure the nomad (such censure to remain private insofar as disclosing the identity of the censured party);
- impose a fine of up to £50,000 for each breach; or
- refer the case to the AIM Disciplinary Committee.

AIM Disciplinary Procedures and Appeals Handbook, Section C2.2

Under this section the Exchange retains the right to publish, without disclosing the identity of any party concerned, in part, in summary or in full the findings of the AIM Executive Panel, where the Exchange believes to do so would be of assistance to the market.