

# NASDAQ OMX Nordic Surveillance

## Monthly report April 2010

### Stockholm

NASDAQ OMX Stockholm has issued critics towards a company on the Main Market. The company was criticized for shortcomings regarding the requirement for accurate, relevant and clear information that is not misleading according to the obligations in the Rule Book for Issuers. The company had published a press release without being clear that the main part of the information had been published before. The market saw it as new price sensitive information.

NASDAQ OMX Stockholm has issued critic towards 29 companies on the Main Market. The companies were criticized for not having published a notice of Annual General Meeting in accordance with p. 3.3.3, Rule Book for Issuers.

Trading in Rörvik Timber AB was halted as a consequence of a suspected leakage of price sensitive information. The trading was resumed after the company had disclosed information regarding the matter.

Trading in Coastal Contacts Inc was halted as a consequence of a suspected leakage of price sensitive information. The trading was resumed after the company had disclosed information regarding the matter.

AcadeMedia AB was transferred to the observation segment after a short trading halt, due to the fact that Providence Education International AB had announced a public offer to the shareholders of the company. A new trading halt was decided when EQT V Limited, through Svensk Utbildning Intressenter Holding AB, announced a competing public offer to the shareholders in AcadeMedia AB.

The shares in Morphic Technologies AB were transferred back from the observation segment. The shares of Morphic Technologies AB (the company) were placed on the observation segment on September 22nd, 2009. The shares were placed on the observation segment due to the fact that a review showed that the company did not fulfill all the listing requirements. The case was then reviewed by the disciplinary committee which decided to impose a penalty equivalent to ten annual fees. Due to this the company has made substantial changes to overcome the shortcomings that existed. The exchange notes that the company has implemented all the measures and thus meets the requirements of the exchange.

During the month, five cases have been handed over to the Swedish Financial Supervisory Authority, subsequent to the exchange's obligation according to Swedish law to report matters of suspected market abuse. All five cases concerned suspected illegal insider trading.

Since the migration to INET NASDAQ OMX Stockholm initially experienced that not all of its members had fully adapted their trading to the new market model. The impression was that some members used limit orders with price limits far above or below market price when entering orders for execution in the closing call auction and that could sometimes disturb the pricing in the smaller order books.

NASDAQ OMX Stockholm took to investigate this and found that the problem was quite common during the first month after the migration but that it lessened thereafter, as more members started to use the new order type, Market-On-Close (MOC) to get execution in the closing call. There was however one member that still quite frequently uses wide price limit orders in the closing call. NASDAQ OMX Stockholm has addressed this matter with the specific firm and have encouraged them to review their methodology for executing close of the market orders. Similar actions will be taken if other members should display the same behavior in the future.

### *Surveillance of financial reporting 2010*

During the month (full year) the Exchange has sent the following number of closing letters to companies whose reports have been subject to special examination.

Category	1	2	3	4
Annual report (shares)	0 (2)	2 (11)	0 (4)	0 (0)
Interim reports (shares)	N.A.	0 (0)	0 (0)	0 (0)
Annual reports (bonds)	0 (1)	0 (1)	0 (2)	0 (0)
Interim reports (bonds)	N.A.	0 (0)	0 (0)	0 (0)
Follow-up / other cases	N.A.	0 (1)	0 (0)	0 (0)

Category 1 - no remarks.

Category 2 - remark regarding disclosure.

Category 3 - criticism.

Category 4 - statement of reprimand transferred to the disciplinary committee.

## **Helsinki**

Two cases regarding suspected misuse of insider information was handed over to the Finnish Financial Supervision Authority.

## **Copenhagen**

A bond issuer received a reprimand because the company should have stated in an announcement that the development risk was placed on the project developer, and that the acquisition thus was in accordance with the defined investment strategy.

Trading in GN Store Nord was halted due to news about an appeal decision by a German court was circulating in some news media. The trading was resumed after GN Store Nord had published an announcement commenting the court decision.

Trading in Alfred Berg Invest Small Cap Europa was halted due to planned liquidation of the sub fund.

Trading in Landic Property Bonds VII, 7% Keops VII 2012 and 7% Keops VII 2015 was suspended due to the assessment by issuer, that a forced liquidation will have significant negative effect on the financial situation of the issuer, and that the proceeds most probably will not cover the senior mortgage creditors, and thus no coverage of the bond owners is expected.

Olicom was transferred to the observation list due to the fact that it showed from the company's financial statement that a number of factors, including an outstanding agreement on credit facilities and sale of a number of projects and properties which was settled as a condition of continued operation. As a result of these factors the company's auditor concluded, that the financial statement did not give a true picture of the company's activities, liabilities and financial position as of 31 December 2009.

Spar Nord FormueInvest was removed from the observation list due to the fact that the merger between Spar Nord FormueInvest and Kapitalpleje was completed. Spar Nord FormueInvest is the continuing company.

## **Iceland**

NASDAQ OMX Iceland removed fixed income instruments issued by VBS Fjarfestingarbanki from trading, seeing as the District Court had confirmed the issuer's winding-up petition.

The Exchange temporarily suspended Byr sparisjodur and Byr verdbref from trading at the Exchange, with reference to a decision by the Financial Services Authority of Iceland to take over the operations of Byr. The Exchange approved a new application by Byr hf. for membership which is valid from April 27, 2010. Byr verdbref also trades under the membership of Byr hf., therefore the Exchange also lifted the suspension of Byr verdbref with effect from the same date.

The Exchange temporarily suspended Sparisjóðurinn í Keflavík from trading at the Exchange, with reference to a decision by the Financial Services Authority of Iceland to take over the operations of Sparisjóðurinn í Keflavík.

A reprimand was issued towards one issuer that did not publish information regarding the financing of the issuer in a timely manner. Creditors of the issuer had to write off some of the liabilities which had a significant effect on the balance sheet.

One member received criticism for a delay of reporting trades in financial instruments admitted to trading on the fixed-income market.

## **First North**

Danventures (First North, Copenhagen) was transferred to the observation list due to the fact that the company has lost more than half of the share capital.

Danfold (First North, Copenhagen) was transferred to the observation list due to the fact that the company has announced that the company has unfinished negotiations with the company's financial sources, and that the company has not released an audited financial statement.

Trading in Redbet Holding AB (First North, Stockholm) was halted as a consequence of a suspected leakage of price sensitive information. The trading was resumed after the company had disclosed information regarding the matter.

Trading in Borevind AB (First North, Stockholm) was halted as a consequence of a suspected leakage of price sensitive information. The trading was resumed after the company had disclosed information regarding the matter.