



FINANCIAL REGULATOR
Rialtóir Airgeadais

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Settlement Agreement
between the Financial Regulator and Fexco Stockbroking
Limited

The Financial Regulator has entered into a Settlement Agreement with effect from 20 March 2008 with Fexco Stockbroking Limited in relation to breaches of regulatory requirements.

The Financial Regulator has reasonable cause to suspect that breaches of regulatory requirements occurred in relation to the failure of Fexco Stockbroking Limited to have adequate control systems to ensure compliance with Client Money Requirements and failures to develop and maintain systems to monitor and control credit risk. The breaches relate to a number of failures in respect of requirements issued pursuant to section 52 of the Stock Exchange Act 1995 and requirements 2.3 and 2.4 of the Prudential Handbook for Investment and Stockbroking Firms.

The Financial Regulator reprimanded Fexco Stockbroking Limited and required it to pay a monetary penalty in the sum of €80,000.00.

Fexco Stockbroking Limited confirms that it has rectified the majority of these breaches and is currently addressing the balance.

In relation to the breaches, the Financial Regulator confirms that there was no loss to any customer and that no client has made a complaint in relation to the breaches.

The Financial Regulator confirms that Fexco Stockbroking Limited brought the issues to its attention, co-operated with the examination and the matter is now closed.

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