
APPENDIX 20: THE DISCIPLINARY ACTION TAKEN IN RESPECT OF MATTERS RELATING TO OUR REPORT

Firm/Individual	Summary of findings	Penalty	Costs
Regulator: SFA Goldman Sachs Equity Securities (UK) (GSES)	Breaches of rules relating to financial reporting and regulatory capital adequacy and breach of SIB Principle 9 relating to internal organisation, record keeping and supervision of staff.	Fine of £160,000	SFA's costs
Lehman Brothers International Europe	Breach of SIB Principle 9 in relation to internal organisation, record keeping and supervision of staff.	Fine of £80,000	SFA's costs
CCM	Breaches of SIB Principles 2, 7 and 9 in failing to exercise due skill, care and diligence in transferring securities, failing to arrange proper protection for customer assets, and failing to keep proper records in relation to MGPS.	Fine of £150,000	60% of SFA prosecution costs and 50% of Tribunal costs
Mr Pattison	Responsibility for the failings of CCM under SIB Principles 2 and 7.	Reprimand	None
Mr Nead	Responsibility for certain of the information provided for CCM to the SFA in the course of its investigation.	Reprimand	50% of SFA's prosecution costs out of Tribunal costs
Regulator: IMRO MIM	Failure to have adequate systems of control and compliance arrangements; to comply with client money regulations; to deal satisfactorily with client bank accounts and customer title documents.	£750,000	Costs of £1,589,835

Firm/Individual	Summary of findings	Penalty	Costs
Regulator: The Accountants' Joint Disciplinary Tribunal Mr Stoney	Conduct falling below that which was to be expected of a chartered accountant in relation to a loan of £50m by Bankers Trust to MGN in October 1991.	Excluded from membership of the ICAEW and censured	No order
Mr Ford	Conduct falling below that which was to be expected of a chartered accountant in relation to the use of shares held by FTIT.	Admonished	No order
CLD	Falling below in the quality of work of the firm which was to be expected of a member firm in relation to (1) the audits of LBI for the periods ended 31 December 1988, 1989 and 1990, FTIT for the years ended 31 December 1989 and 1990 and BIM for the years ended 5 April 1989 and 5 April 1990; (2) the solvency of RMG during the audit for the year ended 31 December 1990; (3) the ring fencing of MGN after the flotation; (4) its failing to consider its position in August 1991 in relation to RM's companies for which it acted.	Censured and a fine of £1.2m	Costs of £2.1m
Mr Cowling	Falling below in the quality of work which was to be expected of a chartered accountant in relation to the audits of LBI, FTIT and BIM (set out above).	Censured and a fine of £11,050	Costs of £75,000
Mr Steere	Falling below in the quality of work which was to be expected of a chartered accountant in relation to the ring fencing of MGN after the flotation.	None	Costs of £5,000
Mr Wootten	Falling below in the quality of work which was to be expected of a chartered accountant in relation to the solvency of RMG considered in the audit for the year ended 31 December 1990.	Admonished	Costs of £10,000