
FINAL NOTICE

To: Mr Barry Scott

Of: c/o Irwin Mitchell
150 Holborn
London
EC1N 2NS

Date: 6 March 2003

TAKE NOTICE: The Financial Services Authority ("the FSA") of 25 The North Colonnade, Canary Wharf, London E14 5HS gives you final notice about an order prohibiting you from performing any function in relation to any regulated activity carried on by any authorised person

THE ORDER

The FSA gave you a decision notice dated 30 January 2003 which notified you that, for the reasons set out in that notice and pursuant to section 56 of the Financial Services and Markets Act 2000 ("the Act"), the FSA had decided to make an order prohibiting you, Mr Barry Scott, from performing any function in relation to any regulated activity carried on by any authorised person.

You have not referred the matter to the Financial Services and Markets Tribunal within 28 days of the date on which the decision notice was given to you.

Accordingly, for the reasons set out below and having taken into account your solicitors' letter dated 19 December 2001 in which you indicated that, although you did not accept the vast majority of the allegations against you, you did not wish to make representations to the Regulatory Decisions Committee, the FSA hereby makes an order pursuant to section 56 of the Act prohibiting you, Mr Barry Scott ("Mr Scott"), from performing any function in relation to any regulated activity carried on by any authorised person. This order has effect from 10 March 2003.

REASONS FOR THE ORDER

Introduction

1. It appears to the FSA that Mr Scott is not fit and proper to perform any function in relation to any regulated activity carried on by any authorised person because of his conduct, in May 1999 to February 2001 in particular, in his capacity as chief executive, director and controlling shareholder of Barum House Securities Limited ("BH Securities"). In relation to BH Securities, Mr Scott was registered with the Securities and Futures Authority ("SFA") at all material times as Senior Executive Officer and, from 3 April 2000, also as Compliance Officer. In particular, Mr Scott:
 - (a) on more than one occasion, took and used consumer monies to further his own purposes and concealed from those consumers, and/or misled them concerning, the use to which their monies had been put;
 - (b) seriously failed to discharge his obligations to manage and control the business for which he was responsible; and
 - (c) repeatedly misled or attempted to mislead SFA (a previous regulator) and, at a hearing in February 2001, a SFA Tribunal Chairman.

Relevant Statutory Provisions

2. The FSA is authorised by the Act to exercise the powers contained in section 56 of the Act, which includes the following:
 - “(1) Sub-section (2) applies if it appears to the [Financial Services] Authority that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised person.*
 - (2) The Authority may make an order ('a prohibition order') prohibiting the individual from performing a specified function, any function falling within a specified description or any function.*
 - (3) A prohibition order may relate to-*
 - (a) a specified regulated activity, any regulated activity falling within a specified description or all regulated activities;*
 - (b) authorised persons generally or any person within a specified class of authorised person”.*
3. When exercising its powers, the FSA seeks to act in a way it considers most appropriate for the purpose of meeting its regulatory objectives, which are set out in section 2(2) of the Act. The FSA considers that making a prohibition order against Mr Scott in the terms indicated meets the following regulatory objectives:
 - (a) the market confidence objective: that is, maintaining confidence in the financial system;

- (b) the protection of consumers objective: that is, securing the appropriate degree of protection for consumers; and
- (c) the reduction of financial crime objective

Relevant Guidance

4. In deciding to take this action, the FSA has had regard to guidance published in the FSA Handbook.
5. In particular, pursuant to *ENF 8.4.4* and *ENF 8.8* of the FSA's Enforcement manual, the FSA will consider making a prohibition order only in the most serious cases of lack of fitness and propriety and may make such orders against individuals who are not approved persons where they have shown themselves to be unfit to carry out functions in relation to regulated activities. The FSA considers that Mr Scott's activities demonstrate a most serious lack of fitness and propriety, such that a prohibition order in the terms indicated is necessary to maintain market confidence, protect consumers and reduce financial crime.
6. The FSA's Enforcement manual contains guidance as to the criteria for assessing the fitness and propriety of an individual at *ENF 8.8.2* and *ENF 8.5.2(1), (3) and (5)*. The criteria include:
 - at *ENF 8.8.2(3)*:

the individual "*appears likely to pose a serious risk to consumers or confidence in the financial system in the future*";
 - and at *ENF 8.5.2(1)*:
 - "(a) *honesty, integrity and reputation. This includes an individual's openness and honesty in dealing with consumers, market participants and regulators and ability and willingness to comply with requirements placed on him by or under the Act as well as with other legal and professional obligations and ethical standards;*
 - (b) *competence and capability. This includes an assessment of the individual's skills to carry out the controlled function that he is performing*".
7. The FSA considers that the conduct of Mr Scott described in this Notice demonstrates that he has acted disreputably and without honesty and integrity. His conduct also demonstrates a serious lack of competence and capability and that Mr Scott poses a serious risk to consumers and to confidence in the financial system in the future.
8. The FSA's Handbook provides further guidance as to the criteria for determining a person's honesty, integrity and reputation at *FIT 2.1*. In particular, *FIT 2.1.3* states that the matters to which the FSA will have regard include:
 - "(7) *whether the person has been involved with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that*

registration, authorisation, membership or licence revoked, withdrawn or terminated, or has been expelled by a regulatory or government body;

...

(9) *whether the person has been a director, partner, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection;*

...

(13) *whether, in the past, the person has been candid and truthful in all his dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards”.*

9. The FSA is of the view that these matters are all relevant to its assessment of Mr Scott's conduct and that they support the FSA's conclusion that Mr Scott has acted disreputably and without honesty and integrity.

Facts and Matters Relied On

(1) Background

10. At all material times, Mr Scott was registered with SFA as Senior Executive Office ("SEO") of BH Securities. Mr Scott was also registered with SFA as BH Securities' Compliance Officer from 3 April 2000, although he had acted as such since October 1999 with the assistance of an external firm of consultants. Although not registered with SFA as such, Mr Scott took on the role of BH Securities' Finance Officer for the periods 1 April 2000 to 3 October 2000 and 1 January 2001 to 31 January 2001, assisted by a firm of chartered accountants.
11. Prior to 1 December 2001, SFA registered persons were obliged not to commit any act or omission which placed their firm in breach of SFA's Rules. The FSA's former Principles ("Former Principles") applied directly to them (Rules 2-24(2) and (3) of SFA's Rules).
12. Former Principle 1 was in the following terms:
"A firm should observe high standards of integrity and fair dealing".
13. Former Principle 9 stated:
"A firm should organise and control its internal affairs in a responsible manner, keeping proper records, and where the firm employs staff or is responsible for the conduct of investment business by others, should have adequate arrangements to ensure that they are suitable, adequately trained and properly supervised and that it has well-defined compliance procedures".

14. The terms of Former Principle 10 were:
"A firm should deal with its regulator in an open and co-operative manner and keep the regulator promptly informed of anything concerning the firm which might reasonably be expected to be disclosed to it".
15. Rule 5-34(1) of SFA's Rules states:
"A firm which effects a sale or purchase of an investment ... with or for a customer must ensure that he is sent with due despatch a note containing the essential details of the transaction".
16. In addition, Appendix 38 of SFA's Rules set out standards for compliance with regulatory requirements. These standards applied in particular to individuals registered with SFA as (among others) Senior Executive Officer and Compliance Officer.
17. BH Securities was authorised by SFA on 10 August 1999 and commenced trading on about 18 August 1999. It was an ISD (Category C) firm and, as such, was not authorised to hold client monies. It provided investment management and advice to private clients and arranged deals in equities through Pershing Securities Limited ("Pershing") who executed, cleared and settled trades in accordance with BH Securities' instructions. After trades had been executed by Pershing and before settlement, BH Securities was responsible for allocating them to clients by entering them on the "G2" settlement system. BH Securities' clients' monies were held by Pershing who transferred them in accordance with BH Securities' instructions. In February 2001, BH Securities had about 537 client accounts (relating to approximately 100 clients), of which 25% were discretionary, 7% advisory and 68% execution-only, with a total investment value of approximately £17.2m.
18. BH Securities' office was in Dunfermline, until a second office was opened (in Aberdeen) in March 2000. Shortly thereafter, the Dunfermline office was closed. BH Securities opened an Edinburgh office in about August 2000 but this was closed in late December 2000.
19. At all material times, BH Securities was a wholly-owned subsidiary of Barum House Group Limited ("BH Group"). All share issues in BH Group were mirrored by a corresponding issue of shares in BH Securities (all the shares of which were owned by BH Group). By this means, monies invested in BH Group were transferred to BH Securities.
20. At all times during BH Securities' period of trading, Mr Scott was a director of BH Securities and BH Group and he owned at least 50% of BH Group's shares. His holding in BH Group's share capital peaked at 95.35% in the period from 30 July 2000 to 29 August 2000. At all material times, as CEO and a director of BH Securities and majority shareholder of BH Group (BH Securities' parent company), Mr Scott controlled the business and affairs of BH Securities and was accordingly a Controller within the meaning of SFA's Rules.
21. On about 1 March 2000, Ms Lata Gaur commenced employment at BH Securities and worked exclusively in the Aberdeen office. Ms Gaur had experience of stockbroking

from working on the Bombay Stock Exchange for a year. She was registered with SFA as a Securities Representative on 4 April 2000 and, on 31 January 2001, she became BH Securities' registered Finance Officer. She departed BH Securities' offices on 22 February 2001 and was made redundant with effect from 31 March 2001.

22. Mr Scott moved to New Zealand in May 2001 without informing SFA of that fact or leaving a forwarding address. He was joined by his wife in July 2001 and they are currently in New Zealand on Work Permits which expire on 2 July 2003.

(2) Compliance history

23. Mr Scott was first registered with SFA in 1988. He worked for two stockbroking firms (becoming a director of one), then left to establish BH Securities in 1999.
24. Mr Scott was not grandfathered into the FSA's regime on 1 December 2001 and he is not an approved person. Consequently, it is the guidance contained in *ENF 8.8* of the FSA's Enforcement manual which is applicable to the FSA's consideration whether to make a prohibition order against Mr Scott.
25. On 18 August 2000, SFA issued a Notice of Investigation, notifying BH Securities and Mr Scott that an investigation would be carried out into the following matters:

"The share capital and financial resources position of Barum House Securities Limited between the period August 1999 and August 2000 and the conduct, roles and responsibilities of relevant registered persons and any matters arising therefrom".

26. Four days later, on 22 August 2000, SFA issued a Direction requiring BH Securities (*inter alia*) to "put in place, by 5 p.m. on Thursday 31 August 2000, sufficient regulatory capital in an appropriate amount and form to ensure that the firm has and will maintain financial resources in excess of the financial resources requirement".
27. On 13 February 2001, SFA issued an Intervention Order against BH Securities, which was an order by SFA prohibiting BH Securities from continuing to carry on investment business. It was issued because of BH Securities' deficiencies in Financial Resources. The Intervention Order was upheld by a SFA Tribunal Chairman on 19 February 2001 after hearing an application by BH Securities for a stay, at which Mr Scott gave evidence. The Intervention Order therefore came into force on 19 February 2001.
28. During the two-month period after the Intervention Order took effect, BH Securities' positions were closed out by Pershing, crystallising losses of approximately £490,000.
29. On about 22 March 2001, a Provisional Liquidator was appointed to BH Securities by the Court of Session in Scotland and an Interim Liquidator was appointed on about 4 October 2001. SFA issued disciplinary proceedings to expel BH Securities from authorisation on about 2 October 2001 on the ground that it was no longer fit and proper to carry on investment business because it was not financially sound. The Interim Liquidator did not seek to defend the proceedings and, accordingly, on about 1 November 2001, BH Securities was expelled from SFA's authorisation.

30. On 14 December 2001, the FSA issued a Notice of Appointment of Investigators, which was served on Mr Scott by sending it to his last known address. The reasons for the appointment of the investigators were stated as follows:

“It appears to the FSA that there are circumstances arising from Mr Scott's activities in relation to Barum House Securities Limited (now in liquidation) which suggest that Mr Scott may have committed an act of misconduct within the meaning of rule 7-23A(3) of the SFA Rules and may not be a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised or exempt person”.

(3) Lack of fitness and propriety

(a) £65,000 in May 1999

31. Pursuant to a recommendation from Mr Scott to an individual, Mr Scott obtained the payment to him of £65,000 from that individual in May 1999 ("the £65,000 Payment"), with instructions from the individual to invest the monies on the "Money Markets". Instead, and without informing the individual, Mr Scott paid the £65,000 Payment into the personal bank account held jointly by him and his wife. Prior to receipt of the £65,000 Payment, that account was overdrawn by £73,917.65.
32. On two occasions, Mr Scott sent statements of account from BH Group and/or BH Securities to the individual purporting to show £65,000 on deposit for the individual and purported interest earned thereon. In addition, from time to time throughout the relevant period, Mr Scott misrepresented to the individual that the £65,000 Payment had been invested in a money market account and was earning interest. In December 2000, the individual asked Mr Scott to return the £65,000 Payment plus interest. Mr Scott purported to do so and the individual received £71,526.61 on about 3 January 2001. However, instead of repaying the £65,000 Payment plus interest, Mr Scott had arranged for the individual to be repaid using funds from the individual's own client account. The £71,526.61 was in large part the proceeds of sales of the individual's own shares.
33. Mr Scott had arranged for shares belonging to the individual to the value of approximately £60,685 to be sold on about 28 December 2000, without the individual's knowledge or consent. The sale gave rise to a potential capital gains tax liability on the part of the individual, about which he remained unaware until January 2002.
34. Mr Scott has not returned the £65,000 Payment (or paid any interest thereon) to the individual.
35. In response to enquiries by SFA, Mr Scott misrepresented the correct position to SFA in November 1999 by failing to inform it that he had obtained £65,000 from the said individual, with instructions to invest it on that individual's behalf in a money market account, and by failing to tell SFA that the individual's instructions were in accordance with a recommendation from Mr Scott.

36. Mr Scott persuaded the individual and his wife to write to SFA in December 1999 in a manner which supported Mr Scott's misrepresentations to SFA in that their letter omitted to mention the details referred to in paragraph 35.
37. In respect of the facts and matters set out in paragraphs 31 to 36, the FSA considers that Mr Scott has acted disreputably and without honesty and integrity in that, having regard to the guidance set out in the FSA's Handbook, he:
- (i) failed to deal openly and honestly with a consumer (*ENF 8.5.2(1)(a)*);
 - (ii) failed to be candid and truthful in all his dealings with SFA (*FIT 2.1.3 (13)*);
 - (iii) appears likely to pose a serious risk to consumers and to confidence in the financial system in the future *ENF 8.8.2(3)*.

The FSA also considers that Mr Scott has demonstrated a lack of honesty and integrity in falling short of the standards required of him by Former Principle 1.

(b) Management and control

38. At no time did Mr Scott either carry out or arrange any real time monitoring or supervision of Ms Gaur's dealing activity.
39. When Mr Scott was not present in the Aberdeen office, there was no-one to supervise or monitor Ms Gaur's trading activities; and Mr Scott was frequently absent from the Aberdeen office.
40. Before 21 February 2001, Mr Scott remained unaware that Ms Gaur was carrying out loss-making unauthorised share transactions on clients' accounts and exposing BH Securities to significant risk, nor did he take any reasonable steps which would have made him so aware. Those transactions in the event contributed to the losses of about £490,000 which were crystallised after the SFA's Intervention Order against BH Securities took effect. In addition, further unauthorised share transactions were carried out at BH Securities, in relation to which the identity of the person responsible is not known.
41. Mr Scott failed to ensure that Ms Gaur carried out share transactions on execution-only accounts in accordance only with the clients' instructions, that she generated and retained adequate and accurate records and that, in accordance with Rule 5-34(1) of SFA's Rules, she notified clients with due despatch of trades carried out on their accounts.
42. Mr Scott did not know that, and took no reasonable steps to check whether, Ms Gaur failed to allocate trades promptly to clients and carried out unauthorised share transactions on Mr Scott's and his wife's own accounts; and, although Pershing drew these matters to Mr Scott's attention on about 19 January 2001, Mr Scott failed to follow up that warning signal or to ensure that appropriate or corrective action was taken to prevent the same from continuing.
43. In respect of the facts and matters set out in paragraphs 38 to 42, the FSA considers that Mr Scott has demonstrated a lack of competence and capability in managing and controlling BH Securities' business in falling short of the standards required by

Former Principle 9 and in failing to take reasonable steps to ensure that the following standards set out in Appendix 38 of SFA's Rules were met:

- (i) relevant internal controls, including the effective management of risk and full reconciliation procedures, were established and working effectively;
- (ii) information systems were in place to inform him of the risks to which BH Securities was exposed;
- (iii) the commitments that BH Securities had and proposed to enter into were regularly reviewed and that any matter which appeared to require further consideration was followed up;
- (iv) warning signals of problems emerging in BH Securities' business were followed up, questions asked and appropriate action taken;
- (v) BH Securities' operating procedures and computer systems included well defined steps for complying with the detail of regulatory requirements, including the maintenance of adequate written records to provide evidence that key activities and controls had been followed or effected at all levels;
- (vi) activities within all parts of BH Securities were monitored on a frequent and regular basis to ensure, as far as possible, that business was conducted in accordance with regulatory requirements and that any actual or potential problems were followed up to ensure that corrective action was taken where necessary.

(c) *BH Securities' Financial Resources: January 2000 – January 2001*

(i) *January – June 2000*

44. On 31 January 2000, 30,000 £1 shares in BH Group were allotted to Mr Scott and BH Group's shareholding in BH Securities was correspondingly increased. From time to time throughout the period from January 2000 to June 2000, Mr Scott told SFA that he had paid for these shares, which was untrue, and that he had thereby ensured that BH Securities' Financial Resources Requirement was met. The effect of an additional £30,000 share capital, if fully paid, was to remove a Financial Resources deficiency which would otherwise have been reported to SFA by BH Securities. The shares were not paid for until about 30 June 2000.
45. In particular, on 11 May 2000, Mr Scott wrote to SFA enclosing BH Securities' Board minutes of 1 March 2000 and its bank statement dated 29 February 2000 (which had an entry showing a payment of £30,000 on 28 February 2000). Mr Scott represented that the £30,000 payment shown on the bank statement was made by himself and was "for paid up share capital". Instead, as Mr Scott knew, the £30,000 was a short term loan to BH Securities from personal friends of Mr Scott, which was repaid in full on about 31 March 2000 (that is, before Mr Scott wrote to SFA). Mr Scott did not inform SFA that this entry indicated an unsecured short term loan to BH Securities from his friends, rather than payment by himself for his shares, nor did he tell SFA that the loan had been repaid in full before he wrote to SFA, nor that his 30,000 £1 shares remained unpaid.

46. At the hearing on 19 February 2001 for a stay of the SFA's Intervention Order, Mr Scott also attempted to mislead the SFA Tribunal Chairman in relation to this investment of £30,000. The SFA Tribunal Chairman found that Mr Scott's account was "not credible" and that he had been "consistently less than frank" with SFA in the period in question.

(ii) August 2000

47. In August 2000, Mr Scott assured SFA that BH Securities would take all the steps required to ensure compliance with the SFA's Direction issued on 22 August 2000. However, he purported to do so by investing a total of £40,000 of two clients' monies in BH Group, thereby increasing BH Securities' Financial Resources, and issuing 40,000 £1 shares in BH Group to those clients to the same value, without those clients' knowledge or permission.

48. On more than one occasion and in response to queries from the two clients, Mr Scott concealed from them, and/or misled them concerning, the fact that he had used their monies to purchase shares in their name in BH Group. One of the clients discovered their ownership of shares in BH Group when their accountant undertook a search at Companies House in February 2001, whereupon that client informed the other client that he also had a shareholding in BH Group. Mr Scott then told them that repayment was being arranged although, in fact, no such repayment was made.

(iii) January – February 2001

49. Mr Scott arranged and obtained the issue of 30,000 £1 shares to Ms Gaur and her husband financed by a client's monies, without that client's knowledge or permission. In particular:

- (a) Mr Scott arranged the payment of £30,000 of that client's monies into Ms Gaur's personal bank account;
- (b) on more than one occasion, he incorrectly informed SFA that the said investment was by Ms Gaur;
- (c) in response to a query from Ms Gaur's bank on 26 January 2001 concerning a sum of £30,000 which had been received by the bank on terms that it was payable to the client but which was nevertheless to be paid into Ms Gaur's personal bank account, Mr Scott confirmed to the bank that the transfer should be made into Ms Gaur's account;
- (d) he arranged the allocation on 31 January 2001 of shares in BH Group to Ms Gaur and her husband and the corresponding increase in BH Group's shareholding in BH Securities;
- (e) this was done in order to improve BH Securities' Financial Resources position and in order "to satisfy our regulatory requirements".

50. Together with Ms Gaur, Mr Scott misled SFA in relation to this share allocation by representing that Ms Gaur had paid for the shares when he knew that she had not. Mr Scott similarly also misled the SFA Tribunal Chairman who heard BH Securities' application for a stay of SFA's Intervention Order on 19 February 2002, although the

share allocation and the source of payment for those shares were clearly relevant to the financial soundness of BH Securities and to the integrity of Mr Scott, which were issues at that hearing.

51. In addition, at the hearing on 19 February 2001, at which BH Securities' continuing existence as a stockbroking company was at stake, Mr Scott sought to mislead the SFA Tribunal Chairman in the further following respects:
- (a) he represented that fresh sources of funds were forthcoming from interested investors or prospective purchasers, although he knew that was incorrect insofar as Ms Gaur and her husband's shares were concerned because the shares had been paid for using a client's monies and Ms Gaur and her husband were unable to borrow sufficient monies to pay for them; and
 - (b) Mr Scott gave, as a ground in support of BH Securities' application for a stay, the lack of risk to clients if BH Securities were allowed to continue to trade because BH Securities did not have access to client monies, although he had by this time obtained and used the monies of four different sets of clients to further his own purposes.
52. In respect of the facts and matters set out in paragraphs 44 to 51, the FSA considers that Mr Scott has acted disreputably and without honesty and integrity in that, having regard to the guidance set out in the FSA's Handbook, he:
- (i) failed to deal openly and honestly with consumers (*ENF 8.5.2(1)(a)*);
 - (ii) failed to demonstrate any ability or willingness to comply with legal and professional obligations and ethical standards (*ENF 8.5.2(1)(a)*);
 - (iii) failed to be candid and truthful in all his dealings with SFA (a previous regulator) or to demonstrate a readiness and willingness to comply with legal, regulatory and professional requirements and standards (*FIT 2.1.3(13)*);
 - (iv) appears likely to pose a serious risk to consumers in the future (*ENF 8.8.2(3)*).

The FSA also considers that Mr Scott has demonstrated a lack of honesty and integrity in falling short of the standards required of him by Former Principle 10.

(d) *Expulsion and insolvency of BH Securities*

53. Mr Scott was involved with a company (BH Securities) which has been expelled by SFA from SFA's authorisation and in the following circumstances. Despite Mr Scott's misrepresentations and unauthorised investments of client monies in BH Group and, through BH Group, into BH Securities, BH Securities was found by the SFA Tribunal Chairman on 19 February 2001 to have been in breach of its Financial Resources Requirement for most of the time it had been trading and, consequently, the Intervention Order took effect. BH Securities' losses were then crystallised and totalled approximately £490,000. Subsequently, BH Securities was expelled from SFA's authorisation on the ground that it was no longer fit and proper to carry on investment business because it was not financially sound.

54. Mr Scott has been a director of and concerned in the management of a business (that of BH Securities) which has gone into insolvent liquidation within one year of his connection with that company. BH Securities was placed in insolvent Provisional Liquidation in March 2001 and an Interim Liquidator was appointed in October 2001.
55. Having regard to the guidance set out in the FSA's manual entitled The Fit and Proper test for Approved Persons (*FIT*), and, in particular, *FIT 2.1.3(7)* and *FIT 2.1.3(9)*, the FSA considers that the facts and matters set out in paragraphs 53 and 54 further demonstrate that Mr Scott has acted disreputably and without honesty and integrity.

(e) *Conclusion*

56. By reason of the facts and matters described above, it appears to the FSA that Mr Scott is not fit and proper to perform any function in relation to any regulated activity carried on by any authorised person. The FSA considers that these matters demonstrate such an extreme case of lack of fitness and propriety that Mr Scott poses a considerable risk to the FSA's regulatory objectives of market confidence, protection of consumers and the reduction of financial crime. Consequently, the FSA has decided that a prohibition order should be made in the terms indicated.

IMPORTANT

This Decision Notice is given to you in accordance with section 390 of the Act.

Publicity

Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notices relates. Under those provisions, the FSA must publish such information about the matter to which this notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to you or prejudicial to the interests of consumers. The FSA intends to publish such information about the matter to which this final notice relates as it considers appropriate.

Third Party Rights

The FSA gave a copy of the decision notice to BH Securities, BH Group and Ms Gaur. Accordingly, the FSA must also give a copy of this final notice to them.

FSA Contacts

For more information concerning this matter generally, you should contact Jeremy La Niece (direct line: 020 7676 1346/fax: 020 7676 1347) or Pam Cross (direct line: 020 7676 1216/fax: 020 7676 1217) of the Enforcement Division of the FSA.

.....
Helen J Marshall
Head of Retail Stockbroking and Fund Management
FSA Enforcement Division