



Newgate News

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FCA initiates criminal proceedings against three former employees of Redcentric Plc

The FCA has begun criminal proceedings against three former employees of Redcentric Plc: Fraser Fisher, former Chief Executive; Timothy Coleman, former Chief Financial Officer; and Estelle Croft, a former finance director. Mr Fisher, Mr Coleman and Ms Croft have each been charged with two counts of making a false or misleading statement, contrary to Section 89(1) of the Financial Services Act 2012.

<https://www.fca.org.uk/news/press-releases/fca-institutes-criminal-proceedings-against-three-former-employees-redcentric-plc>



- **FCA initiates criminal proceedings against three former employees of Redcentric Plc**
- **FCA publishes Decision Notice against Corrado Abbattista for market manipulation**
- **FCA publicly censures former WorldSpreads CEO for market misconduct**

Impact assessment key:



Mr Coleman has further been charged with four counts of false accounting, contrary to Section 17(1)(a) of the Theft Act 1968; one count of making a false or misleading statement to an auditor contrary to Section 501 of the Companies Act 2006; and one count of fraud by false representation, contrary to Sections 1 and 2 of the Fraud Act 2006. Ms Croft has also been charged with seven counts of making a false or misleading statement to an auditor contrary to Section 501 of the Companies Act 2006, and four counts of false accounting, contrary to Section 17(1)(a) of the Theft Act 1968. The alleged offending took place between 1 May 2015 and 31 October 2016.

Newgate's advice: *Making a false or misleading statement is a criminal offence punishable, on conviction, by a fine and/or up to 7 years' imprisonment. Firms are reminded of the importance of dealing with the regulator in an open and cooperative way, disclosing anything relating to the firm of which that regulator would reasonably expect notice, in addition to conducting business with integrity.*

Impact:

FCA publishes Decision Notice against Corrado Abbattista for market manipulation

The FCA has published a Decision Notice in respect of Corrado Abbattista, an experienced trader and a portfolio manager, partner and Chief Investment Officer at Fenician Capital Management LLP, for market abuse, imposing a financial penalty of £100,000 and prohibiting him from performing any functions in relation to regulated activity.

The FCA considers that between 20 January and 15 May 2017, Mr Abbattista repeatedly placed in the market large misleading orders for Contract for Differences (CFDs), referenced to equities, which he did not intend to execute. At the same time, he placed smaller orders that he did intend to execute on the opposite side of the order book to the misleading orders.

Through his large and misleading orders, Mr Abbattista falsely represented to the market an intention to buy/sell when his true intention was the opposite. At the same time, his misleading orders were for volumes of shares far greater than the typical market size, which would also have created a false and misleading impression regarding the true supply of and demand for the shares in question to other market participants.

Newgate's advice: *Employees of FCA regulated firms are expected under the first tier of the Conduct Rules to observe proper standards of market conduct. In order to ensure employees are adhering to this expectation, firms are required to have in place appropriate surveillance measures in place to identify actual or potential market abuse behaviour. Please reach out to your Newgate consultant if you wish to discuss your existing approach and if there are areas which require improvement.*

<https://www.fca.org.uk/news/press-releases/fca-publishes-decision-notice-against-corrado-abbattista-market-manipulation>



Impact:

FCA publicly censures former WorldSpreads CEO for market misconduct

The Financial Conduct Authority (FCA) published a Final Notice in respect of Conor Foley, the former Chief Executive Officer of WorldSpreads, publicly censuring him for market abuse and banning him from performing any roles linked to regulated activity on the 9th September 2020.

Mr Foley and its holding company WorldSpreads Group plc (WSG) was involved in drafting admission documentation ahead of WSG's flotation on the Alternative Investment Market of the London Stock Exchange in August 2007.

These documents contained misleading information and omitted key information that investors would have needed to make an informed decision about the company. In particular, the documentation did not mention that some WSG executives had made significant loans to WSG and its subsidiaries. This was also never disclosed in the annual company accounts. It also did not mention an internal hedging strategy by which certain of WSG's subsidiaries hedged considerable trading exposures internally with company executives.

The FCA previously published a Decision Notice on 3 July 2020 that imposed a financial penalty of £658,900 on Mr Foley. Mr Foley has subsequently provided evidence of his serious financial hardship. Accordingly, the FCA has imposed a public censure in lieu of the financial penalty. Mr Foley has also withdrawn a reference to the Upper Tribunal seeking to review the FCA's Decision Notice.

Mark Steward, Executive Director of Enforcement and Market Oversight at the FCA, said: 'Mr Foley misled investors in the WorldSpreads Group and manipulated the market for its shares in a concerted and deliberate scheme. He should have no place in UK markets.'

<https://www.fca.org.uk/news/press-releases/fca-publicly-censures-former-worldspreads-ceo-market-misconduct>

Impact:



Newgate's advice: *Employees are reminded on the grave ramifications carrying out market abuse activities can have on their career concerning not being able to carry out jobs linked to regulated activity, the reputational damage such a discovery and publication can have on their FCA regulated employer and the potential impact on the integrity, transparency and stability of the financial markets.*

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