

Senate Select Committee on Superannuation and Financial Services

Main Inquiry Reference (a)

Submission No. 209

(Supplementary to Submission No. 193)

Submittor: Australian Stock Exchange Limited
Ms Karen Hamilton
General Counsel & Company
Secretary
PO Box H224
Australia Square NSW 1215
 - (02) 9227 0405
 - (02) 9227 0947

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To: 'super.sen@aph.gov.au'
Subject: Inquiry into Prudential Supervision and Consumer Protection for Superannuation and Financial Services

At yesterday's hearing, Australian Stock Exchange were asked about 2 matters by Senator Conroy in relation to which details were not readily to hand. Relevant details are now provided:

1. Timing of the on-market acquisition by HIH in 1998.

The following sequence of events occurred:

- at 14.12.07 a broker (broker A) entered an ASK for 35 million FAI at 75 cents.
- at 14.13.38 a different broker (broker B) entered a BID for 36 million FAI at 75 cents. This generated a trade of 35 million shares. The balance of the BID remaining after the trade was then cancelled.
- at 14.16.03 broker A entered an ASK for 10 million FAI at 75 cents.
- at 14.17.48 broker B entered a BID for 10 million FAI at 75 cents. This generated a trade of 10 million shares.
- a notice was received by ASX at 15.39 advising that the Adler family had sold 45 million FAI shares at 75 cents a share.
- at 17.32 HIH Insurance announced its intention to make a takeover offer for FAI Insurances.

2. Number of Referrals Concerning FAI and Mr Adler

Our written submission noted that there had been a number of referrals to the Australian Securities and Investments Commission (ASIC) concerning Mr Rodney Adler and FAI Insurance. It is our practice not to identify the substance of referrals to avoid hindering investigations. We provide further brief details of the (pre 1998) referrals as follows:

- In each of 1989 and 1990 a referral was made to the NCSC concerning trading in FAI.
- In 1991 a referral concerning trading in FAI was made to ASIC.
- In 1994 four referrals were made to ASIC concerning trading in other securities by FAI/Adler.
- In each of 1995 and 1996 a referral was made to ASIC concerning trading in other securities by FAI/Adler.

We trust this material is sufficient to address Senator Conroy's questions. Please do not hesitate to contact me should the Committee require any further information.

Regards
Karen Hamilton
General Counsel & Company Secretary
Australian Stock Exchange Limited
Tel: (+61 2) 9227 0405
Fax: (+61 2) 9227 0947