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PRESS RELEASE

CySEC imposed a total fine of €6.478.300 for the acquisition of Sea Star Capital Plc shares

NICOSIA –The Cyprus Securities and Exchange Commission (CySEC) imposed fines amounting to almost €6.4 million, for violation of Article 9 (1) (a) of the ‘Insider Dealing and Market Manipulation (Market Abuse) Law’ and €90,000 for violations of Article 41 of CySEC’s Law on the provision of false, misleading or fraudulent information.

In particular, following an investigation conducted for possible violation of the legislation, in relation to the acquisition by Mrs. Amalia Vardinoyiannis of 19,358,487 shares of Sea Star Capital PLC (then Megabet), ("The Company"), on 29.03.2007, the Board of CySEC imposed the following administrative fines:

On Ioannis Vardinoyiannis	€6,388,300
On Amalia Vardinoyianni	€50,000
On Christodoulos Ellinas	€20,000
On Philippos Larkos	€20,000

As stated in CySEC’s relevant decision, Mr. Ioannis Vardinoyiannis has infringed Article 9 (1) (a) of the 116 (I)/2005 Law, because while he held confidential information and then knew or should have known that it was confidential information, he proceeded with the acquisition of 19,358,487 shares of the Company, through Mrs. Amalia Vardinoyianni. In the specific case, the confidential information concerned the change of the Company's activities in shipping and the participation of Mr. Ioannis Vardinoyiannis in the Company's share capital. CySEC decided that Mrs. Amalia Vardinoyianni acted as a surrogate person and the acquisition of the Company's shares was in fact made on behalf of Ioannis Vardinoyiannis indirectly. Mrs. Vardinoyianni opened a brokerage account at Sharelink Securities and Financial Services in early March 2007 and on 29 March 2007 proceeded to purchase 19,358,487 Company shares at the price of 0.09 cents per share at the Cyprus Stock Exchange. Three months later, in particular on 29 June 2007, she sold the shares mentioned at the price of 0.42 cents per share, earning a total financial benefit of €6,388,301.

Regarding Mrs. Amalia Vardinoyianni, the Commission considers that she has violated article 41 of CySEC’s Law of 2009 (N. 73 (I)/2009), because she provided information to the investigating officers and by extension to CySEC that was false, misleading and fraudulent. Although Mrs. Vardinoyianni’s action is particularly serious, the fact that she had not violated Cypriot capital market legislation in the past was taken into consideration as a moderating factor.

Regarding Mr. Christodoulos Ellinas and Mr. Philippos Larkos, it was considered that they had also violated article 41 of CySEC's Law of 2009 (N. 73 (I)/2009), as they provided information to the investigating officers and by extension to CySEC, which was false, misleading and fraudulent. The Commission states that 'it requires professionals in the field to exercise greater diligence and seriousness when they are asked to provide information to CySEC'.

For the amount of the fine imposed on Mr. Vardinoyiannis, account was taken, inter alia, of "the central importance attributed by CySEC to ensuring that people who hold confidential information, and therefore are in a privileged position compared to other investors, will not make use of this information" and "the importance that CySEC attaches to avoiding the use of practices, such as carrying out transactions on the basis of insider trading, which place the holder of the confidential information in an advantageous position compared to the other investors".

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