

member charged shall be entitled to appeal to the Disciplinary Committee against the decision of his committee.

20.42 In any case where a committee refuses an application for revocation of an interim suspension order the member concerned shall similarly be entitled to appeal to the Disciplinary Committee.

20.43 Every appeal shall be in writing and shall be lodged with the Executive Director not later than 10 days after the member charged has been given written notice of the decision of the committee.

20.44 The following Rules relating to the Disciplinary Committee, shall mutatis mutandis and with the exceptions hereinstated, apply to charges dealt with by committees as if references therein to the Disciplinary Committee were references to committees:

Rule 20.07 as to members concerned or implicated;

Rule 20.10 as to publication of name;

Rules 20.12, 20.13 and 20.14 as to procedure provided representation by counsel at the committee level shall be allowed only with the consent of all the parties including the regional exchange;

Rules 20.15 and 20.16 as to evidence;

Rule 20.18 as to failure to attend and give evidence;

Rules 20.19–20.22 as to interim suspension and revocation of suspension except that where the order for interim suspension or suspension was made by the Disciplinary Committee only the Disciplinary Committee shall have the power to revoke such order and except that reference to the Exchange in Rule 20.22 shall be construed as reference to the regional exchange concerned;

Rule 20.23 as to costs;

Rule 20.24 as to enforcement;

Rule 20.25 as to report;

Rule 20.26 as to witnesses and expenses;

Rules 20.27 and 20.28 as to partners and employees of members.

20.45 Without the prior consent in writing of his committee, no member shall knowingly practise in partnership with or employ any person who:

20.451 Has been expelled or is currently suspended from membership; or

20.452 Has been convicted of any crime or offence referred to in Rule 20.11 hereof; or

20.453 As a partner or an employee has been the subject of a proved charge under Rule 20.27 hereof.

20.46 The Board shall cause to be prepared a statement of the circumstances preliminary to and the findings of the Disciplinary Committee or a committee on every charge and the penalty (if any) imposed. Such statement shall contain identification of the regional exchange or member only if so stated in the findings in terms of Rule 20.10 and shall be circulated as required by the findings.

20.47 On the recommendation of a committee the Board may cause to be circulated as widely as it considers appropriate a statement of the circumstances preliminary to the disposal of a complaint under terms of Rule 20.39 by an investigating committee but such statement shall not contain any reference which would tend to identify any exchange or any member.

### 21.0 Disputes

21.01 All disputes between members of the same regional exchange shall be referred to its committee for determination.

21.02 Disputes between members of different regional exchanges shall be referred to the arbitration of either the committee of another regional exchange or the Board. The appointment of an arbitrator shall be agreed upon by the regional exchanges concerned in the dispute; failing such

agreement, the arbitrator shall be nominated by the Chairman.

21.03 A dispute between any two regional exchanges or between one regional exchange and a member of another regional exchange shall be referred to the Board.

21.04 No right of appeal shall lie against a determination in respect of any dispute.

21.05 The provisions of Rule 20.07 shall mutatis mutandis apply to hearings of disputes as if references therein to the Disciplinary Committee were references to the Board, or committee, as the case may be.

21.06 The Board, or committee, as the case may be, may prepare and circulate to members or to such members as it thinks fit, a statement of its findings on any dispute.

21.07 The Board or committee, as the case may be, may make such order as it considers fit regarding the payment of costs of the hearing of any dispute.

21.08 It shall be a condition precedent to the commencement of any action by a member against any other member upon any matter arising out of any transaction of stockbroking or out of any transaction to which any Rule, regulation or bylaw applies, that the dispute shall be first determined in the manner provided by these Rules and thereafter action shall be commenced only for the enforcement of the decision given under these Rules and then only after the member sued shall have, after 14 days' notice in writing, refused or neglected to carry out such decision. In any action as aforesaid no member shall dispute the correctness of such decision or award, or the fact that it was given in accordance with these Rules.

### 22.0 Defaulting Members

22.01 A member shall be deemed to be a defaulter in each of the following cases:

22.011 Where he is so declared by the chairman of his regional exchange after he has failed to pay forthwith the money demanded of him pursuant to any Rule relating to delivery and settlement.

22.012 Where his regional exchange committee resolves that in its opinion he is in difficulties and has failed or is likely to fail to meet his liabilities.

22.013 Where he has committed an act of bankruptcy or has become bankrupt or is insolvent or has called a meeting of his creditors or has made a composition with his creditors or assigned his estate for the benefit of his creditors.

22.014 Where his regional exchange committee resolves that in its opinion other circumstances exist which justify such member being considered a defaulter in order to protect the financial interests of members or of the investing public or for such other reasons as may be considered to be relevant in the interests of the Exchange and its members in the proper and efficient conduct of the Exchange's affairs.

22.02 Where a member has been deemed to be a defaulter under Rule 22.01 that fact shall be communicated forthwith by the chairman to the Executive Director for promulgation to all members.

22.03 Contracts with Defaulters:

22.031 Subject to the provisions of these Rules every uncompleted contract with a member shall be deemed to be rescinded closed and terminated as from the time he becomes a defaulter and where the contract is partially uncompleted there shall be deemed to be rescission closure and termination as to the uncompleted balance.

22.032 The Board (whose decision shall be final) shall determine the market price on the day the member becomes a defaulter and any surplus or deficiency, in