

- (b) If the Company disallows a claim, either wholly or partly, it shall give to the claimant, or to the person who lodged the claim on behalf of the claimant, as the case may be, notice of the disallowance and of the grounds therefor.
- (c) The Company, if satisfied that there was a defalcation or fraudulent misuse of property on which to found the claim, may allow the claim and act accordingly, notwithstanding that the person against whom the defalcation or fraudulent misuse of property is alleged has not been convicted or prosecuted or that the evidence on which the Company acts would not be sufficient to establish the guilt of that person in a criminal trial in respect of the defalcation or fraudulent misuse of property.
- (d) Any claimant who is dissatisfied with a decision of the Company under this Rule 52.14 may, by notice in writing to the Company, appeal against the decision in the manner prescribed in Rule 51.
- 52.15 The Company may at any time require a person to produce and deliver any securities, documents or statements of evidence necessary to support a claim made or necessary for the purpose either of exercising its rights against a Dealer or an agent of the Dealer or any other person, or of enabling criminal proceedings to be taken against a person in respect of a defalcation or fraudulent misuse of property, and in default of delivery of any such securities, documents or statements of evidence by the first-mentioned person, the Company may disallow any claim by the person.
- 52.16 On payment out of the Fidelity Fund of any moneys in respect of a claim, the Company shall be deemed to be subrogated to the extent of that payment to all the rights and remedies of the claimant in relation to the loss suffered by the claimant from the defalcation or fraudulent misuse of property.
- 52.17 Money or other property belonging to the Company, other than the Fidelity Fund, shall under no circumstances be available for the payment of a claim under this Rule 52 except as provided in Rule 52.8.
- 52.18 (a) Where the amount in the Fidelity Fund is insufficient to pay the whole of the amount of all claims against it that have been allowed, the amount in the Fidelity Fund shall, subject to Rule 52.18(b), be apportioned among the claimants in such manner as the Company in its absolute discretion thinks equitable, and any such claims so far as they then remain unpaid shall be deemed to be charged against future receipts (if any) of the Fidelity Fund and paid out of the Fidelity Fund when moneys are available in it; provided always that nothing in this Rule 52 or Rule 53 shall oblige the Company, or entitle any liquidator of the Company, to make any levy upon Dealers or any of them, or to advance or contribute other moneys of the Company to the Fidelity Fund, to meet any deficiency which is charged upon future receipts of the Fund.
- (b) Where the aggregate of all claims that have been allowed pursuant to this Rule 52 exceeds the total amount that may, pursuant to Rule 52.10, be paid in respect of a Dealer, the total amount shall be apportioned among the claimants in such manner as the Company in its absolute discretion thinks equitable, and on payment out of the Fidelity Fund of that total amount in accordance with that apportionment, all such claims and any orders relating to those claims and all other claims against the Fidelity Fund that may thereafter arise or be made in respect of defalcations or fraudulent misuses of property by or in connection with that Dealer shall be discharged.
- 52.19 (a) The Company may, in its absolute discretion, enter into a contract with any person whereby the Company will be insured or indemnified, to the extent and in the manner provided in the contract, against liability in respect of claims against the Fidelity Fund under this Rule 52.
- (b) Such a contract may be entered into in relation to Dealers generally, or a particular Dealer or Dealers, or any class or classes of Dealers, or Dealers or any class or classes of Dealers generally with the exclusion of particular named Dealers.
- (c) No person who has a claim against the Fidelity Fund shall have any right of action in respect of that claim against any insurer with whom the Company has from time to time effected any contract of insurance or indemnity in accordance with Rule 52.19(a).
- (d) Neither the Company nor any member of the Board or of the Fidelity Fund Committee shall be liable to any person, whether a Dealer or not, for not effecting any contract of insurance or indemnity, or for effecting any contract of insurance or indemnity on any particular terms, or for damage alleged to have been suffered by any Dealer by the publication in good faith of a statement that a contract entered into under this Rule 52.19 does, or does not, as the case may be, apply in relation to that Dealer.
- 52.20 A Dealer in respect of whom any amount of compensation has been paid or is payable out of the Fidelity Fund to a claimant in accordance with this Rule 52 shall indemnify the Company and the Fidelity Fund in respect of such amount and all costs and expenses incurred by the Company in respect of the claim by that claimant and shall pay to the Company on demand the amount payable pursuant to this indemnity.
- 53. CONTRIBUTIONS AND LEVIES**
- 53.1 A Dealer shall pay contributions to the Fidelity Fund, of such amounts, and payable at such time or times, as may from time to time be prescribed by the Company in respect of the class of Dealer to which that Dealer belongs.
- 53.2 If at any time the amount in the Fidelity Fund is insufficient to pay all amounts that at the time, are required to be paid under Rule 52, the Company may impose a levy on Dealers, or any class or classes of Dealers, for payment into the Fidelity Fund but the aggregate amount of the levies imposed by the Company under this Rule 53.2 at any time shall not exceed the maximum amount which the Company in its discretion, considers at that time is necessary in the circumstances to enable all known obligations of the Fidelity Fund under Rule 52 in the relevant year to be met in full.
- 53.3 The Company may in its absolute discretion differentiate between Dealers, or between different classes of Dealers, as regards the amount of initial contributions, annual contributions or levies and in particular, without limiting such discretion, may direct that no contribution, or no levy, shall be payable by any Dealers or class of Dealers who do not accept instructions to trade on behalf of other persons; provided always that in exercising its powers under this Rule 53.3 the Company shall fairly and equitably take into account the separate interests of each class of Dealer.
- 53.4 If a Dealer fails to pay any contribution or levy payable under this Rule 53 when due the Dealer shall pay to the Company interest on the unpaid amount from the due date for payment until payment in full is made, at such rate as is from time to time prescribed by the Company