

## **Court sentences Internet liar for insider trading**

in: *World eBusiness Law Report*, 3 September 2003

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The Court of Amsterdam has sentenced a man for insider trading after he posted false information about a company on an online discussion board in order to manipulate share prices.

The website EuroBench, which is designed for use by investors and share traders, displays real-time information on stock market indices and share prices. It also maintains a forum called 'Guru', in which share-trading discussion threads may be visited and viewed, and users may participate anonymously.

The defendant used the alias 'Hercules' and posted messages on Guru suggesting that ownership of a minority interest in the company Cardio Control was about to be transferred - a transaction that usually leads to an increase of share prices. However, the defendant had bought large numbers of shares immediately before posting the messages, selling the shares shortly afterwards.

The court found that defendant had manipulated the share price of Cardio Control by spreading false information on the Internet. The court held that the combination of his transactions and the false postings designed to raise the price of the shares was an attempt to exercise undue preference as under Article 334 of the Dutch Penal Code. The defendant was fined €5,000.

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