



Financial Services Guide
Current as at 1st January 2009

Issued by
State One Stockbroking Ltd
ABN 95 092 989 083

Australian Financial Services Licence ("AFSL")
Number 247100

Participant of the ASX Group

www.stateone.com.au

1. Introduction and Purpose Of The FSG

This Financial Services Guide ("FSG") is an important document, prepared in accordance with the requirements of the Corporations Act 2001 and Australian Securities and Investments Commission Regulatory Guides.

The FSG is designed to provide you with information about the Financial Services which State One Stockbroking Ltd ("State One") is able to provide under its AFSL and to assist you in deciding whether to use those Financial Services. State One Stockbroking Ltd authorises the distribution of this FSG

The FSG explains:

- who we are and how we can be contacted;
- the products and services we are authorised to provide to you;
- how we and any other relevant parties are paid for our services;
- how we remunerate our staff;
- any potential conflicts of interest we might have;
- details of our internal and external complaints handling procedures and how you can access them;
- our compensation arrangements;
- how we keep the information you provide to us private; and
- our brokerage rates and fees.

2. Who We Are

State One Stockbroking Ltd ("State One", "we" or "us") ABN 95 092 989 083, through your Advisor, is responsible for the Financial Services described in this guide. Any financial services offered will be provided by representatives of State One.

State One is a Participant of the ASX Group. It holds an Australian Financial Services Licence Number ("AFSL") 247100.

State One is part of the State One Capital Group and is a member of the Securities and Derivatives Industry Association.

3. Contacting Us

Please note that our Perth office is the preferred point of contact.

You can contact us in the following ways:

	PERTH	SYDNEY
By telephone:	1300 651 898 or (08) 9288 3388	(02) 9024 9188
By facsimile:	(08) 9321 6998	(02) 9024 9168
By Mail:	State One Stockbroking Ltd PO Box 7625 CLOISTERS SQUARE WA 6850	State One Stockbroking Ltd PO Box R1931 ROYAL EXCHANGE NSW 1225
In person	Level 14, State One House State One House 172 St Georges Terrace PERTH WA 6000	Suite 2004 Level 20, Australia Square 264 George Street SYDNEY NSW 2000
Email:	broker@stateone.com.au	
Website:	www.stateone.com.au	

4. State One's Authorisations

Under our AFSL we are authorised to offer the following services:

- Advising on and dealing in:
 - All Securities
 - Superannuation
 - Deposit and Payment Products – Basic Deposit
 - Old law securities options contracts and warrants
 - Government Debentures, Stocks or Bonds
 - Managed Investment Schemes, excluding Investor Direct Portfolio Service (IDPS)
 - Miscellaneous financial investment products limited to certain managed investment warrants.
- Underwriting interests in Managed Investment Schemes and issues of Securities.
- Operating custodial or depository services (other than Investor Directed Portfolio Services). These services are provided by State One Nominees Pty Ltd, Authorised Representative Number: 258863, which is a subsidiary of State One in accordance with the Clearing and Settlement Rules of the ASX Ltd.

5. How to Transact With Us?

Before transacting you need to have opened an account with State One.

You can then give us instructions by telephone, in person, fax, email and in some cases via our website.

6. What Types Of Services Do We Provide?

State One is a very competitively priced full service stockbroker. We focus on both long-term investment and trading strategies.

Our Stockbroking services include:

- Trading in ASX listed equities, Old law securities options contracts and warrants;
- Access to trading in Securities listed on foreign stock markets;
- Access to and advising on new floats (IPO's), placements and new issues;
- Provide corporate advice to clients wishing to list on the ASX;

We provide our clients with personal investment advice backed by detailed research.

At State One we value the quality of our relationships with our clients, both private and corporate.

7. Types of Advice and Types Of Advisory Services We Provide

General Advice

General Advice is based solely on the investment or trading merits of the financial products in question and does not take into consideration your financial circumstances (Newsletters or research reports are examples of such advice). This type of advice will have a warning attached stating that it is not a recommendation that a particular transaction in those financial products is appropriate for your financial situation. In such cases you will need to assess whether you should act on the advice given your own personal circumstances.

In the case of General Advice no Statement of Advice will be issued to clients.

Personal Advice

Your Advisor is required to have a reasonable basis for making recommendations to you if you ask for advice as to whether a particular financial product or investment is appropriate for you. In order to do so your Advisor is required to find out certain information including:

- your investment objectives (e.g. details of your need for income, capital growth, security, liquidity, flexibility to convert investments to cash, and any proposed time frame, personal circumstances and individual values, and aversion to risk);

- your financial situation (e.g. details of substantial assets owned alone, jointly, or in common with another person, details of liabilities and potential liabilities, current expenditure and income, and an indication of your future income and expenses, as well as capacity to save and tax status, existing asset and income protection held, the level and type of superannuation held, other details such as family, commitments and social security eligibility); and
- your own particular needs;

before they can make a recommendation and provide Personal Advice to you.

As a result, we will request this information from you before you can open an account. If you already have an account with State One and your circumstances change, we ask that you provide us with a timely update so that your Advisor can ensure that any advice and recommendations remain appropriate for you. All information provided by you will be kept confidential.

You have the right not to provide us with this information, if you so wish. However this will limit your Advisor's ability to make recommendations specific to your requirements. It may also mean that recommendations made are not entirely appropriate to your needs and objectives.

If you decline to provide sufficient information we are required to warn you about the possible consequences of not doing so. The warning will inform you that the advice has been provided to you based on incomplete or inaccurate information relating to your personal and financial circumstances and that you should consider whether the advice is appropriate having regard to your own relevant personal and financial circumstances.

Buying and Selling Financial Products

Acting as your agent, State One will access the relevant market on your behalf to buy or sell financial products. Please note that we require funds upfront for our first purchase of shares.

When you open an account with State One a contract is created between you, as a client, and State One, as your broker. When State One trades on your behalf, a further binding contract is made by State One, on your behalf, with another party.

You will receive a confirmation note (contract note), by post or email, once your shares have been bought or sold.

Short Selling

State One does not permit the short selling of financial products (as defined in the Corporation Act) in any form. You will be asked, when placing a sell instruction, to confirm that the stock you are requesting to sell is a long sale (i.e. that you own the stock and it is not a short sale). Clients are obligated to inform their broker if a sale is a short sale.

How are transactions settled?

If you buy shares we may require payment on or before T+3 (i.e. transaction date plus three business days). Funds can be paid via direct deposit, BPay® or cheque, or we can direct debit a savings or cheque account. We do not accept cash. Exchange Traded options require settlement on T+1.

If you sell shares we will send you the proceeds via electronic funds transfer to a bank account nominated by you or via cheque.

Trading via the internet requires you to be CHESSE sponsored by State One Stockbroking Ltd and to have sufficient cleared funds in a Cash Management or similar type of account prior to the purchase of securities. Sales proceeds will be transferred into the Cash Management or similar account type.

In accordance with ASX Rules, State One charges administration and fail fees on securities trades which are not settled on or before T+3. For clients buying shares we reserve the right to charge interest on the unsettled amount after T+3. Extended delays in payment for buys may result in us selling out the stock, and action being taken to recover from you the costs involved, including any loss on such transactions.

8. The Risks of Dealing in Financial Products

Investment recommendations are normally made by State One to its clients on the basis of the historical and projected forward earnings and cash flow analysis of the individual companies relative to comparable companies and the market generally, with consideration also given to the quality of company management and the competitive environment in which each company operates. Note however, that on some occasions it is simply not possible to make a detailed analysis with any firm confidence as to the degree of accuracy.

The basis of State One's investment advice is that share prices move towards their actual value over time. A stock may be underpriced or overpriced for a considerable period, in some cases years, before moving closer to its value as suggested by research. In the interim, share prices go up and down depending upon the views and imperatives of buyers and sellers of both the specific stock and the market in general.

What are the risks?

In general, the risks of investing in equities can be categorised as follows: (Please note that the list below does not purport to be complete, as it would not be feasible to list all the possible risks in each category.)

Overall Market Risks

The risk of loss by reason of movements in the share market generally. These can be caused by any number of factors relating to market confidence – including political, economic, taxation or legislative factors. Examples include changes in interest rates, political regimes, taxation or superannuation laws, international crises and natural disasters.

Domestic versus International Factors

The vulnerability of the company to international events or market factors. These include, movements in exchange rates, changes in trade or tariff policies, and changes in other stock or bond markets.

Sector Specific Factors

These include changes in demand for individual products, commodity prices, the economic cycles of industry, changes in consumer demands, lifestyle changes, and changes in technology.

Stock Specific Factors

These include the directors, the strength of management, the significance of any key personnel, profit history, tangible asset base, debt level and fixed cost structure, litigation, profits/losses on particular contracts, exploration drill results, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for recoverable resources or developing a new product.

In purchasing financial products, it is important to remember that there can be a vast difference between the risks of investing in companies which have a steady cash inflow from their operations (e.g. a large diversified industrial group) and those which don't.

Some so-called "growth" companies may have large cash outflows, and the continued viability of such companies will be dependent upon future raisings of fresh capital from the market.

The Limitations of Research

The research undertaken by stockbrokers is simply the opinion of specialist analysts. It is a most inexact science and can never be guaranteed. It is usually only valid for a limited time and is often subject to change, dependent upon market movements. When trading, a "Buy" recommendation could quickly turn into a "Sell" recommendation where the market price of a stock has appreciated by a small amount, or where overall market conditions or sentiment have changed.

Merely because a company is well known to be a leader in its field or that a stock is recommended by an analyst as a "Buy" does not mean that it will always be a sound long term investment for you.

You should consult your Advisor before acting on any research report.

Basic Investment Strategies – What are the Alternatives?

Income

When an income stream is required, perhaps to meet living expenses. Shares paying franked dividends, which carry tax benefits, may hold particular appeal.

Growth

Where a secure income stream is not necessary, as income needs are met from other sources. Shares which are bought with a view to capital growth will normally be more exposed to the risk of capital loss.

Short Term Trading

Where you wish to trade in shares with a view to profiting from short term price movements in the stock market. This can be a lucrative strategy at times when the market is active, although to achieve this successfully you will need to follow the market very closely.

Mixture of the Above

Frequently one's portfolio will include shares acquired using a mixture of the above strategies.

9. Other Documents You May Receive From Us

9.1 Statement of Advice (“SoA”)

If you require Personal Advice, which takes into account your objectives, financial situation and needs from State One, where State One is required by law to do so, State One will provide you with a Statement of Advice (SoA).

The SoA will set out the advice provided to you and a record of your relevant personal circumstances based on the information you have provided to State One. It will also provide you with information about fees, commissions and any associations which may influence the advice you receive. You should read the warnings given in the SoA carefully before making any decision based on the financial product advice.

Personal Advice is different to General Advice. General Advice is not personalised and is based on the attributes of the financial product without any consideration as to their appropriateness to your financial circumstances. You will not receive a SoA for General Advice.

When will I receive a SoA?

New clients

You will receive a SoA when you first become a client of State One and receive Personal Advice. You will not normally receive a further SoA for any securities or derivatives advice unless you notify State One that your personal circumstances have changed, which may influence the types of investments or the suitability of the strategies that have been employed on your behalf.

Existing Client

If you advise State One of a change in your circumstances that may influence the types of investments or their suitability, we will issue you a new Statement of Advice. These events may include retirement, retrenchment, an accident preventing you from working, or a divorce, to name a few.

Further Advice

When further advice is given in relation to securities and derivatives you will not receive a SoA unless you indicate to your Advisor that there has been a material change in your investment objectives and/or personal circumstances. A Record of Advice (RoA) is similar to a SoA in that it captures the Personal Advice that your Advisor provides to you at a given time (usually during a phone conversation). You can request a copy of the RoA for up to seven years after the advice has been given.

9.2 Product Disclosure Statement

If we recommend that you acquire a Financial Product (other than securities such as listed shares), for example, a Cash Management Account, or offer to issue, or arrange for the issue of a financial product, we will provide you with a Product Disclosure Statement (“PDS”). The PDS contains information about the product including the terms and conditions, features, benefits, any significant risks, and the costs and fees involved. It is designed to help you make an informed decision.

10. How Do We Charge You For Services Provided?

State One will charge you a fee for stockbroking services it provides to you. This fee will normally be transaction-based.

10.1 Transaction Based Fees

State One charges brokerage and fees on each 'buy' and 'sell' transaction executed on your behalf. The brokerage charged will be based on the value of the financial products you buy or sell. You will be advised of the brokerage rates at the time that you open your account with us. These rates can change from time to time and you will be advised of these changes when they occur. A confirmation (contract) note will be sent to you upon completing each transaction. This will show the brokerage and any other fees charged, together with applicable government taxes and applicable Government duties.

Generally the brokerage rate is 1.1% of the transaction value, subject to a minimum charge of \$66 including GST. For frequent traders, the brokerage rate will fall below 1%, and for very large transactions, or for large numbers of transactions, the rate is negotiable.

State One's brokerage rates are very competitive. Set out below is a table of rates, which are indicative only.

Standard charges for Australian Equities (subject to negotiation)

Value of Transaction	Brokerage Rate
Up to \$6,000	Minimum of \$66 including GST
Over \$6,000	1.1% including GST

For example, a transaction for \$12,500 would attract brokerage of \$137.50 including GST.

Late settlement fees are imposed against those trades that are not settled on or before T+3 for equities and T+1 for Exchange Traded Options. Please see the Other Fees and Charges section at the end of this FSG for more information.

For Exchange Traded Options an additional \$1.12 per option contract is charged to the client which represents the ASX Options Clearing House fee per contract.

Standard charges for International Equities

Transactions in international equities are typically subject to a minimum fee of 1% or \$60, plus the commission and fees charges by the overseas agent. The commission and fees charged by the overseas agent will vary depending on which international equities market you are transacting in and which overseas agent is used.

10.2 Commissions, Remuneration and Other Benefits Received by State One

We may receive remuneration from product issuers e.g. Cash Management providers, Managed Funds and Margin Lenders in the form of trailing commissions.

As a guide, State One may receive the following payments:

Type of Product	Commission/Payments we may receive
Managed Funds (remuneration is based on the amount invested)	<ul style="list-style-type: none">– Upfront commission can range from 0 to 5%– Ongoing commission can range from 0.25% to 5% pa– Volume bonuses can range from 0 to 0.5%
Margin Lenders	<ul style="list-style-type: none">– Ongoing commission can be in the range of 0.25% to 0.75% (pa) of the margin lending facility
Cash Management Trusts	<ul style="list-style-type: none">– Ongoing commission can be in the range of 0.25% to 0.4% (pa) of the funds under management

We receive interest on client funds deposited in our Trust Account at prevailing market rates.

We may also receive fees in relation to Initial Public Offerings and underwriting activities. Fees can vary from 0% to 10% of the amount raised or underwritten, and on occasion we may also receive some free shares or options in the company we are sponsoring or underwriting.

Your Advisor may receive up to 60% of the amount received by State One.

Goods and Services Tax (GST) is levied on fees charged to Australian Residents.

11. How Are State One Employees Remunerated?

Our Advisors are remunerated on a share of brokerage written and commission basis. The Advisors actual share of brokerage varies based on the level of brokerage written each month. The Advisor may also earn a proportion of lodgement fees for IPOs and receive a trail commission from financial product providers such as margin lenders or cash management trust providers.

In addition to salary and / or commission, they may be entitled to an annual bonus and/or profit share based on the Advisor's and State One's performance. Some of the measures employed in assessing each Advisor's performance include contribution to the firm, attaining or exceeding targets and budgets and compliance and training requirements, contribution to team development, management and risk.

Such payments are discretionary and are generally made in the form of monetary benefits and are paid annually.

You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by the licensee and/or authorised representative

12. Referral Fees

When you have been referred to us by a third party such as an accountant or financial planner we may pay an introductory fee or commission rebate in relation to the referral. Please refer to the FSG or SoA provided by the relevant third party for more detailed information on payments (if any) payable.

13. Soft Dollar Benefits

State One may from time to time receive a benefit from preferred product providers by way of sponsorship of educational seminars, conferences or training days. Details of benefits above \$300 received by us will be maintained on a Register.

14. Potential Conflicts Of Interest We May Have

Conflicts of Interest may occur from time to time, within the ongoing operational structure of State One Capital Group. You have the right to be advised of any material interest that your Advisor, State One Capital Group or any of their associates may have in financial products.

Material interests are those that could be reasonably expected to be capable of influencing the recommendation of a financial product to you.

Accordingly you should be aware that:

- State One's Advisors are remunerated wholly or in part on a share of brokerage or commission basis;
- If you have been referred to State One by a third party, that person may receive a share of brokerage charged to you. Your Advisor will provide you with more details and will disclose any other material interest when they make specific recommendations to you;
- State One Stockbroking Ltd is related to State One Equities Pty Ltd ("SOE"), AFSL 233129. From time to time SOE may provide financial services to State One Stockbroking and/or its clients;
- State One Stockbroking Ltd will trade in financial products on its own account;
- The State One Capital Group, its directors and employees may have material interests in companies from time to time. These may be companies we have raised capital for, floated, provided corporate advice to or produced research on.

Should a conflict occur, you will be advised either verbally by your Advisor or, alternatively, details will be outlined in a SoA or Letter of Offer. Should you have any queries in relation to this, please discuss this matter further with your Advisor.

State One is related to amscot Discount Stockbroking, State One Equities Pty Ltd AFSL 233129 and State One Nominees Pty Ltd.

15. What You Should Do If You Have A Complaint?

If you have a complaint about any of our services, State One has established complaints resolution procedures that aim to deal with and resolve your complaint as quickly as possible. Our management is committed to a high level of client service, and as such regards all complaints as serious and entitled to be dealt with fairly, promptly, consistently and in a professional manner.

To try and resolve your complaint in the fastest possible manner, please do the following:

Call State One on 1300 651 898 or 08 9288 3388 and discuss your complaint with your Advisor or the Compliance Manager. In most cases the Advisor should be able to resolve the issue for you.

If it cannot be resolved the Compliance Manager will investigate the complaint and call back within two business days with either a proposed remedy or feedback that further investigation is required.

If further investigation is required, it will be carried out and then you will be notified of a proposed remedy. This will be confirmed to you in writing.

If you wish to make a written complaint you should write to:

The Complaints Manager
State One Stockbroking Ltd
PO Box 7625
CLOISTERS SQUARE WA 6850

If the complaint cannot be resolved to your satisfaction within 45 days and you wish to proceed further, you may refer the matter to the Financial Ombudsman Service Ltd via the following means:

Mail: Financial Ombudsman Service Ltd
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1300 780 808
Facsimile: 03 9621 2291

Email: info@fos.org.au
Internet: www.fos.org.au

16. Compensation Arrangements

As required by the Corporation Act and ASX Market Rules, State One has a comprehensive Professional Indemnity insurance policy which is adequate taking into account the volume and nature of State One's business, the number and types of clients, the number of representatives and Authorised Representatives it has and State One's highest liability due to its membership of the Financial Industry Complaints Service.

17. Privacy

What Personal Information does State One maintain in my file and can I examine my file?

We maintain a record of your personal profile on our files, which will include information such as your name, address, contact details and other information required in order for us to provide financial services to you.

The privacy of your personal information is important to us. We collect and store your personal information in accordance with our Privacy Policy which can be found on our website at <http://www.stateone.com.au/privacy.html>. Personal information is gathered only in order for us to provide the financial services to you.

Telephone calls with State One may be recorded to allow for a record to be kept of orders taken and to ensure that our service standards are met or exceeded.

If you wish to examine your file, we ask that you make a request in writing and allow up to 10 working days for the information to be forwarded.

We may charge a fee to cover the cost of verifying the application and locating, retrieving, reviewing and copying any material requested. If the information sought is extensive we will advise you of the likely cost in advance and can help to refine your request if required.

Organisations to whom information may be disclosed

We may disclose your information on a confidential basis to unrelated organisations for the purposes set out below:

Mailhouse:	Statement production and mail related services.
Administration Services:	Data entry, documentation, backup, archiving, account maintenance, settlement and payment.
Fund Managers, Margin Lenders and similar organisations:	Administration of your accounts.
Professional Advisors:	Assistance with Administration of your investments.

Any Law that requires the particular information to be collected

As a financial service provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Finance Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and driver's licence. We will also retain copies of this information. We assure you that this information will be held securely.

Main consequences of not providing the information

If we are unable to collect all information requested in the account opening process or requested during the subsequent operation of the account, we may be unable to provide or continue to provide operation of the account.

18. Brokerage Rates

Generally the brokerage rate is up to 1.1% of the transaction value, subject to a minimum charge of \$66 including GST. For very large and frequent transactions the rate is negotiable.

19. Other Fees and Charges (including GST):

Schedule of fees

Fail fees failure to settle sell trade in the required time per security)	Greater of \$110 per day or 0.11% (maximum cap fee is \$5,000)
SRN (Issuer Sponsored Shares) Request	\$27.50 per holding
Cheque dishonour fee	\$27.50 per cheque
Off market transfer fee	\$55 per stock (\$27.50 per side)
Direct Debit dishonour fee	\$27.50 for first occurrence otherwise
BPay Deposits	\$49.50 per day
Overseas funds transfers	NIL
Stop cheque fee	\$22 per transfer
	\$16.50 per request