

01/1998

**ENFORCEABLE UNDERTAKING**  
**AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION**  
**SECTION 93AA**

This Undertaking is made on 11 August 1998, to the Australian Securities and Investments Commission ("ASIC") by:

Maurice Dwight Juvenal Chapman  
26 Flinders Crescent  
**BORONIA VIC 3155**  
("Chapman")

and

Rodney Dhal Petersen  
1917 Gardiners Road  
**FOSTER VIC 3960**  
("Petersen")

and

Greenscape International Pty. Ltd. A.C.N. 079 482 527  
Registered Office  
26 Flinders Crescent  
**BORONIA VIC 3155**  
("Greenscape")

**1. BACKGROUND**

- 1.1 Chapman and Petersen are and have been since 25 July 1997 the only directors and shareholders of Greenscape, which on 25 July 1997, was registered as an Australian proprietary company limited by shares.
- 1.2 Prior to 20 May 1998, Chapman, Petersen and Greenscape caused to be created an internet website with the site address of [http\\www.greenscape.com.au](http://www.greenscape.com.au), ("the internet address") which provided

information to potential investors about a scheme involving the commercial exploitation of proposed plantations of Paradises Australis™ trees (“the scheme”).

- 1.3 The internet address contained information used to offer and invite persons to purchase interests (in the form of units) in the scheme. Each unit, representing 5 Paradises Australis™ trees (“PA trees”) to be planted on a piece of land yet to be leased by Greenscape, was offered at a price of \$175 per unit. The trees were to be harvested every 8 years and each investor would expect to derive a benefit from the sale of the timber harvested from the PA trees.
- 1.4 Investors were also informed that further benefits would be derived by selling units in the scheme as agents of Greenscape.
- 1.5 Supervision and regulation of the scheme and its promoters come within the jurisdiction of ASIC under the Australian Securities & Investments Commission Act (“ASIC Act”) and the Corporations Law.
- 1.6 After an ASIC staff member discovered the existence of the internet address, ASIC commenced an investigation, under s13 of the ASIC Act, on 16 July 1998 into whether Greenscape, Chapman and Petersen in promoting the scheme, had contravened the relevant provisions of the Corporations Law relating to the offering of prescribed interests and/or interests in a managed investment scheme.
- 1.7 In its investigation, ASIC discovered the following from the documents provided to ASIC:
  - (a) in respect of the scheme, Greenscape, Chapman and Petersen:-
    - (i) invited and accepted receipt of monies from persons which constituted the making of an offer or the issuing of an invitation

to subscribe for interests without a prospectus in contravention of section 1018 of the Corporations Law;

- (ii) failed to submit for registration a trust deed with ASIC;
  - (iii) failed to have an approved trustee for the scheme; and
  - (iv) failed to hold a dealers licence as required under section 780 of the Corporations Law;
- (b) legal advice obtained by Greenscape did not address the compliance issues of the scheme and in particular the obligation to lodge a prospectus in relation to the scheme, have an approved trustee or register a trust deed.
- (c) there are presently 29 investors in the scheme of whom 24 have fully paid for their interest to an amount totalling \$12,125;
- (d) investors were either relatives or personal friends of either or both Chapman and Petersen and not from the general public or pursuant to the Website;
- (e) all investors who purchased interests in the scheme did so before the new legislation was enacted on 1 July 1998 and in fact did so before 1 March 1998 when the additional information was added to the Website;
- (f) the total expenses, to 30 June 1998, incurred in respect of the promotion of the scheme are approximately \$35,599, this amount does not include time spent, wages or other incidental expenses, no profit has been received save for a commission of \$197.50 to Mr and Mrs Petersen.

- 1.8 The interests in the scheme summarised herein fall within the definitions "prescribed interest" and "interest in a managed investment scheme". As all the investors invested in the scheme before 1 July 1998, the interests in the scheme are "prescribed interest" as defined in section 9 Corporations Law prior to 1 July 1998. Legal advice had been obtained which had failed to address this issue.
- 1.9 Greenscape, Chapman and Petersen acknowledge that they have contravened sections 780, 1018, 1064, 1065, 1067, 1068 and 1069 of the Corporations Law and failed to meet the requirements relating to electronic commerce as described in ASC Policy Statement 107.
- 1.10 ASIC acknowledges that the breaches of the Corporations Law committed by Greenscape, Chapman and Petersen as outlined in clause 1.9 were not deliberate or wilful and Greenscape had written to the Internet provider requesting the site to be closed in April 1998.
- 1.11 In a letter dated 20 July 1998, Greenscape informed ASIC that it had temporarily suspended the scheme in April 1998 before the investigation commenced and confirmed that it had verbally informed the investors in the scheme of the suspension.

## **2. UNDERTAKINGS**

- 2.1 Greenscape, Chapman and Petersen hereby undertake severally that upon the execution of this Undertaking to ASIC that it and/or they, as the case may be, will forthwith cease doing any act in the promotion of the scheme and thereafter refrain from doing any act in the promotion of the scheme or any similar scheme or schemes in breach of the Corporations Law.
- 2.2 Chapman, Petersen, and Greenscape hereby undertake severally to ASIC that upon the execution of this Undertaking to ASIC that it and/or they, as the

case may be, will forthwith cause to be removed from all website links information concerning the scheme including all references to and details about the internet address and those website links.

2.3 Greenscape, Chapman and Petersen, hereby undertake severally to ASIC that within 28 days of the execution of this Undertaking that it and/or they, as the case may be:

2.3.1 will forward to each investor in the scheme, in writing, an explanation of the circumstances giving rise to and the effect of this Undertaking in the form of the Schedule to this Undertaking; and

2.3.2 will refund to the investors of the scheme all monies subscribed by such investors for the purpose of acquiring prescribed interests in the scheme.

2.4 Greenscape, Chapman and Petersen hereby undertake severally to ASIC that within 35 days of the execution of this Undertaking that it and/or they, as the case may be, will confirm by notice in writing to ASIC that all obligations set out in paragraphs 2.1 to 2.3 have been met.

2.5 Greenscape, Chapman and Petersen hereby undertake severally to ASIC that it and/or they, as the case may be, upon the execution of this Undertaking and thereafter, will refrain from holding out that it is and/or they are, as the case may be, carrying on a securities business contrary to section 780 of the Corporations Law.

### **3. ACKNOWLEDGEMENTS**

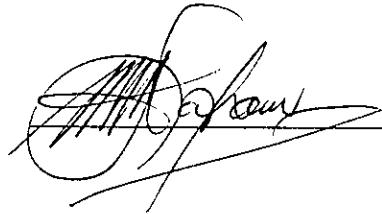
3.1 Chapman, Petersen, and Greenscape acknowledge severally that this Undertaking in no way derogates from the rights and remedies available to any other person arising from any conduct described in this Undertaking.

3.2 Chapman, Petersen, and Greenscape acknowledge severally that this Undertaking has no operative force until accepted by ASIC.

3.3 If a clause of this Undertaking is invalid or unenforceable, then that clause to the extent of the invalidity or unenforceability must be ignored in the interpretation of this Undertaking. All the other clauses of this Undertaking remain in full force and effect.

Signed by Maurice D.J. Chapman )

in the presence of: )



Signed R. Garcia

Name in print RAMON GARCIA

Address 20th Floor, 485 LATROUSE St, Melbourne

Signed by Rodney D. Petersen )

in the presence of: )



Signed R Garcia

Name in print: RAMON GARCIA

Address 20th FL, 485 LATROUSE Street  
Melbourne



The Common Seal of Greenscape International )  
Pty. Ltd. ACN 079 482 527 was affixed to this )  
Undertaking in the presence: )

Director *Dall'Vestra*

Director/Secretary *[Signature]*

Name in print: LOONEY O. PETERSEN

Name in Print: D. CHAPMAN

**ACCEPTED BY THE AUSTRALIAN SECURITIES & INVESTMENTS  
COMMISSION PURSUANT TO ASIC ACT 93AA BY ITS DULY  
AUTHORISED DELEGATE:**

*[Signature]*

Jamie Orchard

Director, Enforcement.

This 11th day of August 1998

## SCHEDULE

### [GREENSCAPE LETTERHEAD]

Our Reference: MRI1998/10106  
Your Reference:

[ ] August 1998

<<Name>>  
<<Address>>

Dear Investor

#### **Greenscape International Pty Ltd ('Greenscape')**

On 16 July 1998, the Australian Securities & Investments Commission ("ASIC") commenced an investigation into the affairs of Greenscape concerning its offer or invitations to persons to subscribe for or buy interests in a scheme involving the commercial exploitation of forest plantations ('Scheme'), following a routine surveillance of investment schemes advertised on the internet.

Following the investigation, ASIC has formed the view that Greenscape has contravened the relevant provisions of the Corporations Law by failing to:

- (i) lodge a prospectus;
- (ii) submit for registration a trust deed with ASIC;
- (iii) have an approved trustee for the Scheme;
- (iv) to hold a dealers licence.

On # August 1998, Greenscape and its directors agreed to provide to ASIC enforceable undertakings that each of them will:

- (i) cease doing any act in promoting the Scheme and thereafter refrain from doing any act in promoting the Scheme and/or any other similar scheme;
- (ii) remove from all website links, information concerning the Scheme;
- (iii) forward to each investor in the Scheme a letter outlining details of the relevant undertakings;



- (iv) refund to investors all monies subscribed by each investor for the purchase of interests in the Scheme.

In accordance with the undertakings to ASIC, please find enclosed a cheque in the sum of \$- representing the return of your investment contribution in the Scheme.

Yours faithfully

Rodney D. Petersen and Maurice D.J. Chapman  
Directors