

ENFORCEABLE UNDERTAKING

SECTION 93AA

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION ACT

The commitments in this enforceable undertaking are offered to the Australian Securities and Investments Commission ("ASIC") by:

Online Investors Advantage Incorporated ("the company")

Level 17

The Chifley Tower

2 Chifley Square

Sydney NSW 2000

1. BACKGROUND

- 1.1 From about July 1999, the company has conducted in Australia a business of, *inter alia*, promoting its educational services and its website, www.i-advantage.com ("the website").
- 1.2 The educational services conducted by the company comprise:
 - (a) free 90 minute "Introduction to Online Investing" seminars in which attendees are taught how to use the internet to invest in stocks, options and mutual funds; and
 - (b) 2 full day workshops, which are intensive, fee paying training classes for investors wishing to learn how to use the internet to improve their investment results. The company includes a subscription to its "investor toolbox" website for all workshop attendees, which enables attendees, via a password, to access the tools and features of the "investor toolbox" website. At these workshops, attendees are taught how to use the "investor toolbox" website to locate, evaluate and select investments, the basics of technical analysis and other investing strategies.
- 1.3 ASIC has undertaken an investigation into the activities of the company, concerning the existence of any contravention of the provisions of section 781 of the Corporations Law ("the Law") by advertising and promoting its educational services and its website in Australia.
- 1.4 As a result of its investigation, ASIC has reason to suspect that the company may contravene section 781 of the Law by reason of the facts set out above and in paragraph 2 below.

- 1.5 ASIC has the power pursuant to section 1324 of the Law to seek an injunction restraining the company from contravening the Law. ASIC also has the power pursuant to section 829 of the Law to make a banning order against an unlicensed person.
- 1.6 ASIC has agreed to accept the commitments in this enforceable undertaking as an alternative to the pursuit of the injunction threatened by ASIC against the company and the exercise of the power referred to in paragraph 1.5 above.

2. CONCERNS OF ASIC

- 2.1 The company, through its "investor toolbox" website:
- (a) provides an analysis of US securities market trading information for the purposes of analysing market trends and making or assisting in the making of investment decisions;
 - (b) utilises mathematical formulae, historical securities prices and other financial and economic information to generate buy and sell signals about particular US securities;
 - (c) provides 11 ranking mechanisms of stocks such as :
 - (i) the "Long Term Technical Rank" which measures the long term technical strength for a stock; and
 - (ii) the "Analyst Rank" which gives the strength of analysts' opinions on the stock via a percentile value ranging from 99.9 (best) to 0.00 (worst);
 - (d) utilises combination indicators to produce investment candidates; and
 - (e) advises what market segments, investment styles, searches, industry groups, mutual funds and specific search indicators are working best as market conditions change.
- 2.2 As a consequence, ASIC considers that in operating the "investor toolbox" website, the company may provide internet investment advice.
- 2.3 Pursuant to Policy Statement 118 issued by ASIC on 3 March 1997, a person who provides information about securities on the internet to Australian investors may require a securities dealers or an investment advisers licence if it is in the business of providing direct or indirect securities recommendations, general securities advice or publishing analysis or reports on securities.
- 2.4 The company does not hold a licence from ASIC to carry on an investment advice business, as required by section 781 of the Law. The company is not an exempt investment adviser.
- 2.5 The company has admitted that in advertising and promoting the company's services in Australia without an appropriate licence from ASIC, it may contravene or give the appearance of contravening section 781 of the Law.

3. UNDERTAKINGS

The company gives the following enforceable undertakings to ASIC pursuant to section 93AA of the Australian Securities and Investments Commission Act.

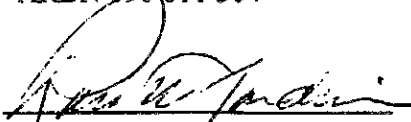
- 3.1 Unless licensed by ASIC to do so, the company undertakes that it will not, either itself or through its employees, agents or representatives, advertise or promote any investment advisory activity in Australia.
- 3.2 Unless licensed by ASIC to do so, the company undertakes that it will not promote or conduct any investor seminars or workshops in Australia involving the provision of investment advice.
- 3.3 The company undertakes that the disclaimer on its website that states that the company is not a broker and does not hold a dealer's licence or an investment adviser's licence for Australia, will remain on its website until it holds an appropriate licence from ASIC.
- 3.4 The company undertakes that it will apply to ASIC for an appropriate licence under the Law by 30 April 2000.

4. ACKNOWLEDGMENTS

- 4.1 The company acknowledges that it has had the opportunity to obtain legal advice in relation to the content and effect of this enforceable undertaking.
- 4.2 The company acknowledges that the responsible officers who sign this enforceable undertaking have full authority to sign and enter into the undertaking on behalf of the company.
- 4.3 The company acknowledges that ASIC:
 - (i) may issue a media release on the execution of this enforceable undertaking referring to such terms that ASIC determines and which led to the execution of the enforceable undertaking;
 - (ii) will make this enforceable undertaking available for public inspection, and
 - (iii) may from time to time publicly refer to this enforceable undertaking.
- 4.4 The company acknowledges that ASIC is not obliged to, nor may not accept any application for a licence referred to in paragraph 3 above, unless satisfied that the company meets the criteria outlined in section 784 of the Law.
- 4.5 The company acknowledges that entering into this enforceable undertaking in no way derogates from the rights and remedies available to any person arising from any conduct described in this enforceable undertaking.

- 4.6 The company further acknowledges that entering into this enforceable undertaking in no way derogates from the rights of ASIC relating to or arising from any conduct described in this enforceable undertaking.
- 4.7 The company acknowledges that this enforceable undertaking has no operative force until accepted by ASIC.

ONLINE INVESTORS ADVANTAGE INCORPORATED
ARBN 096 011 304



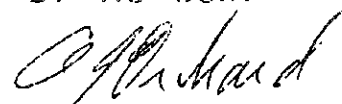
Signature of responsible officer

Signature of responsible officer

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION PURSUANT TO SECTION 93AA OF THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT BY ITS DULY AUTHORISED DELEGATE

Name *ROSS W. JARDINE*
Position *PRESIDENT*



ALFRED JAMIE ORCHARD
DIRECTOR ENFORCEMENT (VIC)

This *20* day of *JANUARY* 2000