

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT 1989

SECTION 93AA

This undertaking is made to the Australian Securities and Investments Commission ("ASIC") by:

Mr Petar Ivanovski

[Address supplied]

(also known as Mr Petar Johnson)

and

The Capital Trading Group Limited Nr 025650

PO Box 7

Lo Lam House

Kumul Highway

PORT VILA, VANUATU

1. BACKGROUND

- 1.1 The Capital Trading Group Limited Nr 025650 ("CTG") is a company duly incorporated in Vanuatu and registered as an international company in Vanuatu. CTG was incorporated on 12 July 1999 and registered as an international company on 13 July 1999.
- 1.2 CTG has one member and one director. The one member and one director is Mr Petar Ivanovski ("Mr Ivanovski"), also known as Mr Petar Johnson.
- 1.3 From 7 September 1997 to 17 March 2000, CTG and Mr Ivanovski caused material to be made available on the internet at <http://www.effect.net.au/cpci> ("Website Material"). On 17 March 2000, following inquiries by ASIC regarding the Website Material, CTG and Mr Ivanovski voluntarily took action to prevent public access to the Website Material.
- 1.4 As a consequence of ASIC's inquiries regarding the Website Material, ASIC obtained information that gives it reason to be concerned that contraventions of sections 601CD, 995, 999, 1143, 1261 and 1262 of the Corporations Law ("CL") have been committed.
- 1.5 Pursuant to section 1324 of the CL, ASIC may, inter alia, apply for an injunction restraining a person from engaging in certain conduct and requiring the person to do an act or thing.

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- 1.6 CTG and Mr Ivanovski acknowledge the concerns of ASIC referred to in paragraph 1.4 above and have offered the undertakings set out in part 2.

2. UNDERTAKINGS

Registration as a foreign company

- 2.1 Pursuant to section 93AA of the ASIC Act, CTG undertakes, until CTG is registered as a foreign company under the CL, to prevent access by any means, by persons located in Australia, to the Website Material and any other material that CTG causes to be made available on or by the internet, except for the material referred to at paragraph 2.9 below.
- 2.2 Pursuant to section 93AA of the ASIC Act, Mr Ivanovski undertakes, until CTG is registered as a foreign company under the CL, to ensure that CTG prevents access by any means, by persons located in Australia, to the Website Material and any other material that CTG causes to be made available on or by the internet, except for the material referred to at paragraph 2.9 below.

Misleading conduct

- 2.3 Pursuant to section 93AA of the ASIC Act, CTG and Mr Ivanovski jointly and severally undertake not to make any information available, on or by the internet, that can be accessed by any person located in Australia, that is misleading or deceptive, or is likely to mislead or deceive, or is false in a material particular.
- 2.4 Pursuant to section 93AA of the ASIC Act, CTG and Mr Ivanovski jointly and severally undertake not to make any information available, on or by the internet, that can be accessed by any person located in Australia, that:
- (a) shows that either CTG or Mr Ivanovski have a personal, professional, commercial or business association with a person with whom neither has that association;
 - (b) shows the past or present business activities of CTG or Mr Ivanovski when neither engaged in, or engages in, those business activities;
 - (c) shows any proposed business activities of CTG or Mr Ivanovski when neither proposes to engage in, or has a reasonable basis for expecting to engage in, the proposed business activities;
 - (d) refers to past profits or income, from any type of investing or any type of trading, if neither CTG nor Mr Ivanovski possess documents that support and evidence the accuracy of the disclosure;
 - (e) refers to potential profits or income, from any type of investing or any type of trading, if neither CTG nor Mr Ivanovski possess documents that show that there are reasonable grounds for the disclosure;

- (f) refers to past profits or income, from any type of investing or any type of trading, without including an equally prominent statement to the effect that past results are not a guarantee of future performance;
- (g) refers to potential profits or income, from any type of investing or any type of trading, without including an equally prominent statement that refers to the potential losses from such investing or trading;
- (h) refers selectively to past profits or income, from any type of investing or any type of trading, and as a consequence exaggerates success or disguises poor performance;
- (i) refers to profits or income, that have been derived from simulated or hypothetical results, without including an equally prominent statement that the results are simulated or hypothetical and do not necessarily indicate actual results; or
- (j) refers to CTG without also referring to its ARBN.

2.5 Pursuant to section 93AA of the ASIC Act, CTG and Mr Ivanovski jointly and severally undertake that, for a period of 2 years from the date of this undertaking, not to make any information available, on or by the internet, that can be accessed by any person located in Australia, that concerns profits or income from investing or trading, unless CTG or Mr Ivanovski gives Mr Mark Howard of ASIC, at least 14 days before the information is made available:

- (a) notice in writing of the proposed information; and
- (b) copies of all documents that support or evidence the accuracy of the proposed information.

Futures advice

- 2.6 Pursuant to section 93AA of the ASIC Act, CTG undertakes, until it holds either a futures brokers licence or a futures advisers licence, not to make any information available, on or by the internet, that can be accessed by any person located in Australia and that refers to futures contracts.
- 2.7 Pursuant to section 93AA of the ASIC Act, Mr Ivanovski undertakes, until CTG holds either a futures brokers licence or a futures advisers licence, to ensure that CTG will not make any information available, on or by the internet, that can be accessed by any person located in Australia and that refers to futures contracts.
- 2.8 Pursuant to section 93AA of the ASIC Act, Mr Ivanovski undertakes, until he holds either a futures brokers licence, a futures advisers licence, a proper authority from a holder of a futures brokers licence or a proper authority from a holder of a futures advisers licence, not to make any information available, on or by the internet, that can be accessed by any person located in Australia and that refers to futures contracts.

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Website statements

- 2.9 Pursuant to section 93AA of the ASIC Act, CTG and Mr Ivanovski jointly and severally undertake, within 5 days of the date of this undertaking, to cause for a period of 90 days, the following statements to be made, prominently on the front page at <http://www.effect.net.au/cpcl>, <http://www.effect.net.au/vanuatu> and any other internet site that has at any time promoted CTG:

“The Australian Securities and Investments Commission (“ASIC”) has made inquiries regarding material made available on the internet at <http://www.effect.net.au/cpcl> (“Website Material”).

The Website Material was made available by The Capital Trading Group Limited Nr 025650, a company incorporated in Vanuatu, and Mr Petar Ivanovski of Canberra, Australia (also known as Mr Petar Johnson).

As a consequence of the inquiries ASIC has reason to suspect that until 17 March 2000 the site involved contraventions of sections 601CD, 995, 999, 1143, 1261 and 1262 of the Corporations Law.

In particular ASIC has reason to suspect that the site contained misleading statements regarding securities and advice concerning futures contracts from persons who were not, but should have been, licensed or authorised to provide the advice.

If you want to discuss this issue with ASIC please contact Mr Mark Howard of ASIC, Manager of Major Corporates, Canberra Regional Office at mark.howard@asic.gov.au or by telephone on (02) 6250 3800.”

- 2.10 Pursuant to section 93AA of the ASIC Act, Mr Ivanovski undertakes to be responsible for ensuring that CTG complies with the undertakings given by CTG in this undertaking.
- 2.11 Until otherwise notified by ASIC, Mr Mark Howard, a staff member of ASIC’s Canberra Regional Office, will be ASIC’s representative in relation to issues of compliance under this undertaking.

3. ACKNOWLEDGMENTS

- 3.1 CTG and Mr Ivanovski acknowledge that ASIC:
- (a) may issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC which led to its execution;
 - (b) may from time to time publicly refer to this undertaking; and
 - (c) will make this undertaking available for public inspection.
- 3.2 CTG and Mr Ivanovski acknowledge that this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking.

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3.3 CTG and Mr Ivanovski acknowledge that this undertaking has no operative force until accepted by ASIC.

Signed by Petar Ivanovski)
in the presence of)

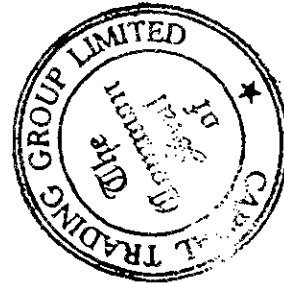
[Handwritten Signature]
Signature

[Handwritten Signature]
Signature of witness

Megan Ramsay Macfarlane
Name of witness (print)

15 London Circuit, Calamba ACT 2601
Address of witness

The Common Seal of)
The Capital Trading Group Limited Nr 025650)
was affixed to this Enforceable Undertaking)
in the presence of:)



[Handwritten Signature]
Signature of Director

Signature of Director/Secretary

PETAR IVANOVSKI
Name of Director (print)

Name of Director/Secretary (print)

This twelfth day of April 2000.

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

[Handwritten Signature]
Ronald James Ladlay
Acting Regional Commissioner

This 13th day of April 2000.