

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

SECTION 93AA

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

**Daniel Gerard Mulcahy
88 Scaforth Crescent
SEAFORTH NSW 2092**

1. BACKGROUND

1.1 ASIC has conducted an investigation in relation to suspected contraventions of sections 995, 997 and 998 of the Corporations Law in relation to dealings in the securities of Ebet Limited by Daniel Gerard Mulcahy ("Mulcahy") on the Australian Stock Exchange Limited ("ASX") on 9 May 2000 and 11 May 2000.

1.2 As a result of the investigation, ASIC has reason to suspect that Mulcahy:

- (a) has contravened section 995 and 998(1) of the Corporations Law by reason of the facts set out in paragraphs 1.7, 1.8 and 1.9 below;
- (b) did not perform the duties of a securities representative efficiently, honestly and fairly by reason of the facts set out in paragraphs 1.7, 1.8 and 1.9 below;
- (c) ~~will~~ ^{may} not in the future perform the duties of a securities representative efficiently, honestly and fairly by reason of the facts set out in paragraphs 1.7, 1.8 and 1.9 below.

1.3 ASIC has the power pursuant to section 829 of the Corporations Law to make a banning order against a natural person if, inter alia:

- (a) he has contravened a securities law;
- (b) ASIC has reason to believe that he has not performed efficiently, honestly and fairly the duties of a representative of a dealer; or
- (c) ASIC has reason to believe that he will not perform efficiently, honestly and fairly the duties of a representative of a dealer.

1.4 Section 830 of the Corporations Law provides that ASIC, after complying with section 837(2), may make a banning order to prohibit a person permanently, or for a specified period, from doing an act as:

- (a) a representative of a dealer; and/or
- (b) a representative of an investment adviser.

1.5 ASIC has agreed to accept the commitments in this undertaking as an alternative to the exercise of the power referred to in paragraph 1.3 and 1.4 above.

- 1.6 At all material times, Mulcahy was the national sales manager with HSBC Bank (Australia) Limited ("HSBC"), and held a proper authority from HSBC (the holder of a dealer's licence).
- 1.7 At or about 3:59 pm on 9 May 2000, Mulcahy placed an order to buy Ebet shares on ASX with HSBC InvestDirect (Australia) Limited. The effect of the trade was to cause the closing price of the securities of Ebet on ASX to increase immediately prior to the close of trading, and equalled the highest traded price on that day.
- 1.8 At or about 3:58 pm on 11 May 2000, Mulcahy placed a further order to buy Ebet shares on ASX with HSBC InvestDirect (Australia) Limited. The effect of the trade was to cause the closing price of the securities of Ebet on ASX to increase immediately prior to the close of trading, and set the highest traded price on that day.
- 1.9 At the time of placing the orders referred to at paragraphs 1.7 and 1.8 above, Mulcahy was aware that the trades would most likely be the last trades in the securities of Ebet on ASX on 9 May 2000 and 11 May 2000 respectively, and were therefore intended to set the closing price higher.
- 1.10 HSBC terminated Mulcahy's employment on 16 May 2000, and Mulcahy has not acted as a representative of a dealer since that time.
- 1.11 Mulcahy acknowledges the concerns of ASIC referred to above and accordingly offers the undertakings set out in section 2 below.

2. UNDERTAKINGS

Pursuant to section 93AA of the Australian Securities and Investments Commission Act ("ASC Law"), Mulcahy gives the following undertakings:

- 2.1 Mulcahy will not for a period of 6 months commencing 16 May 2000:
 - (a) do any act or engage in any conduct as a representative of a dealer (as defined by the Corporations Law from time to time);
 - (b) hold out that he is a representative of a dealer;
 - (c) hold a proper authority from a dealer;
 - (d) carry on the business of a securities dealer either directly or indirectly as a director, partner, manager, servant or agent; or
 - (e) apply to ASIC for a dealers licence.
- 2.2 Prior to recommencement as a representative of a dealer, and/or recommencing the carrying on of a securities business, at the expiration of the 6 month prohibition, Mulcahy will enrol in, attend 80% of lectures, complete all course work and use his best efforts to achieve at least a passing grade in the Securities Industry Law and Ethics course offered by the Securities Institute of Australia, and provide certification of his results to the Director of Enforcement, NSW Regional Office of ASIC.
- 2.3 Mulcahy will pay the costs incurred by ASIC as a result of its Investigation.



3. ACKNOWLEDGMENTS

3.1 Mulcahy acknowledges 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;
- (c) will make this undertaking available for public inspection.

3.2 Mulcahy acknowledges 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.

3.3 Mulcahy acknowledges that ASIC's acceptance of this undertaking does not affect ASIC's power to investigate a contravention arising from past or future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a civil pecuniary order against Mulcahy.

3.4 Mulcahy acknowledges that this undertaking has no operative force until accepted by ASIC.

Signed by DANIEL)
 GERARD MULCAHY)
 in the presence of:)

Signature:
 Name in print: DANIEL MULCAHY
 This 27th day of July 2000

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

Jan Redfern

 Jan Redfern
 General Counsel
 NSW Operations

This day of July 2000

