



ENFORCEABLE UNDERTAKINGS

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

Section 93AA Australian Securities & Investments Commission Act 1989

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

Mr Ian William SNOOK
53 Linden Avenue
HAZELWOOD PARK
SA 5066.

1. Background

- 1.1 Golconda Resources ("Golconda") was a business name registered in South Australia on 21 February 1996. The stated nature of its business was the sourcing and placement of investment finance. Snook among others owned the Golconda business name.
- 1.2 The Wattle Group ("Wattle") was a business name registered in Queensland by Geoffrey Robert Dexter ("Dexter").
- 1.3 From about October 1993, Wattle provided an investment scheme whereby persons could invest funds by way of loan to Wattle ("the Wattle investment scheme"). The stated purpose for Wattle borrowing money from investors was for it to provide short term bridging finance.
- 1.4 During 1997 and 1998, Golconda promoted an investment scheme whereby persons could invest funds by way of loan to Golconda ("the Golconda investment scheme"). The stated purpose for Golconda borrowing money from investors was for it to provide short term bridging finance. However, funds lent to Golconda were, instead, invested in the Wattle investment scheme.
- 1.5 Although Wattle invested some of the money loaned to it, the rates of return required by Wattle to meet its obligations to investors was not achievable and much of the money was used to meet Wattle's interest obligations to investors, repayment of capital to existing investors, and paying commission.
- 1.6 Between 1995 and 1998, Snook arranged for persons to invest funds in the Wattle investment scheme.
- 1.7 In addition, during 1997 and 1998, Snook arranged for persons to invest in the Golconda investment scheme.
- 1.8 In 1998 Dexter was made a bankrupt and companies associated with the Wattle Group wound up.

- 1.9 As a result, ASIC conducted an investigation into Snook's conduct in arranging investments in the Wattle and Golconda investments schemes. From its investigation the ASIC has formed the view that:
- 1.9.1 during 1997 and 1998, Snook carried on a securities business under the name of Golconda Resources.
 - 1.9.2 at the time Snook carried on that securities business, he did not hold a dealer's licence pursuant to the Law in contravention of section 780 of the Law;
 - 1.9.3 in arranging investments in the Wattle and Golconda investment schemes, Snook offered a prescribed interest contrary to sections 1064 and 1065 of the Law.
 - 1.9.4 Snook engaged in conduct that was contrary to section 995 of the Law in that arranging investments in the Golconda investment, Snook authorised representations to be made that
 - 1.9.4.1 Golconda was subject to twice yearly audits;
 - 1.9.4.2 funds would be invested by way of loans to solicitors, fund agents and the provision of bridging finance to finalise large scale building projects; and
 - 1.9.4.3 Golconda had been involved in investing for clients in bridging finance since 1994

which representations were untrue.

- 1.10 Snook acknowledges ASIC's concerns and in the light of those concerns he has provided the undertakings set out below.

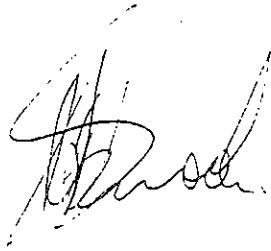
2. Undertakings

- 2.1 Pursuant the section 93AA of the Australian Securities and Investments Commission Act, Snook hereby undertakes that for a period of ten years from the date of this undertaking, Snook will not directly or indirectly:
- 2.1.1 carry on or hold out that he carries on, a securities business ;
 - 2.1.2 carry on or hold out that he carries on, an investment advice business;
 - 2.1.3 do an act as a representative of a dealer or of an investment adviser.

3. Acknowledgments

- 3.1 Snook acknowledges that:
 - 3.1.1 ASIC may issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC which lead to its execution;
 - 3.1.2 ASIC may from time to time publicly refer to this undertaking;
 - 3.1.3 ASIC will make this undertaking available for public inspection.
- 3.2 Snook acknowledges that this undertaking in no way derogates from the rights and remedies available to ASIC or to any other person or entity arising from any conduct described in this undertaking.
- 3.3 Snook acknowledges that ASIC's acceptance of an enforceable undertaking does not affect ASIC's power to investigate a contravention arising from future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a pecuniary civil order.
- 3.3 Snook acknowledges that this undertaking has no operative force until accepted by ASIC.

SIGNED by)
IAN WILLIAM SNOOK)
 in the presence of:)



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 Witness

Name: T.M. HAWKER
 Address: 93 CARRINGTON STREET
 ADELAIDE

ACCEPTED BY the Australian)
 Securities & Investments)
 Commission pursuant to the)
 ASIC Act section 93AA by its)
 duly authorised delegate)

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 Karen Axford

Regional Commissioner of the
 South Australian Regional Office