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**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 Mark Alan Taylor  
8 Hallett Road  
WATTLE 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. Mr Mark Alan Taylor ("Mr Taylor") 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 1996 and 1998, Mr Taylor arranged for persons to invest funds in the Wattle investment scheme.
- 1.7 In addition, during 1997 and 1998, Mr Taylor 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 the Wattle investment scheme, including Mr Taylor's conduct in arranging investments in the Wattle and Golconda investment schemes. From its investigation the ASIC has formed the view that:
- 1.9.1 during 1997 and 1998, Mr Taylor carried on a securities business under the name of Golconda Resources;
  - 1.9.2 at the time Mr Taylor carried on that securities business, he did not hold a dealer's licence issued under the Corporations Law ("the Law") and thereby contravened section 780 of the Law;
  - 1.9.3 in arranging investments in the Wattle and Golconda investment schemes, Mr Taylor offered a prescribed interest contrary to sections 1064 and 1065 of the Law; and
  - 1.9.4 Mr Taylor engaged in conduct that was contrary to section 995 of the Law in that in arranging investments in the Golconda investment, Mr Taylor made or 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 Mr Taylor 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, Mr Taylor hereby undertakes that for a period of ten years from the date of this undertaking, Mr Taylor will not directly or indirectly do an act as a representative of a dealer or of an investment adviser.

3. Acknowledgments

3.1 Mr Taylor 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 Mr Taylor 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 Mr Taylor 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.

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

SIGNED by )  
MARK ALAN TAYLOR )  
in the presence of: )

*MA TAYLOR*  
*Ch. Stobart*

..... COLIN ..... MARTIN .....

Witness Name:

Address: 11 JOHN ST  
MORPHET VLE  
SA 5162

This 14<sup>th</sup> day of NOVEMBER 2000.

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

*K. J. Oxford*  
.....  
Karen Oxford  
Regional Commissioner of the  
South Australian Regional Office

This 15<sup>th</sup> day of November 2000.