

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

SECTION 93AA

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

Levi Mochkin
9/99 William Street
MELBOURNE VIC 3000

1. BACKGROUND

- 1.1 Levi Mochkin ("Mochkin") held a proper authority with Bell Securities Ltd from 2 October 1995 to 6 December 1999.
- 1.2 ASIC has conducted an investigation in relation to suspected contraventions of sections 997 and 998 of the Corporations Act 2001 ("Law") in relation to trading activity conducted by Mochkin in various securities listed on the Australian Stock Exchange Limited.

Concerns of ASIC

- 1.3 During the course of the investigation, ASIC had concerns that, in relation to trading in the shares of Australian Gold Resources Ltd, Johnson's Well Mining Ltd and Quantum Resources Ltd during the period 1 August 1997 to 30 October 1998, Mochkin may have contravened sections 997 and 998 of the Law or may have acted in a manner that was not honest, efficient and fair. During this period, ASIC had concerns that Mochkin:
 - Dominated the market for the shares;
 - Exercised a wide discretion in relation to timing and price of orders when executing orders to buy and sell the shares for various clients;
 - Failed to buy available shares when he had outstanding orders;
 - Caused trades to be executed at prices higher than the last sale price;
 - Placed bids within 20 minutes before the close of the market;
 - Executed trades for clients when there were prior outstanding orders for other clients;
 - Placed bids for clients without written orders or in excess of existing orders;
 - Had outstanding buy/sell orders at the same time for the same client and failed to execute those orders;
 - Failed to complete buy orders for clients;
 - Bought shares at prices in excess of client's instructions.

ASIC's powers

- 1.4 ASIC has power pursuant to section 829 of the Law to make a banning order against a natural person if:
- (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.
- 1.5 Section 830 of the 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
 - (a) a representative of an investment adviser.
- 1.6 A notice of hearing was given, however, no hearing into the concerns of ASIC has been conducted by ASIC pursuant to section 837(2) of the Law.
- 1.7 Without admitting the concerns of ASIC, Mochkin acknowledges the concerns and offers the undertakings set out in paragraph 2 below.
- 1.8 ASIC has agreed to accept the commitments in this undertaking as an alternative to the exercise of power referred to in paragraphs 1.4 to 1.6 above.

2. UNDERTAKINGS

Pursuant to section 93AA of the Australian Securities and Investments Commission Act 2001, Mochkin gives the following undertakings:

- 2.1 Mochkin will not:
- (a) do any act or engage in any conduct as a representative of a dealer (as defined by the 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) hold out that he holds a proper authority from a dealer;
 - (e) do any act or engage in any conduct as a representative of an investment adviser (as defined by the Law from time to time);

- (f) hold out that he is a representative of an investment adviser;
- (g) hold a proper authority from an investment adviser;
- (h) hold out that he holds a proper authority from an investment adviser;
- (i) carry on the business of a securities dealer either directly or indirectly as a director, partner, manager, servant or agent;
- (j) carry on the business of an investment adviser either directly or indirectly as a director, partner, manager, servant or agent.

3. ACKNOWLEDGMENTS

3.1 Mochkin acknowledges that ASIC:

- (a) may issue a media release on the 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 Mochkin 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 Mochkin acknowledges that this undertaking has no operative force until accepted by ASIC;

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

Signed by Levi Mochkin
In the presence of:



Signature:.....
 Name in print:..... A. H. May
 Date:..... 3 October 2001

ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION PURSUANT TO SECTION 93AA OF THE AUSTRALIAN
SECURITIES AND INVESTMENTS COMMISSION ACT 2001 BY ITS DULY
AUTHORISED DELEGATE:



Jamie Orchard
Director of Enforcement

Date: 3 DECEMBER 2001