



ASIC

Australian Securities & Investments Commission



ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

Section 93AA Australian Securities & Investments Commission Act 2001

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

Robert Karl Grossman
20 Atheldene Road
Happy Valley, South Australia 5159

Background

- 1 Robert Karl Grossman ("Robert Grossman") was from about 31 March 1998 involved in the management of and was, from 1 November 1999, a director of Onkourse Pty Ltd ACN 061 000 646 ("Onkourse") which traded as Onkourse Resources Group and Onkourse Financial Group. From 14 January 2000 to 12 April 2001 Robert Grossman was a director of Brink Technology Pty Ltd ACN 091 194 937 ("Brink") He was also a director of Earn & Learn (Educational Systems) Pty Ltd ACN 090 045 088 ("Earn & Learn") from 10 January 2000 to 23 August 2000.
- 2 From 21 July 1993 until it was placed under external administration in February 2001, Onkourse operated a financial services business. From about 31 March 1998, Onkourse's business included mortgage refinancing and arranging a line of credit, arranging insurance, accounting services, business development and wealth creation. Under the banner of its wealth creation activities, Onkourse sought investment funds from its clients - and others - for specific purposes or schemes.
- 3 ASIC is investigating the activities of Onkourse and persons and entities associated with Onkourse and ASIC is of the view that this fundraising was carried out in contravention of Chapter 5C of the Corporations Law.
- 4 Some of the fundraising was for schemes external to Onkourse and its associates, including schemes known as Netlink, Eboxes, The Southern Australia Shipping Company Pty Ltd ACN 086 259 145 ("SASCO") and National Internet Service Provider Project ("NISPP"); other fundraising was conducted for schemes or

entities associated with Onkourse or its directors, including Earn and Learn and Brink.

- 5 Monies received by Onkourse, including fees and commissions and investor funds were frequently paid into Onkourse's operating account and applied without regard to the origin of the funds and the purpose for which they were received. Although ultimately several of the schemes received approximately the amount of funds raised for that purpose, Onkourse's books and records did not distinguish or separate the funds or reflect to whose account the funds should be credited.
- 6 Money was paid from Onkourse's account on a needs basis, whether for Onkourse's activities, director's fees and expenses or investment funds including investment funds for Earn & Learn and Brink. Onkourse's books do not clearly set out how much was raised and how much was paid out to each scheme entity, although it is clear that not all investor monies raised for these schemes went into the schemes.
- 7 In particular in relation to NISPP, a total of \$377,500 appears to have been raised, the scheme did not proceed, and the investment funds were dissipated in Onkourse's operational costs.
- 8 In addition, when NISPP investors sought refunds, some were offered a profit share in Brink in lieu of a refund. Brink received no money in exchange for that right.
- 9 In particular, ASIC is concerned that:
 - 9.1 Meetings of Onkourse, Earn & Learn and Brink usually took place together and although it is claimed that the meetings took place sequentially, it is clear from the minutes that the business of the three companies was dealt with in a conglomerate manner
 - 9.2 Funds of Onkourse, Earn & Learn and Brink, together with investors funds for other projects were intermingled in Onkourse's operating account;
 - 9.3 From at least July 2000 Onkourse was not generating enough in fees and Commissions to meet its outgoings and was using investor funds as operating capital;
 - 9.4 From at least July 2000 Onkourse was trading whilst insolvent;
 - 9.5 The affairs of Onkourse, Earn and Learn and Brink were not carried out with the required level of care and diligence by the directors,
 - 9.6 Brink has suffered detriment from its officers offering interests in Brink without any consideration moving to Brink in return therefore;
 - 9.7 The financial records of Onkourse, Earn and Learn and Brink do not adequately set out those companies' financial position
- 10 Robert Grossman acknowledges ASIC's concerns set out above.

Undertakings

11 Pursuant to Section 93AA of the Australian Securities and Investments Commission Act 2001, Robert Grossman hereby undertakes:

11.1 For a period of ten years from the date of hereof:

11.1.1 not to be involved in the management of a corporation;

11.1.2 not to do any act as an officer of a corporation;

11.1.3 not to apply or permit another to apply on his behalf to be registered as a director of a corporation.

Acknowledgements

12 Robert Grossman acknowledges that:

12.1 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;


12.2 ASIC may from time to time publicly refer to this undertaking

12.3 ASIC will make this undertaking available for public inspection

13 Robert Grossman acknowledges that ASIC's acceptance of this undertaking in no way derogates from the rights and remedies available to ASIC or any other person arising from any conduct described in this undertaking.

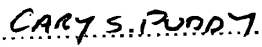
14 Robert Grossman acknowledges that ASIC's acceptance of an enforceable undertaking does not affect ASIC's power to investigate a contravention arising from future conduct, or pursue criminal prosecution, or its power to lay charges or seek a pecuniary civil order.


15 Robert Grossman acknowledges that this undertaking has no operative force until accepted by ASIC.

SIGNED by: 
Robert Karl Grossman

This 31st day of October 2001

In the presence of:

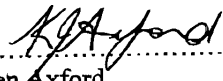

Witness:


Name: (print)

8th Floor, 100 Raine St. Adelaide 5000
Address:

This 31st day of October 2001

ACCEPTED BY the Australian)
Securities & Investments)
Commission pursuant to the)
ASIC Act 2001 section 93AA by its)
duly authorised delegate)


Karen Axford
Regional Commissioner South Australia
Australian Securities & Investments Commission

This 13th day of December 2001