



ASIC

Australian Securities & Investments Commission

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

SECTION 93 AA

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

**Ashley James Brandon
125 Boundary Road
BARDON QLD 4065**

1 BACKGROUND

- 1.1 ASIC has conducted an investigation in relation to compliance issues concerning sections 851 and 849 of the Corporations Act ("the Act") in relation to the conduct of Mr Ashley James Brandon ("Brandon") in 2000 and 2001. Specifically, the investigation related to Brandon's conduct concerning securities recommendations made to a client of HP JDV Ltd ("the client").
- 1.2 Brandon held a Proper Authority from HP JDV Ltd ("HP JDV") from 13 January, 1997, when he became a proper authority holder for Pembroke Josephson Wright Ltd. Pembroke Josephson Wright Ltd was acquired by Hartley Poynton Ltd (now known as HP JDV Ltd) in July 1999. Between 23 December 1999 and March 2000, Brandon held a Proper Authority as a securities representative of HP JDV ("the relevant period"). Brandon's proper authority ceased with HP JDV on 19 October, 2001.
- 1.3 On 23 December 1999, Brandon agreed to buy as part of a private placement, 300,000 Goldsearch ordinary shares at 5 cents each.
- 1.4 On or about 6 January 2000, following an application by Planet Capital Pty Ltd ("Planet Capital") to Goldsearch Ltd ("Goldsearch"), Goldsearch issued Planet Capital 12,600,000 shares of which 300,000 were applied to Brandon in the name of his wife, Natalie Jane Brandon.

2 CONCERNS OF ASIC

As a result of its investigations, ASIC identified the following concerns that Brandon did not and will not perform the duties of a securities representative efficiently, honestly and fairly.

On or about 5 January 2000, Brandon may have contravened section 849 of the Act in that Brandon made a securities recommendation to the client and did not disclose particulars of:

- A benefit or advantage which Brandon might have received in connection with dealing with the client as a result of the recommendation; or
- An interest held by Brandon that may reasonably be expected to be capable of influencing him in making the recommendation; or
- Brandon did not disclose to the client, his beneficial interest in Goldsearch shares.

- 2.1 Between 5 January 2000 and 17 January 2000, Brandon failed to comply with section 851 of the Act in that he made recommendations to the client in relation to Goldsearch shares and he did not have a reasonable basis for the recommendation.
- 2.2 Between 5 January 2000 and 17 February 2000, Brandon failed to comply with ASX Business Rule Guidance Note 7/96 in relation to telephone recommendations made by Brandon to the client.
- 2.3 Between 5 January 2000 and 17 February 2000, Brandon failed to comply with the HP JDV Compliance Manual in that he failed to keep any adequate record of recommendations made by him to the client.
- 2.4 On or about 5th January 2000, Brandon may have breached his fiduciary duty to the client by not disclosing to him all relevant knowledge possessed by him that might reasonably be regarded as relevant to the making by the client of an investment decision.

3. ACKNOWLEDGEMENT OF ASIC's CONCERNS

- 3.1 ASIC has the power pursuant to sections 829 and 830 of the Act to make a banning order against a natural person in certain circumstances either permanently or for a specific period, who fail to act efficiently, honestly and fairly.
- 3.2 In agreeing to accept the commitments in this undertaking as an alternative to the exercise of powers referred to in paragraph 3.1 herein, Brandon **acknowledges** ASIC's concerns that he has not adequately performed his duties in the securities industry as a representative of a securities dealer.

4. UNDERTAKINGS

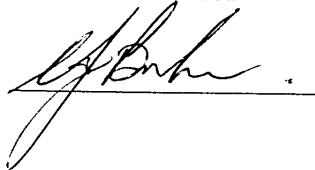
- 4.1 Pursuant to section 93AA of the Australian Securities and Investments Commission Act ("ASIC Act"), Brandon **UNDERTAKES** that he **will not** for a period of 18 months commencing 1 December 2001 and concluding on 1 June 2003 (the "said period"):
- 4.1.1 do any act or engage in any conduct as a representative of a securities dealer, an investment adviser, a futures broker, a futures adviser, or a securities representative or futures representative, including holding himself out to be such a representative;
 - 4.1.2 investment scheme including, a regulated superannuation fund, an approved deposit fund, a pooled superannuation trust, or a public offer, superannuation scheme within the meaning of the Superannuation Industry (Supervision) Act 1993.
- 4.2 Pursuant to section 93AA of the ASIC Act, Brandon **UNDERTAKES** that he **will during** the said period:
- 4.2.1 complete courses accredited by the Financial Planning Association of Australia or the Securities Institute of Australia and approved by ASIC in relation to the following:
 - (a) Risk Management;
 - (b) Compliance procedures; and
 - (c) ASIC Policy Statements and ASX Business Rules and Guidance Notes.
 - 4.2.2 provide a Statutory Declaration by 1 June, 2003 to ASIC confirming the education undertaking referred to in paragraph 4.2.1 herein has been complied with, together with a letter from the relevant education institution by 1 June, 2003 confirming that courses mentioned in 4.2.1 have been completed.

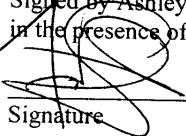
5. ACKNOWLEDGEMENTS

- 5.1 Brandon acknowledges that he has obtained legal advice in relation to the content and effect of this undertaking.
- 5.2 Brandon acknowledges and agrees that ASIC:
- 5.2.1 will from time to time publicly refer to this undertaking; and
 - 5.2.2 will make this undertaking available for public inspection.
- 5.3 Brandon acknowledges that this undertaking has no operative force until accepted by ASIC.

- 5.4 Brandon acknowledges that this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking.
- 5.5 If a clause in this undertaking is invalid, illegal or unenforceable, then that clause to the extent of the invalidity, illegality or unenforceability must be ignored in the interpretation of this undertaking. All other clauses of this undertaking remain in full force and effect.

Signed by Ashley James BRANDON)
in the presence of:)

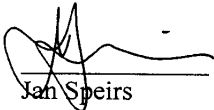



Signature

FREDRICK PAUL SMITH
Name (printed)

LEVEL 16, 345 QUEEN ST, BRISBANE
Address

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



Jan Speirs
Assistant Director, Enforcement, Queensland

This 18th day of December, 2001.