

ENFORCEABLE UNDERTAKING

Section 93AA

Australian Securities and Investments Commission Act 2001 ("ASIC Act")

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

Arif Fareed ("Mr. Fareed")

Suite 2/24 Albert Road,
South Melbourne VIC 3205.

1. Background

- 1.1. The Australian Securities and Investments Commission ("ASIC") has conducted an investigation in relation to suspected contraventions of the old Corporations Act (as defined in section 1410 of the Corporations Act 2001) in connection with a business conducted by Mr. Fareed between 1994 and 2002 ("the Relevant Period").
- 1.2. The business conducted by Mr. Fareed involves providing accounting, taxation and financial planning advice to clients from premises at 24 Albert Road, South Melbourne VIC 3205.
- 1.3. During the Relevant Period Mr. Fareed held various proper authorities from various securities licensees including:
 - (a) Financial Wisdom Ltd from 1 November 1989 to 31 July 2000;
 - (b) Woods & Forest Management Ltd from 1 June 1993 to 19 February 2002;
 - (c) Kamisha Corporation Ltd from 5 August 1996 to 12 November 1999;
 - (d) HHE Management Ltd from 4 June 1996 (current);
 - (e) Ausdef Ltd from 1 July 1997 (current); and
 - (f) Lifespan Financial Planning Pty Ltd from 31 July 2000 to 28 June 2002.

2. Concerns of ASIC

2.1 ASIC's investigation identified that during the relevant period:

- (a) contrary to section 88 of the old Corporations Act, proper authorities held by Mr. Fareed were not cross-endorsed;
- (b) contrary to section 849 of the old Corporations Act, Mr. Fareed rendered accounts to clients net of rebated commission but did not disclose the value of the commissions, fees or any other benefits or advantages that he received;
- (c) contrary to regulation 7.03.02B of the Corporations Regulations 1990, Mr. Fareed failed to provide a copy of the Advisory Services Guide to his clients when he gave advice to those clients;
- (d) contrary to section 781 of the old Corporations Act, Mr. Fareed made securities recommendations to clients that were not authorised by his principals.

2.2 ASIC has the power pursuant to sections 829 and 830 of the old Corporations Act to make an order banning a natural person who fails to act efficiently, honestly and fairly from doing an act as a representative of a dealer or of an investment adviser either permanently or for a specified period.

2.3 ASIC has agreed to accept the commitments in this enforceable undertaking as an alternative to the exercise of the powers referred to in paragraph 2.2 above.

3. Undertakings

3.1 Mr. Fareed gives the following enforceable undertaking to ASIC pursuant to section 93AA of the ASIC Act.

3.2 Mr. Fareed undertakes that:

- (a) within 14 days of signing this enforceable undertaking he will:
 - i) inform each of the clients listed in attachment "A", in writing in the form of attachment "B", of the signing of this enforceable undertaking and will attach to that letter a complete copy of this enforceable undertaking (excluding attachments "A" and "B");
 - ii) inform H.H.E. Management Ltd and Ausdef Ltd, in writing, of the signing of this enforceable undertaking and will attach to that letter a complete copy of this enforceable undertaking (excluding attachments "A" and "B"); and
- (b) within 21 days of signing this enforceable undertaking he will provide to ASIC copies of all communications referred to in sub-paragraph 3.2 (a).

- 3.3 Mr. Fareed also undertakes that from the time of signing this undertaking he will not:
- (a) do any act or engage in any conduct as, or hold out that he is, a representative of a dealer or an investment advisor (as defined in the old Corporations Act);
 - (b) hold, or hold out that he holds, a proper authority from a dealer or an investment adviser (as defined in the old Corporations Act);
 - (c) carry on a securities business or hold out that he carries on such a business (as defined in the old Corporations Act);
 - (d) carry on an investment advice business or hold out that he is an investment advisor (as defined in the old Corporations Act);
 - (e) carry on a financial services business or hold out that he is holds an Australian Financial Services Licence (as defined in the Corporations Act 2001);
 - (f) apply to ASIC under section 911A of the Corporations Act 2001 for an Australian Financial Services Licence;
 - (g) become an authorised representative of an Australian Financial Services Licence holder.

4. Acknowledgement of ASIC's concerns

- 4.1 Mr. Fareed acknowledges that he has had the opportunity to obtain legal advice in relation to the content and effect of this enforceable undertaking.
- 4.2 Mr. Fareed acknowledges that ASIC:
- (a) may issue a media release on or at any time after the execution of this enforceable undertaking referring to such terms that ASIC determines and which led to the execution of this enforceable undertaking;
 - (b) will make this enforceable undertaking available for public inspection; and
 - (c) may from time to time publicly refer to this enforceable undertaking.
- 4.3 Mr. Fareed acknowledges that ASIC's acceptance of an enforceable undertaking does not affect ASIC's power to pursue a criminal prosecution, or to lay charges, or to seek a pecuniary civil order, or to investigate a contravention arising from future conduct.

4.4 Mr. Fareed acknowledges that entering into this enforceable undertaking in no way derogates from the rights and remedies available to any person arising from any conduct described in this enforceable undertaking.

4.5 Mr. Fareed acknowledges that entering into this enforceable undertaking has no operative force until accepted by ASIC.



Signed by:

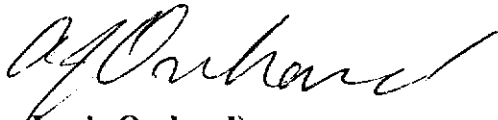
(Mr. Arif Fareed)

This 16th the day of August 2002

at: Melbourne

Australian Securities and Investments Commission

Accepted by the Australian Securities and Investments Commission pursuant to section 93AA of the Australian Securities and Investments Commission Act by its duly authorised delegate:



(Mr. Jamie Orchard)

Director

Enforcement - South West

Australian Securities and Investments Commission

This 16th the day of August 2002