

ENFORCEABLE UNDERTAKING
AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION
SECTION 93AA

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

Hedley Goodridge Insurance Agencies Pty Limited (ACN 003 746 674)
c/- D R Banks and Associates
Suite 2, Level 1
WOLLONGONG NSW 2500



AND

Robert Keith Ridley
19 Robinsville Crescent
THIRROUL NSW 2515


1. **BACKGROUND**
- 1.1 Hedley Goodridge Insurance Agencies Pty Ltd ("**Hedley Goodridge**") was registered as a general insurance broker under the Insurance (Agents & Brokers) Act 1984 ("**IABA**").
- 1.2 Robert Keith Ridley ("**Mr Ridley**") has been the sole director, secretary and shareholder of Hedley Goodridge since 1 December 1997.
- 1.3 On 31 May 2001 there was a hearing before an ASIC delegate under section 41 of IABA in relation to Hedley Goodridge's application for renewal of registration as a general insurance broker for the period 4 February 2001 to 3 February 2002 ("**Application for Renewal**").
- 1.4 On 2 July 2001 the ASIC delegate decided to refuse Hedley Goodridge's Application for Renewal ("**the Decision**") and this decision was served on Hedley Goodridge on 5 July 2001.
- 1.5 The consequence of the service of the Decision upon Hedley Goodridge was that from 5 July 2001, Hedley Goodridge was not permitted to carry on business as a general insurance broker.



- 1.6 On 2 May 2002 ASIC was advised that Hedley Goodridge had merged its general insurance business with that of Team Care Pty Limited trading as Teamcare Insurance Brokers ("**Team Care**") and that Mr Ridley now worked for that company.
- 1.7 Following an investigation pursuant to section 13 of the Australian Securities and Investments Commission Act 2001 ("**ASIC Act**"), ASIC has concerns that:
- (a) Hedley Goodridge continued to carry on business as a general insurance broker for a period of time after 5 July 2001 and thereby contravened section 19 of IABA in the period from 5 July 2001 until about 1 February 2002; and
 - (b) Mr Ridley intentionally or recklessly authorised the above contravention of IABA by Hedley Goodridge and thereby contravened section 40 of IABA.
- 1.8 Both Hedley Goodridge and Mr Ridley acknowledge ASIC's concerns as set out in this undertaking.
- 1.9 ASIC may seek a variety of remedies against Hedley Goodridge and Mr Ridley including obtaining injunctions under section 1324 of the Corporations Act 2001 ("**Corporations Act**") or seek banning orders against both Hedley Goodridge and Mr Ridley pursuant to section 920A of Corporations Act to prohibit them from providing financial services, which could include dealings in contracts of insurance.
- 1.10 Hedley Goodridge and Mr Ridley have offered, and ASIC has agreed to accept, an enforceable undertaking in the terms set out below as an alternative to determining whether or not ASIC should exercise the powers set out in paragraph 1.9 above.

2. **UNDERTAKINGS**

- 2.1 Hedley Goodridge undertakes to ASIC the following for the purpose of section 93AA of the ASIC Act:
- (a) it will not carry on any business as a general insurance broker, and
 - (b) it will not apply for an Australian financial services licence.
- 2.2 Mr Ridley undertakes to ASIC the following for the purpose of section 93AA of the ASIC Act:
- (a) he will not apply for an Australian financial services licence;
 - (b) he will not be involved in the management of any entity that either applies for, or holds, an Australian financial services licence;
 - (c) he will not be involved in the management of any entity that is registered as a general insurance broker under IABA;
 - (d) he will notify ASIC within 14 days of his ceasing employment with Team Care;

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- (e) he will notify ASIC within 7 days of his gaining new employment with any entity that:
 - (i) holds an Australian financial services licence;
 - (ii) is registered as a general insurance broker under IABA, or
 - (iii) carries on business as an insurance broker or insurance intermediary,
- (f) he will pay ASIC, within 28 days of the acceptance of this undertaking, the sum of \$10,000.00 representing certain costs and disbursements associated with the ASIC investigation

3. **ACKNOWLEDGMENTS**

3.1 Hedley Goodridge and Mr Ridley acknowledge that:

- (a) they have obtained legal advice in relation to the content and effect of this Enforceable Undertaking;
- (b) ASIC may issue a media release on execution of this Enforceable Undertaking referring to its terms and to the concerns of ASIC which led to its execution;
- (c) ASIC may from time to time refer publicly to this Enforceable Undertaking;
- (d) ASIC will make a copy of the Enforceable Undertaking available for public inspection;
- (e) ASIC's acceptance of an enforceable undertaking does not affect its power to investigate, conduct surveillance or pursue a criminal prosecution or its power to lay charges or seek a pecuniary penalty order;
- (f) this Enforceable Undertaking in no way derogates from the rights and remedies available to ASIC or any other person or entity arising from any conduct described in this undertaking; and
- (g) that this Enforceable Undertaking has no operative force until accepted by ASIC.



The Common Seal of Hedley Goodridge Insurance Agencies Pty Ltd A.C.N. 003 746 674 was affixed to this undertaking on 16 April 2003 in the presence of:

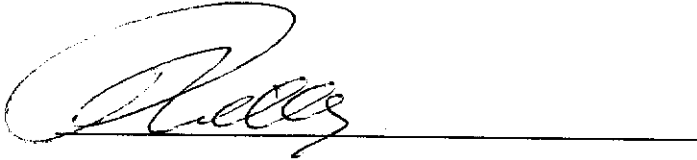


Director & Secretary

ROBERT KEITH RIDLEY

Print name

Signed by Robert Keith Ridley in the presence of:



Signature

ROBERT KEITH RIDLEY

Print name

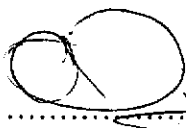
19 ROBINSONVILLE CRES THIRROON
NSW 2115

Address

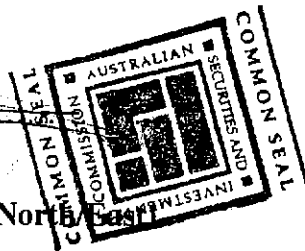


PETER BAHMANN, Solicitor
104 Crown Street,
Wollongong.

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



Allen Turton
Director of Enforcement (North East)



Dated 24 April 2003