

ENFORCEABLE UNDERTAKING

Section 93AA

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

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

Mr Christopher Dale Frederick ("Mr Frederick")
90 Gannons Road
CARINGBAH NSW 2229



1. Background

- 1.1. Mr Frederick was a holder of a proper authority from ARG Financial Group Limited ("ARGF") during the period 20 July 2000 to 18 July 2001.
- 1.2. ARG Management Group Limited was the Responsible Entity for a number of agricultural schemes. ARGF, through its authorised representatives recommended some of these schemes to clients of ARGF. One of the schemes recommended to clients was the Parkview Orchard Project.
- 1.3. ASIC commenced an investigation and as a result of that investigation, ASIC had reason to believe that Mr Frederick may have breached sections 849 and 851 of the Corporations Act 2001 and regulations 7.3.02B(2) and 7.3.02D(1) of the Corporations Regulations 2001 and may in future not comply with a financial Services Law (section 920A(1)(f) of the Corporations Act 2001), by reason of the matters set out in paragraphs 1.4 and 1.5 below.
- 1.4. ASIC is concerned that:
 - (a) Mr Frederick failed to advise investors of the receipt of a commission by him for their investment in the Parkview Orchard Project.
 - (b) Mr Frederick made recommendations to invest in the Parkview Orchard Project to persons who may have reasonably been expected to rely upon the recommendation, without having a reasonable basis for making the recommendation in that he made the recommendation without considering the investment objectives, financial situation and financial needs of those people.
 - (c) Mr Frederick failed to provide Advisory Services Guides to clients.
 - (d) Mr Frederick failed to give clear warnings to clients that:

- i. The recommendations made by him did not take into account the clients investment objectives, financial situation and particular needs: and
 - ii. Before making the investment, the clients needed to consider, with or without the assistance of a financial adviser, whether the advice was appropriate in light of the clients particular investment needs, objectives and financial circumstances.
- (e) Mr Frederick made misleading statements to investors in the Parkview Orchard Project concerning the security of their investment, the returns they would receive from their investment and the risks associated with the investment.
- (f) Mr Frederick did not perform efficiently, honestly and fairly the duties of a representative of a dealer in that he created and/or backdated documents relating to investors in the Parkview Orchard Project, which gave the appearance that he had:
- a) obtained basic financial details from those clients, including a risk profile;
 - b) provided the client with an advisory services guide;
 - c) advised the client that he (Mr Frederick) would be paid brokerage; and
 - d) given the client limited advice only in relation to his recommendation to invest in the Parkview Orchard Project.

1.5. ASIC is further concerned that on 10 April 2003, during an examination conducted pursuant to s19 of the ASIC Act, Mr Frederick made statements under oath, concerning:

- (a) the creation of the documents referred to in paragraph 1.4(f) above;
- (b) the provision of an Advisory Services Guide to clients who invested in the Parkview Orchard Project;
- (c) advising his clients that he would receive a commission for placing them in the Parkview Orchard Project;
- (d) the nature and frequency of training and supervision received by him

which were inconsistent with the information before ASIC.

2. Acknowledgement of ASIC's Concerns

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

- 2.2 Mr Frederick acknowledges ASIC's concerns and offers the commitments in this undertaking as an alternative to ASIC exercising its powers.

3. Undertakings

- 3.1 Pursuant to section 93AA of the ASIC Act, ASIC accepts the following undertakings from Mr Fredrick:

- (a) That he will not, for a period of three years commencing 2 April 2004 and ending 1 April 2007, do any act or engage in any conduct, whether directly or indirectly as an authorised representative of a person or entity which holds a license which authorises that person or entity to provide financial services under the Corporations Act;
- (b) That, if during the period 2 April 2004 to 1 April 2007, Mr Frederick is employed in any capacity by a person or entity which either holds a licence or is authorised by the holder of a licence to provide financial services under the Corporations Act, he will notify each and all of his employers about the requirements of the Enforceable Undertaking;
- (c) That after 1 April 2007 he will not do any act or engage in any conduct whether directly or indirectly as a representative of a person or entity which holds a license which authorises that person or entity to provide financial services under the Corporations Law, until he undertakes and successfully completes an appropriate course accredited by the Financial Planning Association or the Securities Institute of Australia and approved by ASIC.

4. General

- 4.1 Where ASIC, on reasonable grounds, has concerns about Mr Frederick's compliance with this undertaking Mr Frederick will, at ASIC's written request, provide ASIC officers with access to books and records so as to enable ASIC to determine whether or not Mr Frederick has complied with this undertaking.

5. Acknowledgements

- 5.1 Mr Frederick acknowledges and agrees that ASIC:

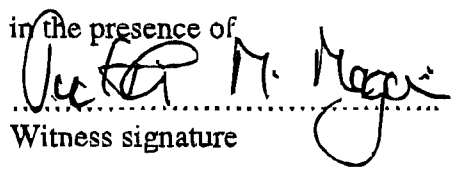
- a) may issue a media release on execution of this undertaking referring to the terms of the undertaking and the concerns of ASIC which led to its execution;
- b) may from time to time refer publicly to this undertaking;
- c) will make a copy of the executed undertaking available on a Public Register;
- d) has given him the opportunity to obtain legal advice in relation to the content of this Enforceable Undertaking and he has done so;

- e) has given him the opportunity of a hearing before an ASIC delegate pursuant to section 920A(2) of the Corporations Act 2001;
- f) Mr Frederick 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;
- g) Mr Frederick acknowledges that this undertaking does not affect ASIC's powers to investigate a contravention arising from past or future conduct;
- h) Mr Frederick acknowledged that the undertaking has no operative force until accepted by ASIC.

SIGNED by Christopher Dale Frederick

This 2nd day of April 2004)

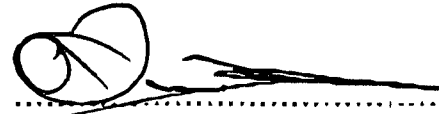

 Christopher Dale Frederick

in the presence of

 Witness signature

JUSTICE M. MAGUIRE
Print name

SWABS ATTORNEYS: SWABS HOUSE
Address LEVEL 5, 12 O'CONNELL ST. STONEY

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


 Allen Turton
 Deputy Executive Director, Enforcement
 Australian Securities and Investment Commission
 This day of April 2004