



ENFORCEABLE UNDERTAKING
AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT
SECTION 93AA

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

Jennifer Martine Sisson
5/50 Alexandra Parade
Maroochydore, QLD 4558

BACKGROUND

1. Ludgates Corporate and Investment Advisory Services Pty Ltd (ACN: 053 972 320) (in liquidation) ("Ludgates Corporate") was the holder of Dealers Licence no. 16249 ("the Licence") between 11 May 1992 and 31 May 2003 held pursuant to the *Corporations Law* (QLD) (NSW) (VIC) ("the *Corporations Law*").
2. Since about 1992 Ludgates Corporate carried on business in Queensland, New South Wales and Victoria as a dealer within the meaning of the *Corporations Law*.
3. On 29 August 2003, Ludgates Corporate was placed into liquidation.
4. At all material times, Benjamin Paul Whitehouse and Jennifer Martine Sisson carried on together, with a view of profit, a chartered accountants business ("Ludgates Accountants") known as "Ludgates Chartered Accountants". Ludgates Accountants conducted its business in Queensland, New South Wales and Victoria.
5. Jennifer Sisson was:
 - (a) appointed as a director of Ludgates Corporate on 6 October 1998;
 - (b) a holder of a proper authority from Ludgates Corporate;
 - (c) an employee, servant and agent of Ludgates Corporate; and
 - (d) qualified to carry on practice as a chartered accountant.
6. Benjamin Paul Whitehouse was:
 - (a) appointed as a director of Ludgates Corporate on 31 July 1998;
 - (b) appointed as a secretary of Ludgates Corporate on 1 October 2000;
 - (c) the "key person" nominated by Ludgates Corporate for the Licence;

- (d) a holder of a proper authority from Ludgates Corporate;
 - (e) an employee, servant and agent of Ludgates Corporate; and
 - (f) qualified to carry on practice as a chartered accountant.
7. Benjamin Paul Whitehouse and Jennifer Sisson were partners in Ludgates Accountants within the meaning of:
- (a) *The Partnership Act, 1891 (QLD)*;
 - (b) *The Partnership Act, 1892 (NSW)*; and
 - (c) *The Partnership Act, 1958 (VIC)*.
8. On 19 August 1999 Queensland Regional Office of ASIC commenced an investigation pursuant to section 13 of the *Australian Securities and Investments Commission Act ("ASIC Act")* against Ludgates Accountants and Ludgates Corporate in relation to a number of schemes.
9. This investigation resulted in February 2000 in Ludgates Accountants and Ludgates Corporate entering into an Enforceable Undertaking with ASIC pursuant to s.93AA of the *ASIC Act*.
10. On 29 February 2000, Ludgates Corporate and Ludgates Accountants gave a written undertaking ("the Undertaking") to ASIC pursuant to section 93AA of the *ASIC Act*.
11. Pursuant to the Undertaking, Ludgates Corporate and Ludgates Accountants undertook ("the Undertakings") that they would:
- (a) cease all promotion of the Shell Scheme and Seed Scheme; and
 - (b) take no further step in furtherance of the Shell Scheme or the Seed Scheme; and
 - (c) not collect any funds for investment in the Seed Program and that no further funds would be forwarded to any entity or person in the United States of America in relation to the Seed scheme or the Shell Scheme, without having first obtained the approval of ASIC.
12. As a result of complaints made to ASIC a surveillance was conducted of Ludgates Accountants and Ludgates Corporate.

13. The matter was referred to NSW Regional Office of ASIC. ASIC again commenced an investigation pursuant to section 13 of the *ASIC Act*, into the affairs of Ludgates Corporate and Ludgates Accountants for suspected contraventions of sections 601ED(5), 999,1000, 1018 and 1043B of the *Corporations Act*.

14. As a result of the surveillance and the investigation conducted to date, ASIC had the following concerns, namely that:
 - (a) contraventions of section 851 of the Corporations Law were committed by Ludgates Corporate, Ben Whitehouse and Jennifer Sisson in relation to investment advice provided to clients of Ludgates Corporate and Ludgates Accountants.

 - (b) the enforceable undertaking was not complied with by Ludgates Corporate and Ludgates Accountants in that Ludgates Corporate and Ludgates Accountants undertook the activities set out in paragraph 15 below; and

 - (c) on 15 August 2000, Ludgates Corporate and Ludgates Accountants entered into an agreement with Doyle Capital Management to extend the date for repayment of the monies advanced pursuant to the Shell Scheme.

15. ASIC had the concern that in breach of the Undertaking, between about August 2000 and January 2001, Ludgates Corporate and Ludgates Accountants, without the approval of the Commission:
 - (a) promoted, either directly or indirectly, the Seed Scheme to ("the 2000 Investors"):
 - (i) Good Fortune Pty Ltd;

 - (ii) Gemlist Pty Ltd;

 - (iii) Trimlint Pty Ltd;

 - (iv) Reginald Foden;

 - (v) Robert & Catherine Francis;

 - (vi) Dom Machado;

 - (vii) Richard & Carole Pyke-Nott; and

 - (viii) Peter Fitzpatrick, Bryce Fitzpatrick and Cheryl Fitzpatrick.

(b) caused, either directly or indirectly, the following sums ("the 2000 Funds") to be collected from the following persons on the following dates:

(i)	30 August 2000	Good Fortune Pty Ltd	\$80,000
(ii)	28 August 2000	Gemlist Pty Ltd	\$50,000
(iii)	28 August 2000	Trimlint Pty Ltd	\$96,330
(iv)	28 August 2000	Reginald Foden	\$9,640
(v)	28 August 2000	Robert & Catherine Francis	\$9,000
(vi)	28 August 2000	Dom Machado	\$20,000
(vii)	28 August 2000	Richard & Carole Pyke-Nott	\$50,000
(viii)	15/6/2000-9/1/2001	Peter Fitzpatrick, Bryce Fitzpatrick and Cheryl Fitzpatrick	\$77,111.66

(c) caused, either directly or indirectly, the 2000 Funds to be forwarded to an entity or person in the United States of America to acquire ("the Maxx Acquisition") shares in Maxx International Inc, being a corporation promoted through the Seed Scheme without first having obtained the approval of the Commission.

16. Jennifer Sisson acknowledges the concerns held by ASIC as identified in paragraphs 14 and 15 above and admits that she caused the funds referred to in paragraphs 15 (b) (i), (ii), (v), (vi) and (vii) above, to be forwarded to an entity or person in United States of America in furtherance of the Seed Scheme, without having first obtained the approval of the Commission, but otherwise she does not admit the matters set out in paragraphs 14 (a) and 15 above.
17. As a consequence of the Maxx Acquisition, each of the 2000 Investors have suffered loss or damage by reason of the fact that shares in Maxx International Inc have no or no real value.
18. ASIC commenced proceedings ("the Proceedings") in the Federal Court of Australia (matter number N3037 of 2003) seeking inter alia:
- (a) Declarations of contraventions of section 851 of the *Corporations Law* against Ludgates Corporate, Ben Whitehouse and Jennifer Sisson.
 - (b) Compensation orders under section 93AA(4) of the *Corporations Act* for breaches of the Undertaking against Ludgates Corporate, Ben Whitehouse and Jennifer Sisson.

- (c) Orders banning Ben Whitehouse and Jennifer Sisson from carrying on a securities business (as defined in section 93 of the *Corporations Law*) pursuant to section 1114 (1) (c) of the *Corporations Law* and section 1101B of the *Corporations Act*.

19. Whilst Jennifer Sisson notes the seriousness of the allegations made by ASIC in the Proceedings, she notes that no allegations have been made in the Proceedings that she personally made any securities recommendations to the investors identified in paragraphs 38 to 222 of the Second Amended Statement of Claim filed in the Proceedings and otherwise does not admit that she has any liability for contraventions of section 851 of the *Corporations Law*.

20. ASIC and Jennifer Sisson, being the Applicant and the Third Respondent to the Proceedings, have through their legal representatives, had discussions and have agreed to resolve the Proceedings as between ASIC and Jennifer Sisson on the following basis:

- (a) Orders would be entered against Jennifer Sisson pursuant to section 93AA (4) of the *ASIC Act* requiring her to repay the 2000 Investors the 2000 Funds;
- (b) Orders would be entered against Jennifer Sisson requiring her to pay ASIC's costs associated with the claim pursuant to section 93AA (4) of the *ASIC Act* in the agreed sum of \$50,000;
- (c) Jennifer Sisson will enter into an enforceable undertaking pursuant to section 93 AA of the *ASIC Act* ("the New Undertaking") with ASIC pursuant to which she will undertake not to, either directly or indirectly;
 - (i) provide financial product advice within the meaning of section 766B of the *Corporations Act* as at 16 June 2005;
 - (ii) deal in a financial product within the meaning of section 766C of the *Corporations Act* as at 16 June 2005; or
 - (iii) operate a registered scheme within the meaning of section 9 of the *Corporations Act* as at 16 June 2005,

for a period of 5 years commencing from the date of acceptance of the New Undertaking.

- (d) Jennifer Sisson will undertake to the Court to comply with the New Undertaking;
- (e) An Order would be entered that the Proceedings against Jennifer Sisson, including each of the claims for declarations that Ms Sisson contravened section 851 of the *Corporations Law*, be dismissed; and
- (f) An Order would be entered that all previous cost orders are to be vacated.

UNDERTAKING


21. Upon ASIC accepting this undertaking, Jennifer Sisson and ASIC will consent to the Proceedings being disposed of in the following manner:
- (a) The Court noting and accepting an undertaking given by Ms Sisson to comply with this enforceable undertaking;
 - (b) The Court making orders that Ms Sisson repay the 2000 Investors the 2000 Funds;
 - (c) The Court making orders that Ms Sisson pay ASIC's costs agreed in the sum of \$50,000;
 - (d) The Court making orders that Ms Sisson pay to the Commonwealth the realisations charge imposed by the *Bankruptcy (Estate Charges) Act, 1997* in respect of the payments set out in sub-paragraphs (b) and (c) above, so far as the trustee may be liable for that charge and in the event that the trustee is unsuccessful in any application under section 283 of the *Bankruptcy Act 1966*.
 - (e) The Court otherwise dismissing the Proceedings; and
 - (f) The Court vacating all previous orders for costs.
22. Jennifer Sisson undertakes to ASIC for the purpose of section 93AA of the *ASIC Act*, that she will not, either directly or indirectly:
- (a) provide financial product advice within the meaning of section 766B of the *Corporations Act* as at 16 June 2005;
 - (b) deal in a financial product within the meaning of section 766C of the *Corporations Act* as at 16 June 2005; or
 - (c) operate a registered scheme within the meaning of section 9 of the *Corporations Act* as at 16 June 2005,

for a period of 5 years commencing from the date of acceptance of the New Undertaking.

ACKNOWLEDGMENTS

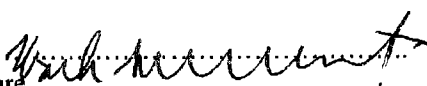
23. Jennifer Sisson acknowledges that:

- (a) 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;
- (b) ASIC may from time to time refer publicly to this Enforceable Undertaking;
- (c) ASIC will make a copy of the Enforceable Undertaking available for public inspection;
- (d) 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;
- (e) this 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
- (f) that this undertaking has no operative force until accepted by ASIC.



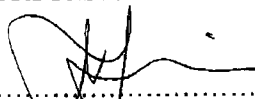
 Jennifer Martine Sisson

Witnessed by MARK CAMMUT on
 17 June 2005 in the presence of:



 Signature

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



 Jan Speirs
 Assistant Director, Illegal Schemes

Dated 17 June 2005