



Enforceable Undertaking

Australian Securities & Investments Commission

Section 93AA Australian Securities & Investments Commission Act 2001

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

Romanza Group Pty Limited ACN 074 806 232 ("**Romanza**") of Level 2, 16 Queensland Avenue, Broadbeach, Queensland, 4218.

1. **Background**

1.1 Romanza is a proprietary company limited by shares, which was first incorporated in West Australia as Rhema Development Pty Ltd on 10 July 1996. Romanza is, inter alia, involved in the business of property development and the management of the "*Rhema Investment Fund*" (the "**Fund**").

1.2 ASIC is responsible for the administration of the Corporations Act 2001 and in particular, the administration and enforcement of provisions relating to managed investment schemes including the registration of managed investment schemes and the giving of exemptions from the operation of such provisions.

1.3 On 16 July 1999, pursuant to subsection 1084(2) and paragraph 601QA(1)(a) of the *Corporations Law*, ASIC granted an exemption to Romanza from compliance with:

- (a) divisions 2, 3 and 4 of Part 7.12 and section 1078 of the *Corporations Law*; and
- (b) Chapter 5C of the *Corporations Law*,

(the "**Exemption**") in relation to securities issued or proposed to be issued by Romanza upon certain conditions.

1.4 Romanza does not hold an Australian Financial Services Licence.

1.5 In August of 2004, ASIC commenced an investigation into certain activities of Romanza in respect of the Fund.

1.6 ASIC is concerned that Romanza may have contravened the conditions of the exemption during the period 16 July 1999 to present in that investments in the Fund have been offered to investors while Romanza has failed to provide financial statements as required by Paragraph 5

of the exemption, and the scheme may not have been a charitable scheme as all shares may not have been held by Rhema Bible Centre Association Inc as required by the exemption during this period. Further, ASIC is concerned that Romanza may have provided financial advice in the course of property investment seminars conducted by Romanza in contravention of the provisions of Part 7.6 of the Corporations Act 2001.

1.7 Romanza acknowledges ASIC's concerns and has offered this Enforceable Undertaking which ASIC has agreed to accept.

2. Undertakings

2.1 Pursuant to section 93AA of the *Australian Securities & Investments Commission Act 2001*, Romanza provides the undertakings set out below:

- (a) Romanza engage the services of Mr Clem Wildermuth ("**the independent accountant**"), a chartered accountant as an independent accountant to provide the services set out in the undertakings listed below. Such services will be provided at the expense of Romanza.
- (b) On or before 22 December 2004, Romanza provide ASIC with the financial statements for the financial year ending 30 June 2004, pursuant to clause 5 of the Exemption,;
- (c) On or before 28 January 2005 Romanza provide ASIC with a schedule of the all current investors in the fund and the balance of principal and interest owed to each as at 15 January 2005. Such schedule will be audited by the independent accountant;
- (d) On or before 31 July 2005, Romanza will pay to all remaining investors in the Fund their entitlements in full (of both principal and interest);
- (e) The independent accountant will monitor payments to all investors until all investors have been paid out in full;
- (f) Romanza will authorise the independent accountant to report to ASIC in accordance with the terms of this enforceable undertaking and to answer any questions ASIC may have in relation to the payments to investors and the closing of the Fund;
- (g) Following payment to all investors, Romanza will arrange for the independent accountant to confirm that payment in full of principal and interest has been made to investors;

- (h) Following the payment to investors referred to above, Romanza will, no later than 7 August 2005, arrange for the Fund to be closed by closing the bank account from which the Fund operated and to take all other necessary steps to wind up the Fund;
- (i) Romanza will surrender the Exemption immediately after all investors have been paid in full or by 7 August 2005 whichever date occurs first;
- (j) Between the date of this enforceable undertaking and the surrender of the Exemption, Romanza will not receive any further funds under the exemption;
- (k) Romanza undertakes that it will not engage in any activity involving the provision of unlicensed investment advice in contravention of the *Corporations Act 2001*; and
- (l) Romanza will provide ASIC officers with access to such books and records as ASIC may reasonably require in determining whether or not Romanza has complied with this undertaking.

3. **Warranties**

- 3.1 Romanza warrants that, apart from the Fund, there are no other managed investments or securities offered by Romanza or its related entities to the public.
- 3.2 Romanza warrants that no other creditors, persons or entities has any interest in the Fund with the exception of the current investors referred to in the schedule to be provided pursuant to paragraph 2.1(c) above.

4. **Notices**

- 4.1 Any notice or other document required to be provided to ASIC pursuant to this enforceable undertaking, shall be given in writing and addressed to:

The Assistant Director
Financial Services Directorate
Australian Securities and Investments Commission
GPO Box 9827
BRISBANE 4001

5. **Acknowledgements**

5.1 Romanza acknowledges that ASIC:

- (a) 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) May, from time to time, publicly refer to this enforceable undertaking; and
- (c) Will make this enforceable undertaking available for public inspection.

5.2 Romanza acknowledges that 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.

5.3 Romanza acknowledges that ASIC's acceptance of an enforceable undertaking does not effect ASIC's power to investigate, conduct surveillance or pursue a criminal prosecution, or its power to lay charges or seek a pecuniary civil order in relation to any or all of the conduct described in this enforceable undertaking or any contravention arising from future conduct.

5.4 ASIC acknowledges that nothing in this enforceable undertaking constitutes an admission by the company.

5.5 ASIC acknowledges that Romanza has co-operated with ASIC during its investigations.

5.6 Romanza acknowledges that this enforceable undertaking has no operative force until accepted by ASIC.

Executed by Romanza Group Pty Limited

ACN 074 806 232 by or in the presence of:



Signature of Director

MICHAEL JAY MOORHEAD

Name of Director in full

Signature of Secretary/other Director

Name of Secretary/other Director in full

Accepted by the Australian Securities and Investments Commission pursuant to section 93AA of the
Australian Securities and Investments Commission Act 2001 by its duly authorised delegate

Dated this ^{JUNE} 29 day of ~~May~~ 2005

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

ALLEN TURTON

Deputy Executive Director, Enforcement
Australian Securities and Investments Commission