



## ENFORCEABLE UNDERTAKING

### *Australian Securities and Investments Commission Act 2001*

#### Section 93AA

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

Island Arch Pty Ltd (ACN 006 439 596)  
9 Beach Street  
FRANKSTON VIC 3199

and

Michael David Barnett  
13 Tourello Road  
MOUNT ELIZA VIC 3930

## 1 DEFINITIONS

1.1 The following defined terms are used in this document:

"ASIC" means the Australian Securities and Investments Commission;

"ASIC Act" means the *Australian Securities and Investments Commission Act 2001*;

"Company" means Island Arch Pty Ltd (ACN 006 439 596);

"Corporations Act" means the *Corporations Act 2001*;

"HGL" means Hudson Investment Group Limited (ACN 004 683 729);

"Letter" means the letter (including enclosure) to HGL shareholders, a copy of which, in a form with certain details obscured, comprises the annexure marked "A"; and

"Regulations" means the *Corporations Regulations 2001*.

## 2 BACKGROUND

2.1 ASIC is responsible for monitoring and promoting market integrity and consumer protection in the Australian financial system.

- 2.2 On 24 November 2005, ASIC commenced an investigation into suspected contraventions of ss 153 and 1019F of the Corporations Act which concerned the affairs of the Company and, in particular, the Letter.
- 2.3 ASIC has formed the view, and the Company and Mr Barnett acknowledge, that it appears that contraventions of ss 153 and 1019F of the Corporations Act have occurred in relation to the provision of copies of the Letter to shareholders of HGL.
- 2.4 Section 1019F of the Corporations Act provides that:
- A person must not invite another person to make an offer to sell a financial product in circumstances in which, if the invitation were instead an offer to purchase the financial product, that offer would be an offer to which this Division applies.
- 2.5 Given its form, it appears that each Letter, upon its receipt by an HGL shareholder, comprised an invitation to that shareholder to make an offer to sell a financial product, being HGL shares.
- 2.6 Mr Barnett has advised ASIC that although a small number of HGL shareholders responded to the Letter, neither he nor the Company received any HGL shares as a result of an offer made by an HGL shareholder in response to the Letter. ASIC relies on these representations.
- 2.7 The Letter bears the Australian Company Number of the Company, and has been signed by Mr Barnett in the capacity of director. In these circumstances, it appears that the Letter is a "public document" of the Company within the meaning of s 88A of the Corporations Act. Accordingly, pursuant to s 153(1) of the Corporations Act, the Letter should also have borne the name "Island Arch Pty Ltd". It did not do so.
- 2.8 ASIC has agreed to accept enforceable undertakings in the terms of paragraphs 3.1.1 to 3.1.4 below.

### **3 UNDERTAKINGS**


- 3.1 Under s 93AA of the ASIC Act, the Company and Mr Barnett have offered, and ASIC has agreed to accept, the following undertakings:
- 3.1.1 The Company and Mr Barnett will not send or otherwise provide a copy of the Letter to any shareholder of HGL.
- 3.1.2 The Company and Mr Barnett will not send or otherwise provide a document in a form similar to the Letter to any shareholder of any listed company in circumstances which would contravene any provision of Division 5A of Part 7.9 of the Corporations Act, or any other provision of the Corporations Act or Regulations.

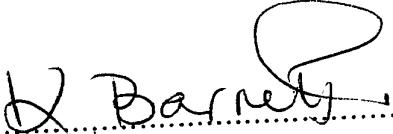
- 3.1.3 The Company and Mr Barnett will not, except by way of on-market transactions, purchase HGL shares from any shareholder to whom a copy of the Letter was sent.
- 3.1.4 The full name and Australian Company Number (or Australian Business Number, as may be applicable) of the Company will be set out in its public documents and negotiable instruments as required by Division 1 of Part 2B.6 of the Corporations Act and r 2B.6.03 of the Regulations.

#### **4 ACKNOWLEDGMENTS**

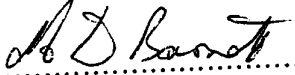
- 4.1 The Company and Mr Barnett acknowledge that:
  - 4.1.1 ASIC may issue a media release on execution of this undertaking referring to its terms and to the concerns of ASIC which led to its execution.
  - 4.1.2 ASIC may from time to time publicly refer to this undertaking.
  - 4.1.3 ASIC will make this undertaking available for public inspection.
  - 4.1.4 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.
  - 4.1.5 ASIC's acceptance of this undertaking does not affect 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 undertaking or any contravention arising from future conduct.
  - 4.1.6 Should ASIC form the view that either or both of the Company and Mr Barnett have failed to comply with this undertaking, ASIC may take additional action including (without limitation) seeking court orders under s 93AA of the ASIC Act requiring either or both of them to comply with the terms of this undertaking.
  - 4.1.7 This undertaking does not operate until it is accepted by ASIC.

Signed for and on behalf of Island Arch Pty Ltd (ACN 006 439 596) by its duly authorised representatives:


  
.....  
Michael David Barnett  
Director and Secretary  
Date: 8-4-06

  
.....  
Kathleen Mary-Ellen Barnett  
Director and Secretary  
Date: April 8, 2006.

Signed by Michael David Barnett on his own behalf:

  
.....  
Michael David Barnett  
Date: 8-4-06

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

  
.....  
Mark Steward  
Deputy Executive Director, Enforcement  
Delegate of Australian Securities and Investments Commission  
Date: 11 May 2006

"A"



M00920456

**Barnett Investment Trust**  
**a.c.n. 006 439 596**  
**P.O. Box [REDACTED]**  
**Bayside Post Office**  
**Frankston 3199**  
**Victoria**  
**Australia**

**Contacts: Steve Powell: Telephone/Fax [REDACTED]**  
**Mobile: [REDACTED] Email: [REDACTED]**  
**Mike Barnett: Telephone/Fax [REDACTED]**  
**Mobile: [REDACTED] Email: [REDACTED]**

**Dear Shareholder,**

**Re: Shares held in Hudson Investment Group (HGL)**

**We are interested in purchasing your shareholding in the above. Should you have an interest in selling, would you please let us know the quantity you are offering, and asking price.**

**If interested, please contact Steve Powell or Mike Barnett on the above contact nos. to discuss price, prior to completing the enclosed Off Market Share Transfer.**

**All replies will be dealt with promptly, and in the strictest confidence.**

**Yours faithfully,**

*M D Barnett*

**Michael D. Barnett (Director)**  
**Barnett Investment Group**

**TRANSFER FORM FOR NON-MARKET TRANSACTIONS**

Use a black pen. Print in CAPITAL letters

Note: Any alterations must be initialed by the seller/s and the buyer/s.  
Any increase to the quantity of securities being transferred is not acceptable even if initialed  
Correction fluid or tape must not be used.

Uncertificated CHESS Holdings - This form must be forwarded to the CHESS Sponsoring Broker or Non-Broker Participant.  
Uncertificated Issuer Sponsored Holdings - This form must be forwarded to the Issuer's Registry or your broker as appropriate.

1 Stamp Duty if applicable

2	Full name of Company or Corporation			3	State of Incorporation
4	Description of Securities (Shares, options etc.)	Class	If not fully paid, paid to	5	Register
6	Quantity	Words		Figures	
7	Full name/s of Transferor/s (Seller/s)	Given Name/s	Surname	For Company Use	
8	Securityholder Reference Number (must be quoted)	SRN : _____			
9	Consideration	A\$		10	Date of Purchase / /
11	Full name/s of Transferee/s (Buyer/s)	Title	Given Name/s	Surname	
12	Full postal address of Transferee/s (Buyer/s)	Mr } _____ Mrs } _____ Ms } _____			
13	Transferee/s (Buyer/s) Securityholder Reference Number (if known)	SRN : _____		State/Country _____ Postcode _____	

I / We the registered holder/s and undersigned seller/s for the above consideration do hereby transfer to the above name/s hereinafter called the Buyer/s the securities as specified above standing in my/our name/s in the books of the above named Company, subject to the several conditions on which I/We held the same at the time of signing hereof and I/We the Buyer/s do hereby agree to accept the said securities subject to the same conditions. I/We have not received any notice of revocation of the Power of Attorney by death of the grantor or otherwise, under which this transfer is signed (if applicable). To sign as power of attorney you must have already lodged it with the registry or your broker as appropriate or enclose a certified copy with this transfer.

14

Transferor/s (Seller/s) sign here

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Director or Sole Director and Sole Company Secretary	Director/Company Secretary	Sole Director (No Company Secretary)

15

Day / Month / Year

16

Transferee/s (Buyer/s) sign here

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Director or Sole Director and Sole Company Secretary	Director/Company Secretary	Sole Director (No Company Secretary)

17

Day / Month / Year

## HOW TO COMPLETE THE TRANSFER FORM FOR NON-MARKET TRANSACTIONS WHEN TRANSFERRING SECURITIES IN A LISTED OR UNLISTED COMPANY

1. **STAMP DUTY**  
Transfers of securities that are listed and quoted on an Australian Stock Exchange are exempt from stamp duty. However, Stamp Duty is payable on all other securities by the buyer of the shares and is based on the amount of consideration (refer 8). The stamp duty is calculated at the rate applicable to the state in which the company the securities are held is incorporated. If the company is incorporated outside Australia, the state or territory in which the principal register is located determines the state or territory in which the duty is payable. Transfers must be submitted to the respective State or Territory Stamp Duty office for assessment and payment of any applicable duty.
2. **FULL NAME OF COMPANY OR CORPORATION**  
The full name of the company or corporation in which securities are held.
3. **STATE OF INCORPORATION**  
State in which the Company (refer 2) is incorporated in. This can be found on the securities certificate, statement or other notices received from the company.
4. **DESCRIPTION OF SECURITIES**  
e.g. Fully Paid Ordinary Shares, 8% Unsecured Convertible Notes etc....
5. **REGISTER**  
The state on which the seller's securities are registered. This can be found on the securities certificate or statement.
6. **QUANTITY**  
Number of securities being transferred (in both words and figures).
7. **FULL NAME OF TRANSFEROR/S OR SELLER/S**  
Full names must be included together with any designation (if applicable).
8. **SECURITYHOLDER REFERENCE NUMBER**  
This number must be quoted when transferring securities not represented by certificates. That is securities registered on the issuer sponsored (uncertificated) subregister.
9. **CONSIDERATION**  
Is the full amount paid in settlement of the transfer of securities. Purchases should reflect the market price of shares as at the date of purchase. Market values are quoted in the daily newspapers.
10. **DATE OF PURCHASE**  
Insert date of purchase or completion of the transfer.
11. **FULL NAME OF TRANSFEREE/S OR BUYER/S**  
Insert the full names of buyers (a maximum of three joint holders). Securities may not be registered in the names of a firm or business name, an estate or deceased person, a minor, a fund or a trust.
12. **FULL POSTAL ADDRESS OF TRANSFEREE/S OR BUYER/S**  
Insert full address including the postcode. Only one address may be recorded.
13. **SECURITYHOLDER REFERENCE NUMBER (SRN)**  
If the buyer is an existing holder in the company and is registered on the Issuer Sponsored (uncertificated) subregister, please quote the existing SRN.
14. **SELLER SIGNATURE/S**
  - (i) Individuals - The securityholder must sign
  - (ii) Joint Holdings - Where the holding is in more than one name, all of the securityholders must sign
  - (iii) Power of Attorney - To sign as power of attorney, you must have already lodged it with the registry.  
Alternatively, attach a certified photocopy of the power of attorney to this form.
  - (iv) Deceased Estate - When the holding is in the name of an estate, all executors/administrators are required to sign.  
(Probate requirements must also be complied with)
  - (v) Companies - Director, Company Secretary, Sole Director and Sole Company Secretary or Sole Director (no Company Secretary) can sign.  
Please sign in the appropriate box which indicates the office held by you.
15. **DATE SIGNED**  
Insert date signed by the seller/s.
16. **BUYER SIGNATURE/S**
  - (vi) Individuals - The securityholder must sign
  - (vii) Joint Holdings - Where the holding is to be registered in more than one name, all of the proposed securityholders must sign
  - (viii) Power of Attorney - To sign as power of attorney, you must have already lodged it with the registry.  
Alternatively, attach a certified photocopy of the power of attorney to this form.
  - (ix) Deceased Estate - When the holding is in the name of an estate, all executors/administrators are required to sign.  
(Probate requirements must also be complied with)
  - (x) Companies - Director, Company Secretary, Sole Director and Sole Company Secretary or Sole Director (no Company Secretary) can sign.  
Please sign in the appropriate box which indicates the office held by you.
17. **DATE SIGNED**  
Insert date signed by the buyer/s.

Note 1. Copies of documents forwarded must be certified as a correct copy by a person who in the State or Territory of certification has the power to witness a Statutory Declaration.

Note 2. Transfers or other documents that do not fully meet the company's requirements are liable to be returned unregistered.