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AUSTRALIAN SECURITIES  
& INVESTMENTS COMMISSION

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*Australian Securities and Investments Commission*

03/0047

**ENFORCEABLE UNDERTAKING****AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT 2001****SECTION 93AA**

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

Jean-Jacques Pierre Georges Blandin De Chalain  
25 Cornwall Street  
Dianella WA 6062 ("Mr Blandin")

**1. Background**

- 1.1. Mr Blandin was the holder of a property authority from Australian Financial Securities Pty Ltd ("AFS"), Dealers Licence No. 176598, from 19 November 1998 to 27 January 2000. The proper authority authorised Mr Blandin to provide advice on all financial products listed in AFS's approved financial products lists.
- 1.2. Mr Blandin also held a proper authority from Money Matters Financial Solutions Pty Ltd ("Money Matters"), Dealers Licence No. 194187, from 20 February 2000 to 20 April 2000. The proper authority authorised Mr Blandin to provide advice on all financial products listed in Money Matters's approved financial products lists.
- 1.3. ASIC was contacted by a former client of Mr Blandin who complained about his conduct as her financial planner. The conduct in question spanned the period during which Mr Blandin held proper authorities from AFS and, subsequently, Money Matters.
- 1.4. The client had retired and rolled her superannuation into a Self Managed Superannuation Fund ("SMSF"). The client approached Mr Blandin to provide a financial plan for the trustee of her SMSF. The client paid Mr Blandin for the plan and then arranged for him to assist in managing approximately \$200,000 of her SMSF funds. Mr Blandin then commenced to direct the client's funds into various financial products.

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- 1.5. As a result of an investigation into the complaint ASIC has reason to suspect that Mr Blandin may have contravened section 849 of the *Corporations Law* (now s.942C/946A of the *Corporations Act* 2001 - client to be told if the adviser's interest in the financial product may influence their advice); and section 851 of the *Corporations Law* (now s.945A of the *Corporations Act* 2001 - adviser to have a reasonable basis for recommending the financial product where the adviser expects that the client will rely upon the recommendation), by reason of the matters set out in paragraphs 1.6 below.
- 1.6. ASIC is concerned that during the period in question:
- (a) Mr Blandin recommended and directed the investment of \$135,000 of his client's funds into companies with whom he was associated with or in whom he had an interest, in circumstances where he did not fully explain to his client the nature of his association and or interest;
  - (b) Mr Blandin recommended that the funds be invested in those companies, in circumstances where he knew that his client would rely upon his recommendations;
  - (c) Mr Blandin recommended that the funds be invested in those companies, in circumstances where he did not have a reasonable basis for the recommendations;
  - (d) Mr Blandin did not, despite repeated requests from his client, provide her trustee with a financial plan for her SMSF;
  - (e) The conduct of Mr Blandin resulted in losses to his client of approximately \$120,000.
- 1.7. ASIC has power pursuant to section 920A of the *Corporations Act* 2001 to make an order banning Mr Blandin from acting as a representative of a person who carries on a financial services business.
- 1.8. Mr Blandin acknowledges the concerns of ASIC regarding his conduct and accordingly he has offered the undertakings set out in section 2.
- 1.9. ASIC has agreed to accept the undertakings as an alternative to the exercise of its powers under section 920A of the *Corporations Act* 2001.

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## 2. Undertakings

2.1. Pursuant to section 93AA of the *Australian Securities and Investments Commission Act 2001* ("the *ASIC Act*"), ASIC accepts the following undertakings from Mr Blandin:

- (a) That he will not, for a period of 10 years commencing on 23 January 2003 and concluding on 31 December 2012, do any act or engage in any conduct, whether directly or indirectly, as a representative of a person who holds a licence which authorises that person to carry on a financial services business; and
- (b) That after 31 December 2012, he will not do any act or engage in any conduct, whether directly or indirectly, as a representative of a person who holds, a licence which authorises that person to carry on a financial services business until he first undertakes and successfully completes a course of study being the Securities Institute of Australia Diploma of Financial Markets, or other equivalent course approved by ASIC's Assistant Director, Financial Services Enforcement, South-West.

## 3. Acknowledgements

3.1. Mr Blandin acknowledges:

- (a) That he has had the opportunity to obtain legal advice in relation to the content and effect of this Enforceable Undertaking and he has chosen not to; and
- (b) That he has the opportunity of a hearing before an ASIC delegate pursuant to section 920A(2) of the *Corporations Act 2001* regarding ASIC's concerns, but has declined; and
- (c) That ASIC may issue a media release on execution of this Enforceable Undertaking, referring to its terms and to the concerns of ASIC, which lead to its execution; and
- (d) That ASIC may from time to time publicly refer to this Enforceable Undertaking; and
- (e) That ASIC will make this Enforceable Undertaking available for public inspection and may enter Mr Blandin's name onto a register maintained by ASIC pursuant to section 922A(1) of the *Corporations Act 2001*; and

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- (f) That ASIC's acceptance of this Enforceable Undertaking in no way derogates from the rights and remedies available to ASIC or to any other person arising from any of the conduct described in this Enforceable Undertaking; and
- (g) That ASIC's acceptance of this Enforceable Undertaking does not affect ASIC's power to investigate a suspected contravention of any of the matters referred to in section 13 of the ASIC Act and which arise from any past or future conduct of Mr Blandin. Nor does acceptance of this Enforceable Undertaking restrain ASIC from exercising any other powers that have been conferred on it; and
- (h) This Enforceable Undertaking has no operative force until it is accepted by ASIC. The signature of the authorised delegate will be evidence of such acceptance. The date of signing, as marked by the authorised delegate, will be the date on which this Enforceable Undertaking comes into effect.

SIGNED by: ..... *J. Blandin* .....

OFFERED by Mr Jean-Jacques Pierre Georges Blandin De Chalain

This 22<sup>nd</sup> day of JANUARY 2003

In the presence of:

Witness: *[Signature]*

..... HENRY JEAN-NOEL DANIEL NEMURIN .....

Name: (print)

4- ASIC 66 St Georges Terrace Perth

Address:

This 22<sup>nd</sup> day of JANUARY 2003

ACCEPTED by the Australian )  
 Securities and Investments )  
 Commission, pursuant to section )  
 93AA of the ASIC Act 2001, by its )  
 Duly authorised delegate. )

..... *Michael Gething* .....

Regional Commissioner for Western Australia,  
Australian Securities and Investments Commission

This 22<sup>nd</sup> day of January 2003