

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:

Geoffrey Stewart Turner

G S Turner & Co

Level 6

12-14 Ormonde Parade

HURSTVILLE NSW 2220

1. Dictionary

Unless the contrary intention appears:

ASIC Act means the *Australian Securities and Investments Commission Act 2001* (Cth);

CALDB means the Companies Auditors and Liquidators Disciplinary Board;

Corporations Act means the *Corporations Act 2001* (Cth);

Corporations Regulations means the Corporations Regulations 2001 (Cth);

ICAA means The Institute of Chartered Accountants in Australia;

Mr Turner means Geoffrey Stewart Turner;

Review means the 14 external administrations as defined below, which were inspected and reviewed by ASIC, along with the 46 external administrations as also defined below, which were the subject of ASIC's inspection as detailed in paragraph 2.3.3;

RG 186 means Regulatory Guide 186 'External administration: Liquidator registration';

14 external administrations means the 14 external administrations listed in Schedule A of Annexure A;

14 external administration files means the working files of Mr Turner relating to his conduct of the 14 external administrations;

46 external administrations means the 46 external administrations listed in Schedule B of Annexure A; and

60 external administrations means the 60 external administrations listed in Annexure A.

2. Background

2.1 ASIC's role

- 2.1.1 Under s1 of the ASIC Act, ASIC is charged with a statutory responsibility to perform its functions and to exercise its powers so as to promote the confident and informed participation of investors and consumers in the financial system.
- 2.1.2. Part 9.2 of the Corporations Act charges ASIC with responsibility for registering liquidators and for maintaining a register of liquidators.
- 2.1.3 ASIC is empowered to bring disciplinary proceedings pursuant to s1292(2) of the Corporations Act in the CALDB against registered liquidators who have failed to adequately and properly carry out:
- i) the duties of a liquidator; or
 - ii) any duties or functions required by an Australian law to be carried out or performed by a registered liquidator; or
- are otherwise not fit and proper persons to remain registered as a liquidator.

2.2 Details of Mr Turner

- 2.2.1 Mr Turner was registered as a liquidator (registration number 4814) on 29 September 1983 under the Corporations Act or corresponding previous legislation and since then, he has accepted appointments as external administrator from time to time. Mr Turner currently practises under the name G S Turner & Co.
- 2.2.2 Mr Turner is a member of The Institute of Chartered Accountants in Australia.

2.3 ASIC's investigation

- 2.3.1 As part of ASIC's Liquidator Compliance Program, ASIC conducted a review of 14 external administrations of which Mr Turner was the appointed external administrator.
- 2.3.2 ASIC inspected the 14 external administration files produced by Mr Turner pursuant to a notice to produce documents issued under s30 of the ASIC Act dated 20 October 2010.
- 2.3.3 ASIC also inspected its public database and internal records in respect of 46 external administrations of which Mr Turner was the appointed external administrator.

2.4 ASIC's views

- 2.4.1 As a result of the Review, ASIC is of the view that Mr Turner, in relation to his conduct of the 60 external administrations, failed to carry out or perform adequately and properly the duties of a liquidator and/or any of the duties or

functions required by an Australian law to be carried out or performed by a registered liquidator in that he:

- a) failed to comply with s539, s438E and s445J of the Corporations Act in relation to the lodgement of Forms 524 – Presentation of Accounts and Statement by failing to lodge with ASIC over 1,023 Forms 524 in respect of the 60 external administrations;
- b) failed to comply with the requirement to hold an annual meeting of creditors and members or lodge a report with ASIC pursuant to s508 of the Corporations Act in respect of over 500 meetings relating to 55 external administrations marked "^" in Annexure "A";
- c) failed to lodge reports required pursuant to s533 of the Corporations Act in respect of 31 external administrations marked ">" in Annexure A;
- d) failed to validly fix or determine remuneration pursuant to s449E(1) and s499(3) of the Corporations Act in respect of the 5 external administrations marked "*" in Annexure A;
- e) failed to comply with s436DA and s506A of the Corporations Act by failing to make a declaration of relevant relationships and declaration of indemnities in respect of the 5 external administrations marked "*" in Annexure A;
- f) failed to comply with Corporations Regulation 5.6.06 by use of the firm's general trust account to bank receipts and payments for the 1 external administration marked "#" in Schedule A of Annexure A;
- g) failed to comply with Corporations Regulation 5.6.27(1), (3) and (7) by failing to draw up, sign and lodge minutes of meetings of creditors;
- h) failed to have adequate human resources to properly service appointments as external administrator and conduct ongoing supervision and training of staff which is a consideration set out in paragraph 20 of RG 186;
- i) failed to have appropriate operational procedures and manuals for conducting external administrations which is a consideration set out in paragraph 20 of RG 186; and
- j) unnecessarily delayed in the finalisation of the 60 external administrations.

2.5 Admission by Mr Turner of ASIC's views

Mr Turner acknowledges that ASIC's views detailed in paragraph 2.4.1 are reasonably held and, in doing so, admits that in respect of his conduct of the 60 external administrations he failed to carry out or perform adequately and properly the duties of

a liquidator and/or any of the duties or functions required by an Australian law to be carried out or performed by a registered liquidator.

3. Undertakings

- 3.1** Under s93AA of the ASIC Act, Mr Turner has offered, and ASIC has agreed to accept as an alternative to ASIC making an application to the CALDB for an order under s1292(2) of the Corporations Act, the following undertakings:
- a) Mr Turner will within 7 days after acceptance by ASIC of this enforceable undertaking, submit pursuant to s1290 of the Corporations Act a duly completed Form 905A accompanied by the prescribed fee of \$36, requesting ASIC to cancel his registration as a liquidator; and
 - b) Mr Turner will not ever re-apply for registration as a liquidator;
 - c) Mr Turner will not, after cancellation of his registration as a liquidator pursuant to paragraph 3.1 a) above, ever perform any duty or function which requires the person performing such duty or function to be registered as a liquidator under the Corporations Act; and
 - d) Mr Turner will provide all documents and information requested by ASIC from time to time for the purpose of assessing his compliance with the terms of this enforceable undertaking.

4. Acknowledgements

- 4.1** Mr Turner acknowledges that ASIC:
- a) will issue a media release on execution of this enforceable undertaking referring to its terms and to the views 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.
- 4.2** Further Mr Turner acknowledges that:
- a) ASIC's acceptance of this enforceable 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 contravention not the subject of ASIC's views set out in paragraph 2.4 of this enforceable undertaking or arising from future conduct;
 - b) this enforceable undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this enforceable undertaking or arising from future conduct; and

- c) this enforceable undertaking has no operative force until accepted by ASIC.
- 4.3 Mr Turner acknowledges that, should ASIC form the view that he has failed to comply with this enforceable undertaking, ASIC may take additional action including (without limitation) seeking court orders under s93AA of the ASIC Act requiring him to comply with the terms of this enforceable undertaking.
- 4.4 Mr Turner acknowledges that ASIC may, pursuant to s127(4)(d) of the ASIC Act, refer documentation relating to the investigation that led to ASIC's acceptance of this enforceable undertaking to relevant prescribed professional disciplinary bodies.
- 4.5 Mr Turner and ASIC acknowledge that the date of the enforceable undertaking is the date on which it is accepted by ASIC.

5. Notifications to ASIC

Any written notification to ASIC pursuant to this enforceable undertaking is to be provided to:

The Senior Executive Leader, Insolvency Practitioners Team
ASIC
Level 5, 100 Market Street
SYDNEY NSW 2000.



.....
Geoffrey Stewart Turner

Dated: 20 September 2012

Accepted by the Australian Securities and Investments Commission under s93AA of the ASIC Act by its duly authorised delegate:

George Stogdale
.....

George Stogdale

Delegate of Australian Securities and Investments Commission

Dated: — ~~September~~ 2012
8 October

Annexure A

ACN	Company Name	
SCHEDULE A		
130 704 326	E.J. SEAFREIGHT PTY. LTD	* ^ >
135 655 846	EVERYDAY COUNTRY DIRECT (SYDNEY) PTY LTD	* ^ >
064 892 011	WATERDAMAGE SPECIALISTS PTY LIMITED	^ >
003 432 166	PRECISION CHIROPRACTIC ADMINISTRATION PTY LTD	^ >
082 174 758	MARKETING VENTURES PTY LTD	^ >
071 406 105	ANDALI PTY LIMITED	^
001 605 714	L S K INDUSTRIES PTY LTD	^ >
001 248 282	LSK INTERNATIONAL RESEARCH PTY LIMITED	^
095 489 606	COLDTRAC LOGISTICS PTY LIMITED	# ^ >
001 750 867	AUSLIN PTY LIMITED	^ >
003 400 299	FUN PRODUCTS (AUST) PTY LTD	^
079 053 759	RIVERSTONE EARTHMOVING PTY. LTD	^ >
094 229 099	DRL COMMUNICATIONS PTY LIMITED	^ >
055 219 326	B. W. ROSE PTY. LIMITED	* ^ >
SCHEDULE B		
117 881 991	BRACKETMASTER AUSTRALASIA PTY LTD	
117 881 982	BRACKETMASTER PATENTS PTY LTD	
101 118 727	DESIGN FURNITURE WAREHOUSE PTY LIMITED	^
108 108 952	MOLLOY HOLDINGS PTY LTD	^ >
122 659 465	XDC PTY. LTD	^ >
063 113 413	HARDCASTLE INVESTMENTS AUSTRALIA PTY LTD	^
002 163 822	PARGAS HOLDINGS PTY LTD	^
000 285 898	COOPER'S KNITWEAR PTY LTD	^

001 185 637	FOUR MACS PTY LTD	^
000 783 728	MORRISON BROS DAIRIES PTY LTD	^
000 892 991	MORRISON BROS INVESTMENTS PTY LTD	^
000 783 719	MORRISON BROS PROPERTIES PTY LTD	^
002 462 535	NIPENE PTY LTD	^
066 557 033	BANALIX HOLDINGS PTY LTD	^ >
067 359 282	FIATRIX PTY LIMITED	^ >
002 905 731	NORDIC QUALITY FURNITURE PTY LTD	^ >
069 287 798	NEWCASTLE OVERNIGHT TRANSPORT PTY LTD	^ >
063 443 514	BATTERY RECONDITIONING SYSTEMS HOLDINGS PTY LTD	^
003 635 470	EXOTECH SERVICES PTY LTD	^ >
000 995 728	LOHNING BROTHERS PTY LTD	^ >
086 602 959	GODSPELL (AUSTRALIA) PTY LTD	^ >
001 952 861	ILLAWARRA FLOOR & FURNISHINGS PTY LTD	^ >
001 296 046	GATY CLOTHING CO. PTY LIMITED	^ >
003 845 789	BUHAGIAR FOOD DISTRIBUTORS PTY LIMITED	^
091 430 634	INTERACTIVE MEDIA NETWORK PTY LIMITED	^
089 204 615	HARTS ELECTRICAL WHOLESALERS PTY LIMITED	^ >
089 204 768	HARTS WINDOW BLISS PTY. LIMITED	^ >
003 981 548	CANATAN HOLDINGS PTY LTD	^
087 888 239	MAINTENANCE SPECIALIST PTY LTD	^
003 101 844	ABBCO BUILDING PRODUCTS PTY LTD	^
090 545 510	UNIVERSAL SALES & MARKETING PTY LIMITED	^ >
003 971 873	SILO CONSTRUCTIONS (AUSTRALIA) PTY LIMITED	^
094 604 921	5 - STAR HOLDINGS PTY LTD	^ >
054 190 626	WILLEMSEN PAINTING CONTRACTORS PTY. LIMITED	^
088 781 702	COASTAL PACIFIC ENGINEERING PTY LTD	^

003 221 270	MENAI EXCAVATIONS PTY LTD	^
090 646 389	CRYCHOY PTY LTD	^
003 382 214	CAPRI CATERING EQUIPMENT PTY LTD	^
001 505 399	J & M A GROOM PTY LTD	^ >
003 239 683	ULTRAFORM KITCHENS PTY LIMITED	^ >
105 574 472	SOUTHERN STAR ADMINISTRATION PTY LIMITED	^
098 158 126	DEEBAN KITCHENS & DOORS PTY LTD	^ >
097 933 483	ECTO INDUSTRIES PTY LIMITED	^
131 045 675	CRUZ CONCRETING SERVICES PTY LTD	* >
001 018 391	FORTEX (HOLDINGS) PTY LTD	
001 689 649	MILPERRA MARKETING PTY LTD	* >

