

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 (ASIC) by:

Brian Wood
Address known to ASIC

DEFINITIONS

In addition to terms defined elsewhere in this undertaking, the following definitions are used:

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

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

Corporations Regulations means the *Corporations Regulations 2001* (Cth)

Future Trading Corporation Limited ("FTC") means a corporation incorporated in Vanuatu and owned by Hobbs

Hobbs means David Hobbs

IBC means an International Business Corporation

Integrity Plus Fund means Integrity Fund and the Integrity Plus Fund

J & B Financial Group Pty Ltd (ACN 110 775 463) ("J&B Financial") means an Australian company registered by Wood, Koutsoukos and Truong

Koutsoukos means Con Koutsoukos

PJCB International Limited ("PJCB") means an Anguilla based company set up by Wood, Truong and Koutsoukos to be the administrator of the Integrity Plus Fund.

Technocash Pty Ltd means Australian based financial services licensee providing multi currency money transfers to Australia and international bank accounts.

Truong means Jimmy Truong

Wood means Brian Wood

BACKGROUND

ASIC's role

- 2.1 Under section 1 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.

J&B Financial Group Pty Ltd

- 2.2 In about September 2004, Wood, Koutsoukos, Truong and another established J & B Financial. J&B Financial was established to market, sell and operate investment funds.
- 2.3. J&B Financial was the vehicle for the Australian operation of FTC.
- 2.4 In addition to being a director and shareholder of J & B Financial, Wood's' role was as a financial and banking officer.

Integrity Plus Fund

- 2.5 In about September 2004 Wood, Koutsoukos and Truong established the Integrity Plus Fund.
- 2.6 Also in late 2004, Wood along with Koutsoukos and Truong, established:
- (a) PJCB; and
 - (b) A non-interest bearing account for PJCB held with Technocash Pty Ltd ("**Technocash Account**").
- 2.7 At all times the control of the Technocash Account was with Wood, Koutsoukos and Truong.
- 2.8 From about December 2004, Wood along with Koutsoukos and Truong, commenced marketing the Integrity Plus Fund by giving to prospective investors the "Private Placement Memorandum Prospectus" ("**Integrity Plus Memorandum**")
- 2.9 The Integrity Plus Memorandum included the following statements:
- (a) money invested in the Integrity Plus Fund would be pooled and forwarded to a Fund Manager, domiciled off shore, for investment;
 - (b) the Integrity Plus Fund "trades in AA+ rated financial instruments" and the "transactions are conducted by a leading securities firm in the USA";
 - (c) investors in the Integrity Plus Fund would receive , on a best efforts basis, "returns" of "approximately 4% per month" paid out of profit;
 - (d) an accountant would be employed annually "to review all transactions";and



- (e) all funds invested in the Integrity Plus Fund "are capital protected by United States treasury notes which on maturity yield 100% of the investing capital".

2.10 Between December 2004 and December 2007, approximately 270 investors invested approximately USD \$28.66 million and paid this money into the Technocash Account.

ASIC's Views

2.11 ASIC commenced an investigation into the operation of Integrity Plus Fund. During the course of its investigation ASIC obtained evidence that in its view demonstrated that at all material times:

- (a) Wood, along with Koutsoukos and Truong, managed and operated the Integrity Plus Fund and the Technocash Account;
- (b) Wood, along with Koutsoukos and Truong (and persons acting on their behalf) actively promoted the Integrity Plus Fund to members of the Australian public using the Integrity Plus Memorandum;
- (c) investor funds were pooled in the Technocash Account;
- (d) the Integrity Plus Fund did not operate in the manner as stated in the Integrity Plus Memorandum; and
- (e) investor funds in the Integrity Plus Fund were dealt with by Wood, along with Koutsoukos and Truong, as follows:
 - (i) less than one-third was invested offshore;
 - (ii) a third of the funds was repaid to investors and these payments were represented to them by Wood and/or Koutsoukos and/or Truong as "returns" or "profits" earned from their investments;
 - (iii) Wood was paid \$892,750.50 and used this money for his own purposes without any repayments or returns made to the Integrity Plus Fund; and
 - (iv) significant sums were paid to Wood, Koutsoukos, Truong, and Hobbs and/or entities controlled by Hobbs and used for their own purposes without any repayments or returns made to the Integrity Plus Fund.

2.12 As a result of evidence obtained during the course of its investigation, it is ASIC's view that Wood:

- (a) made false statements about the operation of the Integrity Plus Fund to a number of persons, contrary to section 1041E of the Corporations Act;
- (b) misappropriated funds of two investors, contrary to section 178A of the NSW Crimes Act

- (c) operated an unregistered managed investment scheme in breach of 601 ED of the Act; and
- (d) provided financial services advice without an Australian Financial Services Licence in contravention of section 911A of the Act.

Acknowledgement of ASIC's Views

2.13 Wood acknowledges ASIC's views and that they are reasonably held, and has offered, and ASIC has agreed to accept, undertakings in terms of Section 3 below.

UNDERTAKINGS

3.1 Under s93AA of the ASIC Act, Wood has offered, and ASIC has agreed to accept as an alternative to pursuing court action seeking, among other things, declarations, injunctions and disqualifications, and to ASIC exercising its power under section 920A of the Act, the following undertakings.

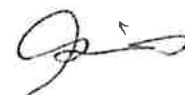
3.2 Wood undertakes:

- (a) not to provide any financial services; and
- (b) not to take part in the management of any corporation,

for a period of 15 years from the date of acceptance of this undertaking by ASIC.

3.3 Without in any way limiting the undertaking in Section 3 above, Wood undertakes, for a period of 15 years from the time of the acceptance of this undertaking by ASIC, not to:

- (a) do any act or engage in any conduct as a representative of an Australian Financial Services Licensee;
- (b) hold himself out as a representative of an Australian Financial Services Licensee;
- (c) carry on a business in relation to financial products or financial services, within the meaning of section 761A of the Act, either directly or indirectly as a director, partner, manager, servant or agent;
- (d) hold out that he is anyway authorised to provide a particular financial service or services that he is anyway authorised to provide financial services generally, or
- (e) apply to ASIC under section 913A of the Act for an Australian Financial Services Licence.



3.4 Wood undertakes to provide all documents and information, as requested by ASIC from time to time, for the purposes of assessing Wood's compliance with the terms of this Enforceable Undertaking.

ACKNOWLEDGEMENTS

4.1 Wood acknowledges that ASIC:

- (a) may 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.

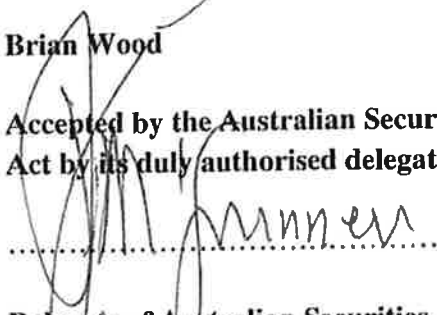
4.2 Further, Wood acknowledges that:

- (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 or damages in relation to any contravention not the subject of ASIC's views in this 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 conduct described in this undertaking or arising from future conduct;
- (c) ASIC has commenced a criminal prosecution against him in relation to the conduct referred to in section 2 above and further acknowledges that in relation to those criminal proceedings he has pleaded guilty to six offences against s.1041E of the Act and three offences against s178A of NSW Crimes Act.
- (d) this Enforceable Undertaking has no operative force until accepted by ASIC, and Wood and ASIC acknowledge that the date of the Enforceable Undertaking is the date on which it is accepted by ASIC.

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Brian Wood

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

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Dated..... 8/1/2013

Delegate of Australian Securities and Investments Commission

5 David J McGinness