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ASIC

Australian Securities &
Investments Commission

ASIC FINALISES ACTION ON PTP

The Australian Securities and Investments Commission (ASIC) has accepted an undertaking from Perth businessman, John Barron, not to act as an investment adviser or securities dealer for a period of two years commencing last August.

This brings to an end ASIC's investigation into a scheme for the sale and growing of Paulownia Trees promoted by Paulownia Tree Plantations (PTP).

The scheme first came to ASIC's attention in early 1996.

Following a review of the promotional documents, ASIC formed the view that the scheme was one regulated by the Corporations Law and that people purchasing trees in relation to the scheme were entitled to have the benefit of the investor protection provisions in the Law.

After raising its concerns with PTP, PTP gave ASIC an undertaking to stop promoting the scheme.

PTP subsequently changed the terms of the scheme and continued to promote it.

ASIC formed the view that the revised scheme was also one that should have been regulated by the Law.

In August last year, ASIC banned Mr Barron, who was manager of PTP, from acting as a securities dealer or an investment adviser for two years.

Mr Barron disputed ASIC's finding and appealed the banning decision to the AAT. The areas of difference between Mr Barron and ASIC have been resolved by ASIC accepting an undertaking from Mr Barron and ASIC agreeing to its initial decision being set aside.

In the undertaking, Mr Barron agreed that he would not for a period of two years commencing last August:

- carry on any business of dealing in securities or giving investment advice;
- act as a representative of any licensed securities dealer or investment adviser;
- apply to any licensed securities dealer or investment adviser to act as their representative; or
- apply to ASIC for a dealer's licence or an investments adviser's licence or any similar kind of licence which might supersede these types of licences in whole or in part.

In August last year, ASIC also banned Joachim Diedler, one of PTP's sales agents, from acting as a securities dealer or an investment adviser for two years.

For further information contact:

Michael Gething
Counsel

ASIC WA Regional Office

Tel: (08) 9261 4259

Mob: 0411 549 183

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ASIC Media Unit

Tel: (02) 9911 2097

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