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ANNUAL REPORT - SA HIGHLIGHTS

The Australian Securities and Investments Commission in South Australia continued to protect investors and shareholders during the past year with enforcement action resulting in two people being gaoled and the completion of 20 other successful prosecutions.

ASIC's results are outlined in its 1998/99 Annual Report tabled in Federal Parliament today.

In a significant prosecution for a breach of directors duties, Peter Lawrence Cox was gaoled for three years and two months for improperly using his position as the director of a travel agency. Mr Cox used his position to obtain \$293,670 worth of travellers cheques which he gambled away over a 10-month period.

Christopher Paul Woolgrove was sentenced to a four months suspended prison sentence for his involvement in illegal fundraising related to the recovery of sunken treasure.

Sunken treasure schemes are an area of concern for South Australia, which began Federal Court action against two schemes relating to the sale of Ocean Salvage Corporation Limited shares which ASIC alleges breach the Corporations Law.

In other matters surveillance visits by ASIC's South Australian officers on 40 companies resulted in a range of enforcement actions including educational warnings, written cautions, negotiated settlements and legal proceedings.

ASIC also began 20 new investigations and has 25 prosecution matters currently on hand.

South Australia was active in protecting the investing public.

Two investment advisers were banned from the securities industry for advising clients to invest in Golconda Resources, an investment scheme which collectively raised over \$10 million from more than 200 South Australians for the Queensland based Wattle scheme.

ASIC's South Australian Regional Commissioner Karen Axford said illegal fundraising remains a concern for ASIC.

"Investors can protect themselves if they do some research and become of the risks associated with some schemes.

"Particular things to watch out for are schemes not registered as managed investment schemes or where there is no offer document issued," she said.

ASIC officers strengthened their relationship with other law enforcement agencies this



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year with the joint investigation with the SA Police Serious Fraud Investigation Branch into the RetireInvest - Thompson Brindal Limited matter which resulted in RetireInvest paying investors \$17 million in compensation.

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As a result of the investigation into Thompson Brindal Limited, its former managing Director, Malcolm Boyd McLachlan, was recently banned from the securities industry for five years and his son, Hamish Boyd McLachlan, was recently banned from the securities industry for life.

South Australian ASIC officers delivered 15 educational presentations to a range of groups including insolvency professionals, accountants, trade associations, business advisory groups and various Government agencies.

ASIC national enforcement action resulted in a total of 22 corporate criminals being gaoled and 17 investment advisers being banned..

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