Cyber enforcement in the financial services sector

An address by Joseph P Longo, National Director, Enforcement, ASIC to the ACCC’s Global Commerce Conference, Sydney, 9 November 1998.

Cyberspace and electronic commerce: challenges for law enforcement

The past decade has seen explosive growth in new products, new technology and cross-border financial activity. Cyberspace has now become a powerful forum for the conduct of business, and is regarded by some as a vast unregulated marketplace, with a number of significant advantages over other media, including speed of access, relatively low cost and immediacy of response.

The present law and regulatory structure in Australia however, does not yet fully accommodate electronic technology, in the sense that there is not a viable, legally secure replacement for paper text.

The cyber world has made dramatic changes to the way the financial services industry operates. The independent forces of technology and globalisation will continue to be the major impetus for innovation and structural change in electronic commerce for the foreseeable future. It is these developments which pose both new challenges and opportunities for ASIC. This paper will look at these developments essentially from an enforcement perspective.

The Internet

Of all of these innovations the Internet is arguably the most profound.

Its use is largely unlimited, restrained only by the imagination of those who use, manipulate, and some cases, abuse it. While the Internet provides remarkable new opportunities for the international business community it also provides fertile grounds for the unscrupulous and dishonest.

In the financial markets context it minimises international boundaries and provides extraordinary access to information of varying reliability and individuals of varying credibility, in a way which had not previously been possible on such a broad scale. Recent research suggests that over 40% of investors within Australia will do some of their investing on the Internet by the 2001.

1 Sydney Morning Herald 4/2/98 - From a research study for Macquarie Private Client Investments.
It is well to recall the comments of the Secretary of the Australian Internet Society, which appeared in The Australian Financial Review of 12 January 1996, who was reported to have said that the flow of information through the world’s publicly owned computer networks is impossible to control and inadvisable to interfere with.

“You can no more trace the path of a water droplet through the world’s oceans as trace the information on the Internet ... The network doesn’t respect legislative borderlines. It is very hard to know who is doing what, where.”

This lack of control is the greatest concern to many of the organisations that are delaying their entry to electronic commerce generally and to the Internet specifically. Their concerns are shared by regulators and law enforcement agencies worldwide.

Ira Magaziner (US President Clinton’s senior Internet adviser) said in December, 1997, during an interview with the President of Australia’s Internet Industry Association:

“What we now understand and we have gone away from, is that even if it were desirable to censor the Internet, which we don’t believe it is, but even if it were desirable, it is impossible, and life is too short to spend so much time on doing things that are impossible.”

ASIC and cyberspace: general approach

ASIC maintains more than a keen interest in the Internet and electronic commerce primarily because as the Australian regulator of the securities and futures markets and consumer protection in the financial services sector ASIC must ensure consumer confidence, commercial certainty, efficiency and market integrity.

ASIC’s general approach to developments in information technology, and an essential part of the philosophical basis for developing its approach to enforcement issues, is:

- Technology is a positive development — a tool for changing and improving the current market structures;
- ASIC is facilitative of market innovation, and pro-active in accommodating changes in the markets as a result of the interrelated forces of globalisation and enhanced technology;
- ASIC supports law reform developments and believes that legislative reform ought to be based on achieving regulatory outcomes.

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2 Secretary of Australian Internet Society, Mr Geoff Huston: Article “Controlling info a tangled web” AFR 12.1.96.
3 From an article “Futility in Internet code” The Australian Financial Review, Tuesday, January 27, 1998.
recognise that efficient regulation requires a shift away from inflexible, prescriptive legislation; and

- The same types of regulatory mischief that occur in the electronic environment, occur in the traditional markets.

The years ahead will see ASIC adopt a wider role, assisting to build consumer confidence in financial innovation and technological development and determining appropriate regulatory responses where financial products and services are concerned.

On-line crime — companies and securities

Over the last two years ASIC has received an increasing number of reports of misconduct, ranging from illegal offerings of securities or prescribed interests; prospectuses and associated marketing material being placed on the Internet without relevant approval; "hot tips" about particular securities; and investment advice offered by unlicensed persons.

ASIC has taken the view that the types of misconduct or mischief by individuals on the Internet have not changed, only the medium has changed; many of these issues are related to companies and securities law, markets and trading.

While much of this activity has originated from outside of Australia, in respect of those matters emanating from within Australia they are for the most part governed by the Corporations Law (Law) and they can be broadly divided into the following categories:

- electronic markets: the approval and subsequent regulation of electronic equities and futures markets;
- initial offerings: ensuring compliance with the Law on prospectuses and initial offers of securities by electronic means;
- investment advice: advice given by persons without an appropriate licence or with no consideration of the needs of investors receiving the advice;
- disclosure of interests: non-disclosure of commissions and potential conflicts of interest by persons providing advice about securities;
- share hawking: going from place to place on the Internet, offering securities;
- false statements: the capacity for dissemination of false and misleading information about securities on the Internet; and
- market manipulation: the potential for creation of false markets, manipulation of prices or volumes, and insider trading as a result of information disseminated about securities on the Internet.
Each of these areas gives rise to acute issues about the monitoring and enforcement of current companies and securities legislation, both in Australia and other jurisdictions.

This is because, while the Internet may result in improved availability of information for regulatory or enforcement purposes, it also facilitates huge volumes of activity that entirely disregards traditional jurisdictional borders, and thus poses some urgent questions about:

- the practical enforceability of currently existing national securities regimes;
- the need for international cooperation between regulators and market authorities; and
- the effectiveness of many of the traditional regulatory approaches and mechanisms that have been employed to date.

For example: how is ASIC to deal with an offering of securities made without a prospectus and on the Internet, by a person in a jurisdiction with which ASIC has no regular contact or mutual enforcement arrangements?

There are already serious concerns emerging about increasing amounts of illegal and fraudulent activity on the Internet.

The most common types of Internet abuses that have been identified in the US (where Internet activity is far greater than in Australia) by the North American Securities Administrators Association (NASAA) are:

- manipulation of thinly-traded stocks;
- misconduct by fake or unlicensed brokers or advisers;
- undisclosed interests of promoters; and
- promotion of "exotic" scams.

ASIC “online” experiences

Following are some examples of the types of contraventions of Australian corporations and securities law, perpetrated via the Internet, that have come to the attention of ASIC within the last two years.

Illegal offers of securities

There have recently been several cases in Australia in which potential investors were offered interests in rural ostrich breeding farms, in contravention of the managed investment and advertising provisions of the Law. Undertakings were sought and received by ASIC for these offerings to cease. In one particular case

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ASIC accepted an enforceable undertaking\(^5\) from the promoters of a Melbourne company, Greenscape International, requiring it to remove information about a public fundraising scheme from the Internet. The promoters also undertook to stop promoting the scheme and not to promote similar schemes in the future.

Prospectuses and associated marketing material placed on the Internet without relevant approval or relief being obtained

A recent case in South Australia involved a registered prospectus which was made available on the Net, and which allowed potential investors to look only at selected parts of the prospectus. This prospectus was withdrawn after action by ASIC.

Spamming\(^6\) & "hot tips" about particular securities (potential market manipulation)

Spamming and investment tips is growing in popularity. ASIC is receiving increasing numbers of reports of unsolicited e-mails promoting particular stock and exhorting the recipient to “get in quick”. Frequently sent through a remailer, the sender cannot be contacted by return mail and effectively remains anonymous.

In September this year even the Chairman of ASIC got “spammed”. The following mail arrived on his Internet service:

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“From Penny-97@usa.net
Subject: stock up 275%
The stock is up 275% in less than 40 days
This Thursday, September 3, 1998 Omicron closed at $6.87
During the same period the DOW has gone down over 1,700 points!
Don’t miss this one!
For more information:
http://www.americanstockchannel.com/omicron
The stock symbol is: OGPS
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The news was so good the Chairman in good conscience couldn’t just keep it to himself! Genuine stock – accurate facts about the price movement – unable to return e-mail (remailer used) — what is the motivation and who might be responsible for this hype?

In a similar way “hot tips” are often disseminated through chat groups and bulletin boards in order to create a "run" which are calculated to influence the price of the securities or create a false market for them. Commonly it is the

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\(^5\) Since 1 July 1998, ASIC is empowered to accept enforceable undertakings. They extend the range and flexibility of enforcement options and provide a transparent and effective way of promoting compliance with the law.

\(^6\) Unsolicited and generally unwarranted e-mail.
promoters of the stock who “pump” up the price by passing false or misleading information to attract investors.

As demand increases in these thinly traded stocks so does the price. Once at a “reasonable” level the promoters sell out of their position and the flow of “hot tips” ceases. The “run” comes to a halt leaving relatively worthless stocks in the hands of investors.

A recent case in Victoria involved a statement on the Net that the share price of a particular company was going to increase dramatically because of a “monster oil find”. This was denied by the company in an announcement to the Australian Stock Exchange immediately the statement was brought to its attention. ASIC ensured that the web page was removed from the Net.

Offer to trade in securities by unlicensed persons

The recent float of a major Australian institution brought with it an additional problem which might not have been seen without Internet technology.

A website called “The Chimes” which provides a stock market information service took the additional step of offering to purchase shares in the forthcoming AMP share float. The demutualisation of the insurance giant and its float was one of the most significant events in the history of the Australian market and was receiving extraordinary media and investor interest. With predictions of bids likely to exceed list price, The Chimes website offered to purchase the share entitlements of AMP policy holders at a predetermined price before the float. Neither The Chimes, nor its owner, were licensed securities dealers and it took an urgent application before the Federal Court to have the offending parts of the website removed.

Equally as perplexing is the issue of websites which do not on their face appear to be providing investment advice, but do act as an interface to the trading systems of licensed advisers. One such system is that of “SharesLive”. The site is owned by a software company and its activity consists entirely of linking Internet based clients through their online system to a number of licensed dealers to execute buy and sell orders on their trading systems. For the present ASIC has taken the view that the “mere referral” exception outlined in Policy Statement 120 [PS 120] applies in that SharesLive does not act as a securities dealer when it merely introduces potential investors to a dealer and then provides the software which interfaces the client Internet orders with the licensed dealer’s trading systems.

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7 In this case, the publisher of the information had been identified in the financial press, and ASIC had also received an anonymous report about his identity. This enabled ASIC to serve notices requiring the production of all documents and computer disks, and to interview both the publisher and the source of the information. Such action can only be taken by the ASIC in those cases where it is able to identify and locate the offenders.

8 http://www.chimes.com.au

9 http://www.shareslive.com.au
Investment advice offered by unlicensed persons, and the grey area of "investment newsletters":

A number of recent cases involve unlicensed persons who construct web pages (often as self-proclaimed financial gurus) containing a variety of advice or information usually describing or promoting particular listed stocks within Australia.

Other concerns, schemes and scams

"Hyping" Technology Stocks

Internationally there has been considerable “hype” surrounding the listing of securities relating to technology. In Australia the clearest case of the impact of this type of industry hype is that of Sausage Software, the makers of “Hotdog” a world leading web page design tool. Starting as a small one person development, the company quickly decided to list to secure funding for continued research and development. The listing was planned and well covered by media comment — it was also accompanied by a rarely seen level of Internet and media hype.

In October of 1996 the stock opened at 75 cents with an allocation of 18 million shares. With the majority of stock “tightly held” (mostly with the company’s principals) and with accompanying international hype it closed at the end of its first day’s trading at $2.75 per share increasing the net value of the float from $13.5 million to $49.5 million. By January 1997 the listed price had plunged to a low of 12c with the majority of holdings in the hands of private investors.

“Fast Money” Bulletin Boards or web pages

The Internet is littered with hundreds of messages promoting a wide variety of highly suspect and unregistered investment schemes, including participation schemes such as “envelope stuffing”, pyramid schemes, chain e-mail letters, etc. These may in fact pose a greater threat to ordinary consumers than other investment offers, since they may be more likely to appeal to individuals who do not feel knowledgeable or sophisticated enough to speculate in shares or other securities.

International securities and investments

A recent case involved a foreign company which operated as a Bank in the Asia-Pacific region. The company is registered as a foreign registered company in Australia but not as a Bank with the Reserve Bank. An Australian agent had created a website for it which promoted investment into various products of the Bank outside of Australia. There is no prospectus registered with ASIC and ultimately little or no protection for any investors.

Another matter that caught the attention of ASIC concerned a prospectus released on the Internet by a company that was incorporated in Vanuatu but
that had a number of Australian directors. Potential investors were offered the right to purchase condominiums and shares in the offering company, as well as acquiring citizenship of Vanuatu, and a Vanuatu passport, as part of the same deal. The offer was only on the Internet for a couple of weeks before it was withdrawn at the insistence of the Vanuatu government.

International finance — up front fee scams: traditional schemes – new medium

The Internet has provided new life to many traditional scams. ASIC has seen a significant increase in international investments bonds schemes (read rip-offs!) including some of the old favourites such as “Nigerian Scams”. In addition to many well known pyramid schemes there have been a number of other scams which offer very cheap personal finance through the provision of offshore credit cards with a $4000 credit limit. The cards carry a substantial up front “introduction” fee which can be reimbursed by “introducing” further parties to the scheme. These schemes appear to be a combination of “up frontfee” schemes and pyramid selling schemes and are not limited to the Internet.

Secondary trading in securities

A recent example of the secondary trading of shares within a restricted discussion group has emanated from Queensland relating to a high risk energy research and development company. The company has a potentially high value product which has been in development for quite a number of years. The original designer has now moved to full time trading in the shares of the company which are in limited supply, highly promoted and sought after. The promoter collates requests for share purchases and on a regular basis calls together a discussion group where each of the participants are invited to attend and trade shares. The promoter receives a percentage of all trades.

ISP fraud — “the cash cow of the 90s”

Advertisement

“Want to get the closest thing to a money tree in the backyard?

Become an Internet Service Provider – and watch the money roll in!”

ASIC has observed an increase in reports of company misconduct involving ISPs which have quickly gone broke leaving customers with long term prepaid subscriptions and no service.

In one recent case a retail computer company failed with debts of approximately $500,000. The director of the company immediately set about commencing a ISP business (with approximately $50,000 of equipment) because he believed it was such a “cash cow” it would solve all of his problems.

ASIC has also recently intervened in the operation of an ISP by two 15-year-old boys to ensure the appointment of a voluntary administrator. Operating from a
A backyard garage in Auburn NSW, the “virtual” ISP had attracted 380 customers in its short life of just over three months. The reseller of access from a third party, the boys attracted customers on the basis of heavily discounted 12 month connection contracts.

There have also been numerous instances at the lower end of the scale, impacting on all areas of commercial activity, where it has simply been impossible for potential investors to tell from the information they receive on the Internet whether the entities are companies registered in Australia, or business names, or simply individuals, and whether they are locally based or foreign entities.

In most of the cases of contravention of the Law that ASIC has encountered to date (and where ASIC has been able to identify and locate the participants), it has:

- issued warnings to the offenders about the application of the provisions of the Law; and/or
- sought the withdrawal of the relevant offer material or stopped publication of the unsubstantiated securities information.
- It should be pointed out that such action is and can only be taken by ASIC in those cases where it is able to identify and locate the offenders and is frequently complicated by a range of factors.

Complicating factors

Effective regulatory or enforcement action in respect of the Internet is frequently complicated by a number of matters. Without going into detail these include the:

- diminution of national borders in an increasingly global business community;
- multiplicity of responsible regulatory agencies that all have jurisdiction over particular aspects of what happens on the Internet;
- jurisdictionally limited and slow pace of law reform which is largely unsuited to the demands of a rapidly advancing technological environment;
- evidentiary limitations of traditional enforcement: No “smokin’ gun”, no paper trail, no "eyewitness" testimony; and
- vexed question of whether regulation ought to focus on the provider or the user of the offending information.

So what is ASIC doing?

ASIC considers that the challenge is three-fold:

- to write the right rules — that is, to put in place a workable and responsive legal framework, ideally on an international basis;
to ensure that those rules are effectively implemented and enforced; and

- to work with the providers of technology based financial services and industry associations in the development of appropriate codes of conduct and responsible and lawful practices and procedures.

ASIC will continue to explore issues relating to:

- whether securities offerings or dissemination of information about securities via the Internet can realistically be subject to domestic regulatory control, and how this might best be achieved;
- what detection or alert mechanisms can be introduced in relation to such offers or information (for example, automatically triggered "health warnings" to the investing public, stating that investing in securities over the Internet involves risk and information should be verified);
- to what extent, and in what ways, the Internet can itself be used to educate and inform investors;
- to what extent legislation can and should be introduced in domestic jurisdictions to implement any proposals made; and
- whether the requirements forming the subject of such legislation can form the basis of cooperative arrangements with regulatory agencies from other countries.

Some ASIC strategies — now and in the future

The following are among the strategies ASIC is pursuing in connection with its enforcement activities in an electronic environment.

ASIC Electronic prospectus policy

In September 1996, ASIC issued Policy Statement 107 on Electronic Prospectuses [PS 107] issued by Internet or other computer networks or CD-ROM. In essence, ASIC considers that electronic prospectuses should be allowed in cases where the policy underlying the prospectus provisions of the Australian Corporations Law can be satisfied.

This policy was the result of extensive public consultation by ASIC with market participants. ASIC has already allowed several companies and fund managers to use electronic prospectuses on an individual basis. Arguably the most prominent of these has been County Natwest.

County Natwest

County Investment Management has recently extended the range of investment options on the Internet. Their online prospectus now includes access to: balanced and enhanced balanced growth funds, Australian bonds, Australian equities, property trusts and small company investment options. County Natwest themselves describe their (second) online prospectus as:
… a more user-friendly presentation of text material, more extensive use of graphics and hypertext links, and the inclusion of a … function to guide investors through the document and encourage them to make a fully informed investment decision.”

ASIC investment advisory policy

In March 1997 ASIC released Policy statement 118 on Investment advisory services: media, computer software and Internet advice [PS 118].

Media advisers

This section of the policy refers to persons who give investment advice on securities or publish securities reports using the media. ASIC acknowledges the important contribution media advisers make to general investment awareness.

Media advisers do not need a licence if they publish information which is generally available to the public and not intended solely for the purpose of inducing persons to invest or giving direct securities recommendations in advising persons about securities.

Media advisers should also include a clear warning about the limitations of the advice and any material conflict which might exist for the adviser.

Internet investment advice

Any person placing information on the Internet about securities may need a dealers or an investment advisers licence. In essence ASIC considers that most of the licensing provisions apply to investment advice on the Internet.

However, a person placing information on the Internet will not be required to be licensed if:

- the published information is purely factual;
- does not provide any direct or implicit advice or opinion on securities;
- includes a warning that the information is not suitable to be acted upon as investment advice; and
- any potential investor should obtain investment advice before making any investment.

ASIC policy proposal – “Offers, invitations and advertisements of securities on the Internet”

In September 1998, ASIC issued a policy proposal paper about offers, invitations and advertisements that appear on the Internet. The proposal has been prepared with reference to the work of other jurisdictions in an effort to harmonise international responses and minimise the cost of compliance.

The main features of the proposed policy are:

- ASIC will not seek to regulate offers, invitations and advertisements of securities that appear on the Internet if it:
  - is not targeted at persons in Australia;
  - contains meaningful jurisdictional disclaimers; and
  - there is no misconduct.

- Issuers that ASIC regulate will be required to include a statement in the electronic prospectuses identifying the countries where their securities are available and we will continue our cooperative efforts with international regulators to:
  - improve certainty for Australian issuers who make available offers, invitations or advertisements of securities on the Internet; and
  - promote the confident and informed participation of consumers in Internet transactions in financial products.

Surveying the Internet

Like a number of other securities regulators (most notably the US Securities and Exchange Commission), ASIC has recently commenced a surveillance program focusing on two key areas monitoring the Internet, especially the message areas, such as news groups and bulletin boards. A two year surveillance and enforcement project has commenced which may include;

(a) Development of a “virtual toolkit” to enable ASIC to:
  - maintain a database of e-commerce resource links;
  - identify, evaluate and advise on relevant Internet tools; and
  - create an easy to use intranet “portal” that provides ASIC complaints staff with access to tailored Internet information.

(b) Provision of internal specialist advice on:
  - monitoring of emerging technologies; and
  - developing an “information & precedents package” to assist with enforcement activity & litigation.

(c) Evaluation of the potential to automate Internet surveillance including:
  - adaptation of existing software products, tailored for Internet surveillance;
  - customised ASIC Internet surveillance applications; and
  - establishment of links with other agencies currently conducting research into “intelligent agent” technologies.
ISP surveillance and liaison

The ISP industry over the past few years has grown from approximately 60 in August 1995 to over 700\(^1\) in 1998. Analysis by ASIC\(^2\) of ISPs in New South Wales has revealed the business and corporate inexperience of the fledgling industry:

- Of the 234 ISPs in NSW, only 80% (189) are incorporated companies;
- Six of the 189 companies are currently under external administration;
- Fifty three percent of directors are less than 40 years of age with 19% less than 30;
- Forty-two of the 189 companies have directors who have no other current or previous directorships;
- Of the remaining 140 companies, 41 have at least one director with no other current or previous directorships; and
- Twenty-seven percent of these first time directors are less than 30 years old.

As a consequence of these concerns, ASIC has launched a joint education program with the Internet Industry Association (IIA), the peak industry body in Australia for ISPs and Internet access providers. The aim of the project is to assist the industry body to improve standards of corporate governance and conduct and ultimately assist in protecting consumers.

A pilot of the project has already been conducted in Queensland and generated considerable discussion within the industry. Seven ISPs of various sizes were inspected disclosing the following concerns:

- Lack of business management experience or acumen amongst some operators;
- Lack of accounting records to enable accurate monitoring of cash flow and business performance;
- Lack of formalised business or development planning; and
- Substantial capital infrastructure expenditure usually involving external financiers or investors.

ASIC is also assisting the Internet Industry Association with the development of aspects of its draft code of conduct providing guidelines for service and content providers on issues such as corporate governance, regulatory cooperation and consumer protection in the financial services area.

Future developments are expected to include tailored educational material for ISPs and content developers, more than likely hosted from the IIA website.

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\(^1\) Source: www.consult
\(^2\) “Internet Service Providers New South Wales Assessment” – ASIC National Intelligence & Analytical Service September, 1998 – Kirsten Beyer, Analyst
“Sweep the Net clean day”

Following the success of last year’s search theme (get rich quick schemes) ASIC once again participated with the ACCC and other Australian and international agencies in the international “Sweep day”. Held in September 1998, this sweep day focussed on a “miracle cures” theme.

Liaison with other domestic and international regulatory agencies, self regulatory organisations and key market participants

ASIC recognises that from an enforcement perspective, greater coordination and cooperation of regulatory efforts is essential — both domestically and internationally. ASIC has had, and continues to have, formal and informal discussions about electronic commerce with various domestic regulators and agencies to identify and work together on areas of mutual interest.

This liaison includes work within the Research Group on Electronic Commerce, made up of Commonwealth law enforcement agencies, and chaired by Ms Elizabeth Montano, AUSTRAC’s Director, and aimed at building enforcement strategies to assist regulatory agencies cope with the emergence of new technologies.

From an international perspective, Internet enforcement officials from 15 leading regulators (including ASIC) attended an SEC meeting in May 1997 to discuss practical surveillance issues relating to the Internet. The meeting was the first time global regulators have met specifically to discuss Internet surveillance and monitoring issues and to look at the practical problems associated with covering websites, bulletin boards and chat rooms in the context of surveillance programs.

ASIC home page

ASIC joined many other regulators and government agencies around the world in establishing its own Internet site, to be found at http://www.asic.gov.au.

The site was established to provide investors, creditors, company directors, lawyers and the general public with better access to ASIC information. It contains:

- Free searches of the banned company directors list;
- Free searches of the register of licensed investment advisers and proper authority holders;
- Free confirmation of Australian Company Number details;
- Links to ASIC information brochures for full company database searches over the Internet;
- Many of ASIC’s current information sheets;
- Draft policy, Government submission and speeches; and

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Contact points via Internet and telephone for ASIC.

The site is linked to the International Organisation of Securities & Commissions (IOSCO) home page providing hyperlinks to many other international regulators.

Finally, the site invites users to report to ASIC any instances of suspected misconduct that they may encounter, by e-mailing ASIC Infoline at Infoline@asic.gov.au.

Enforcement and prosecution

ASIC will continue to applying existing civil and criminal law, developed for traditional markets, to electronic markets in order to punish offenders in those (unfortunately few) cases where the hurdles of identification, evidence and proof can be overcome.

ASIC will also seek to enforce Australian securities laws against foreign advisers and, conversely one must expect foreign regulators to seek to enforce their laws against Australian advisers.

Where to from here?

The opportunities for the Internet seem endless and the soaring popularity for Cyber investing also appear boundless.

Unfortunately the opportunities for con artists and the ethically challenged also grow in proportion.

As users, providers and regulators we have to be vigilant.

Steven Wallman, former Commissioner of the United States Securities and Exchange Commission, summed it up perfectly at ASIC’s 1997 Electronic Commerce Conference when he said that we have to communicate, we have to cooperate, and finally, we will need to coordinate, and it seems that we are certainly moving in those directions.