



# A YEAR OF **change**

ASIC Annual Report

## 07–08



**ASIC**

Australian Securities & Investments Commission

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**ASIC**

Australian Securities & Investments Commission

**TONY D'ALOISIO**

Chairman

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1 August 2008

Senator the Hon Nick Sherry  
Minister for Superannuation and Corporate Law  
Parliament House  
**CANBERRA ACT 2600**

Dear Minister

In accordance with subsection 136(1) of the *Australian Securities and Investments Commission Act 2001* (ASIC Act), I am pleased to present you with the annual report of the Australian Securities and Investments Commission for the year ended 30 June 2008.

The report has been prepared in accordance with section 136 of the ASIC Act and the *Requirements for Annual Reports for departments, executive agencies and FMA Act bodies*, approved by the Joint Committee of Public Accounts and Audit in June 2008.

The theme of our report is 'A Year of Change', to emphasise ASIC's responses to the changes in the markets and its internal changes to better position ASIC to meet challenges now and in the next three to five years.

I note that, under subsection 136(3) of the ASIC Act, a copy of this report will be tabled in each House of the Parliament within 15 sitting days of that House after the day on which you receive the report.

Yours sincerely

**Tony D'Aloisio**  
Chairman



Our people at work.

# manage

## ASIC AT A GLANCE

### Our role

To enforce company and financial services laws. Our aims are outlined in section 1(2) of the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

### Our vision

For our functions in the financial economy, to exercise our powers to make a real difference in improving confidence in financial market integrity and protecting investors and consumers.

For our functions in the real economy, to deliver outstanding and cost-effective services.

For our priorities and outputs, see pages 14–31.

### Our 2007–08 achievements

For our highlights of the year, see pages 4–5.

### Our activities

Within the priorities we have set, during the year under review we regulated Australia's 1.6 million corporations, 4769 financial services businesses and 17 financial markets.

We worked to improve Australia's financial system, covering superannuation, managed funds, insurance, credit, deposit-taking and financial advice.

We cooperated with Australian and international regulatory bodies, see page 24.

### Our people

At 30 June 2008, we employed 1669 ongoing and non-ongoing employees in offices in every state and territory, see pages 34 and 43–44.

### Our budget

Our operating expenditure budget for 2007–08 was \$274 million, see page 10.

### Governance

We are a Commonwealth Government body, led by three full-time Commissioners, accountable pursuant to the ASIC Act to the Minister and the Parliament and through administrative and judicial review, see page 39.





# OUR KEY ACHIEVEMENTS

## FINANCIAL ECONOMY

### 1 Consumers and retail investors

- assisted investors to better understand unlisted, unrated debentures
- actively pursued wrongdoing in financial services, corporations and superannuation funds
- promoted investor education and financial literacy

### 2 Capital market integrity

- increased surveillance to curb insider trading and other market abuses
- worked with the Australian Securities Exchange (ASX) to speed up investigations from referrals
- actively prosecuted cases of insider trading and market manipulation
- pursued significant enforcement matters (e.g. AWB, James Hardie)

### 3 Facilitating capital flows

- implemented trans-Tasman Mutual Recognition of Securities Offerings (MRSO)
- made significant progress in mutual recognition, including with the United States
- reached agreement with the China Banking Regulatory Commission (CBRC)
- reached agreement with the Hong Kong Securities and Futures Commission on the mutual recognition of collective investment schemes

## STAKEHOLDER SURVEY

Our Strategic Review drew on the views of the 1250 respondents to a stakeholder survey conducted to help identify what we did well and where we needed to improve.

The stakeholder survey was conducted by the Allen Consulting Group and stakeholder responses were collected through three separate surveys of business, consumers and ASIC staff. Some of the results of the business and consumer surveys are presented in this report.

The full survey results are available at [www.asic.gov.au/strategicreview](http://www.asic.gov.au/strategicreview).

## REAL ECONOMY

### 4 Helping small and medium business

- increased efficiency and lowered costs through a range of innovations that reduced red tape
- introduced electronic registration and payment service for approximately 200,000 of the documents we receive and process each year
- targeted phoenix trading
- introduced a 1300 number for all our clients

### 5 Lifting operational effectiveness

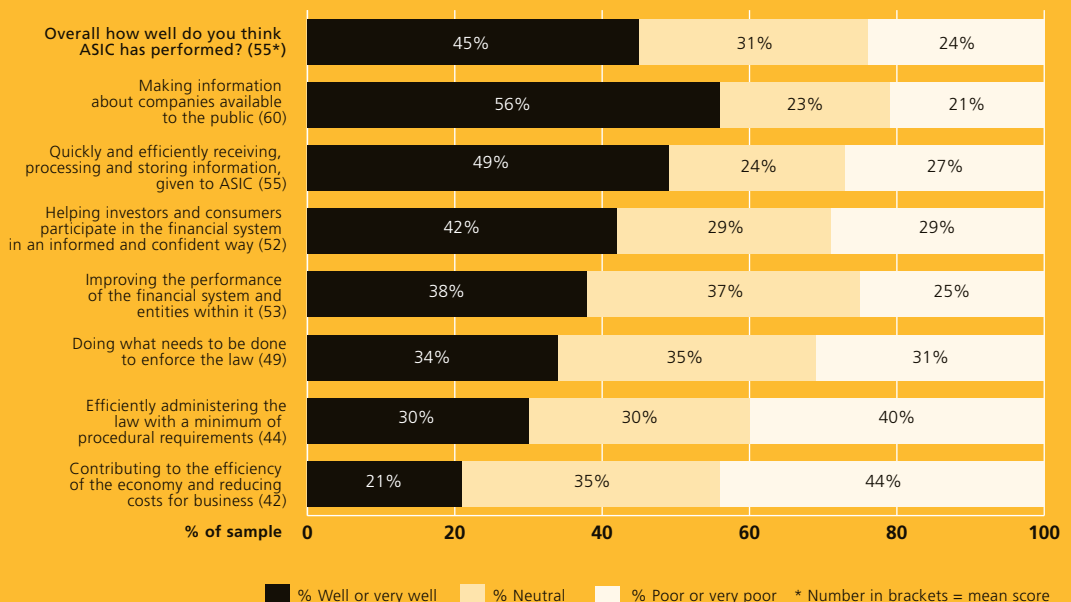
- selected a new enterprise content management system as part of a 4-year phased technology upgrade
- increased direct liaison with industry sectors we regulate
- finalised 11,436 complaints

### 6 Strategic Review

- completed stakeholder survey
- committed to increase investment in research and analysis
- created a new, flatter structure
- established 20 outwardly focused stakeholder and deterrence teams covering the financial economy
- increased investment in training and development to build staff credentials

## ASIC's overall performance

Source: Allen Consulting Group survey of ASIC stakeholders



# CHAIRMAN'S REPORT

ASIC is working hard to become more agile, market-oriented and better informed about the areas we regulate and facilitate. We are focusing on outcomes that have a real impact on improving confidence in the integrity of our markets and on encouraging freer flows of capital between Australia and countries such as the United States, Japan, New Zealand and China, and also Europe and Hong Kong. As we improve processes, leverage technology and cut red tape, ASIC is also becoming more efficient and easier to deal with.

I am pleased to present this year's Annual Report on behalf of the Commission after my first full year as ASIC Chairman.

Among the first steps we took soon after I became Chairman in May 2007 was to launch a review of ASIC's operations to ensure we are well positioned to meet the regulatory challenges of the changing economic environment in the next three to five years. Australia's regulatory regime proved robust in the face of the market downturn; however, as this report outlines, there is scope to improve the way we regulate and supervise our markets.

ASIC was pleased to welcome Belinda Gibson as a Commissioner. Her three-year term commenced on 5 November 2007. On 10 December, Commissioner and former Chairman Jeffrey Lucy left ASIC to take up his appointment as Chairman of the Financial Reporting Council.

## Our priorities

Over the past year, ASIC's operations were guided by six priorities, which I outlined in last year's Annual Report. In this Report, we detail our achievements against these priorities. They comprise three financial economy priorities focusing on retail investors, capital market integrity and developing our capital markets; two real economy priorities focusing on helping small and medium business and lifting operational effectiveness; and our Strategic Review.

The *financial economy* refers to the financial markets that are relied on by the real economy and by consumers of financial products and services. Here, ASIC exercises its powers to improve confidence in capital market integrity and protect investors and consumers. The *real economy* is that part of the economy that produces goods and services, with ASIC responsible for its legal infrastructure (such as company registration, registration of charges and the issue of licences).

## Financial economy

**To exercise our powers to make a real difference in improving confidence in financial market integrity and protecting investors and consumers.**

### 1 Consumers and retail investors

We promoted the interests of consumers and retail investors through a wide range of research, education and enforcement activities. This included forming a Retail Investors Taskforce charged with identifying ways to help investors manage their investments and protect their wealth.

During the year, ASIC developed a three-point plan to help investors better understand unlisted, unrated debentures. We introduced disclosure and advertising guidelines for the issuers of these products. We also issued guidance to help investors better understand the risks involved in investing in unlisted, unrated debentures.

We began to apply similar principles to the unlisted mortgage and property scheme sectors and will continue this work.

In our investigation into the collapse of the Westpoint property group, which is coming to an end, we took decisive action to obtain compensation for investors under section 50 of the ASIC Act.

Our investigations into Fincorp Investments Ltd (Administrators Appointed) and Australian Capital Reserve Ltd (ACR) are continuing.



## 2 Capital market integrity

A key part of ASIC's role is to maintain and improve confidence in and the integrity of our capital markets. This year, we increased our surveillance activity to further curb insider trading and other market abuses, worked closely with auditors and liquidators to promote compliance, and issued updated guidelines for the creation of expert reports.

We worked with the Australian Securities Exchange (ASX) to speed up the notification of referrals of market matters and minimise the time between the alleged misconduct and enforcement action. During the year, we acted on 88 referrals from the ASX of suspicious transactions and possible contraventions. At year's end, we were assessing 16 matters, investigating 30 and considering other remedial action (such as licensing action) for 20 matters.

In addition, at 30 June, we had five markets matters before the courts. During the year, we referred nine markets matters to the Commonwealth Director of Public Prosecutions (CDPP) and we obtained convictions in a further six matters.

We also have extensive inquiries and investigations under way relating to allegations of spreading false rumours in the market to undermine company share prices, in addition to our customary reviews for insider trading and market manipulation activities. We are investigating the failure of Opes Prime and whether the firm complied with the *Corporations Act 2001* (Corporations Act) when it extended a stock lending model traditionally used in the wholesale market into the retail market.

During the market turbulence in early 2008, together with the ASX, we reminded the market of a number of obligations. We gave guidance on the disclosure of material information relating to the financial arrangements of listed entities and the margin loans held by company directors; guidance on the disclosure of substantial interests held by stock lending participants; and warnings against starting false or misleading rumours and the consequences of such activities.



## 3 Facilitating capital flows

ASIC is facilitating capital flows (balanced with protection of Australian investors) between Australia and key international markets for Australia by pursuing recognition agreements with overseas regulators.

We are also focusing on international cooperation initiatives, research and education, and collaborating with a number of countries to achieve this goal. For example, ASIC and the Department of the Treasury have been working on

an initiative to allow US and Australian securities exchanges and market participants to operate in each other's markets. We are also working with the Monetary Authority of Singapore.

The governments of Australia and New Zealand recently exchanged letters, marking the commencement of the Mutual Recognition of Securities Offerings (MRSO) scheme. ASIC recently signed an agreement with the Hong Kong Securities and Futures Commission that will allow Australian and Hong Kong retail investors to access a broader choice of financial products in Australia and Hong Kong.

In addition, ASIC and the China Banking Regulatory Commission (CBRC) have formalised an agreement that will allow greater investment from China in Australia's capital markets. This agreement will result in Australia being a more likely destination for China's capital investment, leading to more liquidity in the Australian stock market.

## Real economy

To deliver outstanding and cost-effective services.

### 4 Helping small and medium business

We introduced a range of innovations aimed at reducing red tape, increasing efficiency and lowering costs for the more than 1.6 million companies that interact with us annually. We have made it easier for companies to lodge forms, make payments and complete other processes via the internet, and we have streamlined internal business processes. ASIC also targeted phoenix company activity, which often leaves small and medium businesses as unsecured creditors.

### 5 Lifting operational effectiveness

Over the year, we have actively worked to refine our 'business as usual' operations. This included improving a wide range of stakeholder services, such as introducing one 1300 number for all ASIC contact centres, and measures to ensure we deliver better cost-benefit outcomes for stakeholders.

We also stabilised our existing information technology infrastructure and launched six project streams as part of a four-year phased technology upgrade that will improve services for business, consumers and retail investors, and for our people.

**ASIC will expand its enforcement activities with an additional focus on international investigation in such areas as internet fraud, in cooperation with overseas regulators.**

## 6 Strategic Review

ASIC conducted and completed a wide-ranging Strategic Review of its operations to ensure the organisation is well positioned for the challenges of the next three to five years. This was preceded by an extensive stakeholder survey, the results of which are on our website and reproduced in part in this Report.

The results of the Review and the plan for implementation were announced on 8 May 2008. The transition will be completed by 1 September 2008 and will include:

- increased investment in research and analysis
- appointment of an experienced External Advisory Panel
- abolition of 4 directorates in favour of 20 outwardly focused stakeholder and deterrence teams covering the financial economy
- creation of a flatter structure, in part by the reduction of two layers of senior management to one, and
- a new approach to developing our leaders and building credentials for our people.

Improvement in the skills of our people through training and development and through recruitment will be a key feature of being able to deliver the improvements from the Review.

## Summer School

In February, we hosted our 13th ASIC Summer School in Melbourne, a conference dedicated to exploring and debating issues significant to the efficient operation and regulation of financial services, and to capital and corporate markets within Australia and internationally. Speakers

from the business, financial services and regulatory communities explored the 'Our Financial Markets: The Big Issues' theme at a time of market turmoil. A report of the Summer School is available on our website at [www.asic.gov.au/summerschool](http://www.asic.gov.au/summerschool).

## ASIC funding

Our expenses increased to \$274 million to meet operational costs, including maintaining the increased expenditure on enforcement activities that occurred in 2006–07. Employee expenses are our largest outlay and they increased to \$165 million, reflecting our focus on staffing of compliance and enforcement matters. We received \$282 million in appropriations and \$10 million in revenue from the sale of services, interest and other sources, including \$3 million in recoveries for court and investigation costs. Our \$18.2 million surplus is a result of a timing difference between the recognition of appropriation received and expenditure on a significant IT project. The unspent appropriation will be used in future financial periods to fund this initiative. See our Financial Statements on page 64.

## The year ahead

In addition to the five real and financial economy priorities announced in 2007, ASIC will be focusing on two additional priority areas in 2008–09.

### Continuing to manage market turbulence

This will involve developing a range of measures to reduce the impact of, and quickly respond to, future volatility. ASIC will continue to focus on managing the domestic and international implications of global financial turmoil by looking at the role of investment banks, credit rating agencies and other market participants to ensure that retail investors and consumers are protected.

### Expanding enforcement

ASIC will expand its enforcement activities with an additional focus on international investigation in such areas as internet fraud, in cooperation with overseas regulators.

An important feature of ASIC's business is working closely with other Government agencies, such as the Australian Prudential

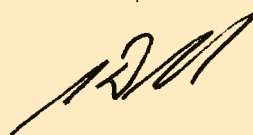
Regulation Authority (APRA) and the Australian Competition and Consumer Commission (ACCC), and with the ASX. This cooperation provides valuable underpinning to our activities. We look forward to working constructively with all our stakeholders in the coming year.

In June 2008, the Government released the Green Paper on Financial Services and Credit Reform for discussion. The paper deals with the Council of Australian Governments' in-principle decision to transfer a significant range of state regulatory responsibilities in financial services to the Commonwealth, including mortgage credit and advice, margin lending, non-deposit taking institutions and trustee companies. The Minister for Superannuation and Corporate Law has advised that it is reasonable to anticipate that most or perhaps all of those responsibilities will transfer to ASIC in the federal jurisdiction.

We will be building on our ASIC in the Community initiative. Launched in 2007, this fosters the engagement of ASIC's people with the wider communities in which we live. In addition to our staff giving program, which supports 20 charities, and actions to reduce our environmental footprint, we will shortly be launching a volunteering program.

From 1 July 2008, we assumed responsibility for the Financial Literacy Foundation and will draw together the work of ASIC and the Foundation to promote financial literacy in our school system. We will also draft and consult on a new national financial literacy strategy to promote initiatives that result in Australia's consumers and retail investors not just understanding money matters better but also achieving good financial outcomes. The Foundation's Board will continue with its advisory role.

I would like to thank our people for their considerable efforts over the year and their focus on our existing and new priorities. There is much to be done but I am confident that we have the people and revitalised structure in place to realise our goals.



**Tony D'Aloisio**  
Chairman

# FINANCIAL SUMMARY

**Table 1: ASIC's use of taxpayers' money for the outcome approved by Parliament**

	2007–08	2006–07	2005–06
<b>Operating expenses</b>			
Total	\$274m	\$256m	\$218m
Annual change	+7%	+17%	+5%
<b>Fees and charges raised for the Commonwealth</b>			
Total	\$545m	\$519m	\$543m
Annual change	+5%	–4%	+2%
Parliament funds ASIC to achieve the outcome of 'a fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of		investors and consumers'. To achieve this outcome, we delivered four outputs, with enforcement activity representing 51 per cent of expenses.	
<b>ASIC outputs*</b>	<b>2007–08</b>	<b>2006–07</b>	<b>Change</b>
1 Policy and guidance about laws administered by ASIC, see page 56.  Increased expenditure arising from the establishment of a strategy directorate and ongoing regulatory policy activities, including our Better Regulation program.	\$18m	\$16m	+13%
2 Comprehensive and accurate information on companies and corporate activity, see page 57.  Expenditure levels in real terms maintained, allowing ASIC to apply the benefits of a 10% reduction in costs achieved in 2006–07 to compliance and enforcement activities.	\$47m	\$45m	+4%
3 Compliance monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity, see page 58.  Allocation of additional resources to strengthen ASIC's surveillance capability.	\$68m	\$60m	+13%
4 Enforcement activity to give effect to the laws administered by ASIC, see page 60.  Maintained in real terms the 32% increase in enforcement expenditure that occurred in 2006–07.	\$141m	\$135m	+4%
<b>Total</b>	<b>\$274m</b>	<b>\$256m</b>	<b>+7%</b>

\* Internal service costs are apportioned to these outputs.

We raised \$545 million for the Commonwealth in fees and charges, up 5 per cent and largely reflecting an increase in the number of newly incorporated companies over recent years.

Our expenses increased to \$274 million to sustain operations and to maintain the increased expenditure on enforcement activities that occurred in 2006–07. Employee expenses, our largest outlay of \$165 million, increased by 11 per cent, reflecting ASIC's focus on staffing compliance and enforcement matters.

**Parliament funds ASIC to achieve the outcome of 'a fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers'.**

We received \$282 million in appropriations and \$10 million in revenue from the sale of services, interest and other sources, including \$3 million in recoveries for court and investigation costs. Our \$18.2 million surplus is a result of a timing difference between the recognition of appropriation received and expenditure on a significant IT project. The unspent appropriation will be used in future financial periods to fund this initiative. See our Financial Statements on page 64.



# REGULATING DURING MARKET TURBULENCE

Many financial asset prices fell in 2007–08 after sustained rises through preceding years. From 1 July 2007 to 30 June 2008, the All Ordinaries Index of stocks listed on the ASX fell by 15.5 per cent. During the month of January 2008, this key measure of share market value declined by 11.3 per cent – its largest monthly decline since the 1987 market crash – representing a loss in that month alone of \$170 billion in market capitalisation. Over the year, Australia witnessed some significant financial shocks, including the failure of some managed investment schemes and unlisted, unrated debenture issuers. A similar pattern of shocks was experienced in other countries.

The 2007–08 financial year saw increasing volatility and turbulence in global share markets and dislocation in global credit markets triggered by problems in the US sub-prime mortgage market. The global financial crisis has been extraordinary in terms of its reach and its persistence. It has involved deteriorating credit risk and evaporating liquidity and has exposed problems, especially with many complex structured products. As the Bank for International Settlements has said:\*

... the chain of events started with what appeared at first to be a relatively contained problem in the US sub-prime mortgage sector, but quickly spread to other markets. In an environment of rather accommodative financial conditions and elevated risk appetite, use of credit derivatives and securitisation technology had aided the build-up of substantial leverage in the financial system as a whole. When this leverage started to be unwound in the face of sub-prime losses, price deterioration led to margin calls and further deleveraging.

As a result, increasing numbers of enterprises in Australia came under stress and confronted failure. This was particularly the case for entities with complex structures and high levels of gearing.

Activity in local debt markets contracted and, in particular, issuance of residential mortgage-backed securities fell sharply while interest rate spreads widened. Aggregate credit growth slowed and lending by wholesale lenders fell back sharply while the five largest banks gained market share.

**The 2007–08 financial year saw increasing volatility and turbulence in global share markets and dislocation in global credit markets triggered by problems in the US sub-prime mortgage market.**

The downturn also exposed the weakness of companies, stockbrokers and margin lenders whose business models proved to be dependent on ever-rising asset prices and/or extensive use of leverage.

In 2007–08, the market's focus was on companies with complex structures and leveraged business models. From their peak to their financial-year low, Centro Properties Group had lost \$8.3 billion in market capitalisation, Allico Finance Group \$4.5 billion and ABC Learning Centres \$2.9 billion. Opes Prime Stockbroking and Lift Capital Partners went into administration.

\* Bank for International Settlements, 78th Annual Report (released 30 June 2008), p 92.



Further, Australia's banks, which have depended for part of their funding on borrowings abroad, were subject to concerns about the availability of liquid funds and increases in funding costs. These concerns were passed through to borrowers in the form of higher interest rates.

Collectively, these were shocks to the system that resulted in significant losses for many investors – from retail investors to institutions – and raised legitimate questions about the adequacy of the regulatory regime. As the body with primary responsibility for the financial markets and investments in Australia, ASIC – like its peer regulators in other countries – has been reviewing the lessons from the downturn and its impact and whether there is a need to change its regulatory approach in response to these events.

Despite these difficulties, it has been encouraging that investors in Australia continued transacting with confidence during the year. Average daily turnover on the ASX's cash market was a record \$6.4 billion, up 22 per cent on the previous financial year, and the total value traded was \$1.6 trillion, also up 22 per cent. KPMG has reported that overall equity raised in the year to June 2008 was \$54.2 billion, down from the \$65.6 billion raised in 2006–07 and the second highest figure over the past decade.\*

ASIC made the global market turbulence a priority and responded in a number of ways. Together with the ASX, we reminded the market of a number of important obligations. We gave guidance on the disclosure of material information relating to the financing arrangements of listed entities and the margin loans held by company directors; we provided guidance on the disclosure of substantial interests held by stock lending participants; and we issued a warning to market users against starting false or misleading rumours and the consequences of such activities.

As a result of these activities, we saw increased disclosure in the area of margin lending and a better understanding of the substantial shareholder notice provisions.

**Average daily turnover on the ASX's cash market was a record \$6.4 billion, up 22 per cent on the previous financial year, and the total value traded was \$1.6 trillion, also up 22 per cent.**

We also commenced a series of inquiries and investigations into insider trading and market manipulation (see page 20).

The existing regulatory system is well equipped to address most forms of market misbehaviour and abuse. However, the crisis has revealed the need for further work in areas such as margin lending, stock lending, short selling and contracts for difference (CFDs). We have worked with Treasury on covered short selling. In the coming year, we will continue our focus on these issues.

\* KPMG press release, 14 July 2008 (quoting KPMG's *Survey of the Australian capital markets 2007–08*).

# MAJOR ENFORCEMENT ACTIONS

This year, in collaboration with the CDDP, we completed 52 criminal proceedings, with 49 criminals convicted, including 23 jailed. We completed 44 civil proceedings and obtained over \$50 million in recoveries, costs, compensation and fines, with more than

\$96 million in assets frozen for investors and creditors.

More detail on ASIC's enforcement actions is provided in the review of ASIC's six priorities, see pages 16–31.

<b>AWB</b>	<p>ASIC is a member of the taskforce formed in 2007 to investigate allegations arising from the Cole Inquiry into the UN Oil-For-Food Programme. In December, we commenced civil proceedings alleging breaches of directors' and officers' duties against six defendants who are all former AWB officers, including the former managing director, chairman and chief financial officer.</p> <p>Our investigation into criminal breaches is continuing.</p>
<b>HIH Insurance Limited</b>	<p>Our investigation is complete. To date, nine people have been convicted and sentenced in relation to charges brought by ASIC. In November, Dominic Fodera, former Finance Director and Chief Financial Officer, received an additional jail term of three years and four months.</p> <p>Two defendants are currently awaiting trial on criminal charges:</p> <ul style="list-style-type: none"> <li>• Geoffrey Cohen, former Chairman of HIH Insurance Limited, and</li> <li>• Daniel Wilkie, former officer of FAI General Insurance Company Limited.</li> </ul>
<b>Westpoint Group</b>	<p>Liquidators made distributions in excess of \$30 million to investors from assets secured by ASIC action. This is against total losses in excess of \$350 million.</p> <p>We commenced proceedings against five financial services licensees as well as a trustee company. We are seeking compensation in the vicinity of \$80 million.</p> <p>We commenced proceedings on behalf of particular mezzanine companies in the Westpoint Group against former officers, directors and associated entities for up to \$245 million.</p> <p>A former promoter of Westpoint products, Neil Austin Burnard, was convicted on nine criminal charges.</p> <p>Fourteen licensed advisers and 2 unlicensed advisers who advised on Westpoint products were banned (1 for life), and licensing action is being taken against a further 17 advisers.</p> <p>We worked with the WA State Police, leading to the charging and guilty plea of one Perth adviser, Annamieke De Boer.</p> <p>We commenced criminal proceedings against former advisor Keith Rowntree for providing unlicensed financial advice. We delivered criminal briefs to the CDDP in relation to eight unlicensed financial advisers and three former directors and officers.</p>
<b>James Hardie</b>	<p>The civil penalty proceedings commenced last year are continuing, seeking declarations of breaches against James Hardie Industries Limited (now known as ABN 60 Pty Ltd), declarations of breaches and fines against James Hardie Industries NV, and declarations of breaches, fines and disqualification against a number of former and current directors and former executives.</p>

## Project Wickenby

ASIC is a member of the Government's Project Wickenby Taskforce.

To enforce the importance of market disclosure and transparency, ASIC undertook successful court action that led to the vesting and sale of over 2 million shares in listed company Novogen Limited after the beneficial owners of the shares failed to identify themselves. Approximately \$4 million was recovered and is now held in trust.

From information provided by the Taskforce, ASIC successfully prosecuted Stephen Moignard on 10 counts of managing corporations while disqualified because of insolvency.

## One.Tel

We finalised proceedings and are awaiting judgment in civil penalty proceedings against two former executive directors of One.Tel.

Previously, we settled proceedings against 2 other defendants in 2003 and 2004, obtaining judgments for compensation and banning periods of 10 and 4 years.

## Opes Prime Stockbroking Limited

There is an ongoing investigation into issues arising from the collapse of Opes Prime.

We obtained orders preventing certain directors from leaving the country.

## Fincorp Group

There is an ongoing investigation into the collapse of Fincorp.

## Australian Capital Reserve

There is an ongoing investigation into the collapse of ACR.

## How ASIC deals with people who don't comply with the law

Source: Allen Consulting Group survey of ASIC stakeholders

