

ENFORCEABLE UNDERTAKING
AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION
SECTION 93AA

The commitments in this undertaking are offered to the Australian Securities and Investment Commission ("ASIC") by:

(a) Robert Leslie Campbell
33 Fitzroy Street
McKinnon Vic 3204
("Campbell")



(b) Bells Financial Services Pty Ltd
ACN 084 429 470
45 Whitehorse Road
Balwyn Vic 3103
("Bells Financial Services")



1. Background

1.1 ASIC has conducted inquiries in relation to suspected contraventions of sections 849 and 851 of the *Corporations Act* 2001 ("the Act") arising out of or in connection with recommendations and advice given by Campbell to clients who have entered into investments promoted by Lifestyle Property Investments Pty Ltd ("LPI") during the period from 1 April 1998 to 13 July 2000 ("the relevant period").

1.2 As a result of these inquiries:

- (a) by reason of the facts set out in paragraph 1.7, ASIC has reason to suspect that Campbell and/or Bells Financial Services have contravened sections 780 (unlicensed dealing in securities), 781 (unlicensed investment advice business), 849 (non-disclosure of particulars of commissions or fees) and 851 (no reasonable basis for investment recommendations) of the Act (as it then was);
- (b) by reason of the facts set out in paragraphs 1.7 and 1.8, ASIC has reason to believe that Campbell may not in the future perform the duties of a representative of a dealer efficiently, honestly and fairly.

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- (c) at the time of making LPI recommendations, Campbell failed to disclose to the clients concerned particulars of the commission or fee that Bells Financial Services would receive if the client invested in such Development Partnerships as a result of the recommendation, in each case thereby contravening section 849 of the Act (as it then was).

1.8 ASIC also alleges that:

- (a) When making the LPI recommendations, Campbell failed adequately to explain to the clients concerned:
 - (i) the risks associated with the recommendations and the possibility of losses being suffered if the clients followed them;
 - (ii) the respective roles of himself and Bells Financial Services in making those recommendations,

whereby the clients were unable to make an informed decision about whether or not to accept the recommendations;

- (b) Campbell knew or ought to have known that the investments the subject of LPI recommendations were unregistered managed investment schemes operated in contravention of section 601ED of the Act;

1.9 Campbell and Bells Financial Services, without admissions as to liability, acknowledge the concerns of ASIC referred to above and accordingly offer the undertakings set out in paragraphs 2 and 3 below.

2. Undertaking by Campbell

Pursuant to section 93AA of the *Australian Securities and Investments Commission Act 2001* ("ASIC Act"), Campbell gives the following undertakings:

2.1 Campbell will not for a period of two years commencing on 11 January 2002 ("the restriction period"):

- (a) carry on a financial services business within the meaning of the Act with respect to the financial products described in sections 763A(1)(a) and 763B of the Act but limited to the products described in sub-sections 764(1)(a), (b), (ba), (c), (j) and (k) of the Act; or
- (b) either directly or indirectly as a director, partner, manager, employee, agent or authorised representative participate in such a business.



- 1.3 ASIC has the power pursuant to section 920A of the Act to make a banning order against a natural person if, *inter alia*:
- (a) he has not complied with a financial services law;
 - (b) ASIC has reason to believe that he will not comply with a financial services law.
- 1.4 Sections 920A and 920B of the Act provide that ASIC may make a banning order to prohibit a person permanently, or for a specified period, from providing specified financial services.
- 1.5 ASIC has agreed to accept the commitments in this undertaking as an alternative to the exercise of the power referred to in paragraphs 1.3 and 1.4 above.
- 1.6 During the relevant period:
- (a) Campbell was the sole director and shareholder of Bells Financial Services;
 - (b) Campbell used Bells Financial Services as a vehicle to provide advice concerning investment opportunities to clients;
 - (c) Bells Financial Services did not at any stage hold a securities dealer's licence.
- 1.7 ASIC alleges that during the relevant period:
- (a) Campbell and/or Bells Financial Services, not being licensed so to do, carried on a securities business and/or an investment advice business in the course of which:
 - (i) Campbell made securities recommendations to a number of his clients to invest in Development Partnerships offered by LPI;
 - (ii) For introducing clients of Campbell to LPI, Bells Financial Services received commissions from LPI on investments made by those clients, thereby contravening sections 780 and/or 781 of the Act (as it then was);
 - (b) Campbell made securities recommendations to a number of his clients to invest in Development Partnerships offered by LPI ("the LPI recommendations") without having a reasonable basis for making those recommendations, in each case thereby contravening section 851 of the Act (as it then was);



2.2 Prior to him conducting a financial services business within the meaning of the Act or either directly or indirectly as a director, partner, manager, employee, agent or authorised representative participating in such a business with respect to the financial products referred to in paragraph 2.1(a), Campbell will:

(a) complete such studies as are necessary for him to qualify for and obtain a Diploma of Financial Planning or otherwise become qualified to conduct a financial services business or participate in such a business (as applicable).

As a minimum, Campbell agrees to complete the following:

(i) the subject *Securities Industry Law and Ethics* presently offered by the Securities Institute of Australia;

(ii) the subject CFP1 *Professionalism, Ethics and Compliance* presently offered by the Financial Planning Association; and

(iii) module DFP3 *Investment Planning 1* which is part of the Diploma of Financial Planning referred to above,

or should the above subjects no longer be offered, other equivalent subjects as is agreed between Campbell and ASIC; and


(b) provide the Regional Commissioner, Victorian Regional Office of ASIC, with a Statutory Declaration that he has qualified for and obtained a Diploma of Financial Planning or has otherwise complied with his obligations set out in paragraph 2.2(a) above.

2.3 Campbell will not be precluded from applying for a licence under Part 7.6 of the Act or from being a director, partner, manager, employee, agent or authorised representative of the holder of such licence if the licence does not enable the holder to operate a financial services business with respect to the financial products referred to in paragraph 2.1(a).

3. Undertakings by Bells Financial Services

Pursuant to section 93AA of the *Australian Securities and Investments Commission Act 2001* ("ASIC Act"), Bells Financial Services gives the following undertakings:

3.1 On and from the date hereof until the end of the restriction period, Bells Financial Services will not conduct a financial services business within the meaning of the Act with respect to the financial products referred to in paragraph 2.1(a) or either



directly or indirectly as a partner, manager, agent or authorised representative participate in such a business.

3.2 Bells Financial Services will not be precluded from applying for a licence under Part 7.6 of the Act or from being a partner, manager, agent or authorised representative of the holder of such licence if the licence does not enable the holder to operate a financial services business with respect to the financial products referred to in paragraph 2.1(a).

4. Acknowledgements

4.1 Campbell and Bells Financial Services acknowledge that during the restriction period ASIC:

- (a) may issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC which led to its execution;
- (b) may from time to time publicly refer to this undertaking;
- (c) will make this undertaking available for public inspection.

4.2 Campbell and Bells Financial Services acknowledge that this undertaking in no way derogates from the rights and remedies available to any other person arising from any conduct described in this undertaking.

4.3 Campbell and Bells Financial Services acknowledge that this undertaking has no operative force until accepted by ASIC.

4.4 Campbell and Bells Financial Services acknowledge that ASIC's acceptance of this undertaking does not affect ASIC's power to investigate a contravention arising from past or future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a civil penalty order against them or either of them.

5. For the avoidance of doubt, nothing in this undertaking shall:

- (a) Preclude Campbell from being a director or employee of any entity that employs or otherwise engages any person who is an authorised representative of a holder of a licence which enables the holder to operate a financial services business with respect to the financial products referred to in paragraph 2.1(a).



- (b) Preclude Campbell from being employed by any entity that is the holder, or an authorised representative of the holder, of a licence which enables the holder to operate a financial services business with respect to the financial products referred to in paragraph 2.1(a) provided that he does not participate in the operation of that business with respect to those financial products.
- (c) Preclude Campbell from carrying on a financial services business with respect to the financial products described in sub-sections 764(1)(d), (e), (f), (g), (h), (i) and (m) notwithstanding that those products may also fall within the ambit of the sections referred to in paragraph 2.1(a).
- (d) Enable Campbell until the expiration of the restriction period and until he has complied with paragraph 2.2 to be a director of any entity that is the holder, or an authorised representative of the holder, of a licence which enables the holder to operate a financial services business with respect to the financial products referred to in paragraph 2.1(a).

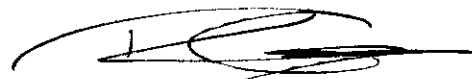
SIGNED by the said **ROBERT LESLIE CAMPBELL** this 23rd day of October 2002 in the presence of:



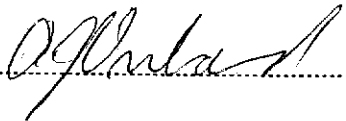
Witness: 

THE COMMON SEAL of BELLS FINANCIAL SERVICES PTY LTD was hereunto affixed in accordance with its Constitution this _____ day of _____ 2002 in the presence of:




 Robert Leslie Campbell
 Sole Director and sole Secretary of the Company

ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION
PURSUANT TO SECTION 93AA OF THE AUSTRALIAN SECURITIES AND
INVESTMENTS COMMISSION ACT 2001 BY ITS DULY AUTHORISED DELEGATE:


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This 28th day of October 2002

