

## **MEDIA RELEASE**

**26 JUNE 2015**

### **CALDB ADMONISHES QLD LIQUIDATOR**

The Companies Auditors and Liquidators Disciplinary Board (“CALDB”) has admonished registered liquidator Mr Jonathan Paul McLeod who practises in Brisbane.

The CALDB has made this order on an application to it by the Australian Securities and Investments Commission (“ASIC”).

In the application to the CALDB, ASIC alleged that Mr McLeod failed to carry out or perform adequately and properly the duties of a liquidator within the meaning of s1292(2)(d) of the Corporations Act 2001 (Cth) (“Corporations Act”) and is not a fit and proper person to remain registered as a liquidator within the meaning of s1292(2)(d) of the Corporations Act. ASIC relied upon twenty-four Contentions thirteen of which were established. ASIC withdrew four of the contentions during the hearing of the matter.

Based on the thirteen contentions established the Board was satisfied that Mr McLeod failed to carry out or perform adequately and properly the duties of a liquidator within s1292(2)(d) of the Corporations Act.

The contentions that the Board found were established against Mr McLeod involved variously and in respect of several company administrations or liquidations:

- (i) Failing to lodge with ASIC a report as required by s438D(1) regarding suspected offences as soon as practicable after the administrator became aware of such conduct (numerous omissions);
- (ii) not providing a remuneration report to relevant creditors pursuant to s449E of the Corporations Act;
- (iii) various failures to make proper declarations of indemnities and relevant relationships (DIRRI) to relevant creditors;
- (iv) failing to properly consider whether he was disqualified from consenting to act as a liquidator in circumstances where he had previously held a position of officer of the relevant company within 2 years of his appointment as liquidator; and
- (v) failing to open a liquidator’s general account within the specified 7 day period in compliance with Regulation 5.6.06(1) of the Corporations Act.

CALDB has admonished Mr McLeod for the contraventions established.

In deciding the appropriate sanction in this matter, CALDB took account of the fact that coincidentally with the period over which the contraventions that were established occurred, Mr McLeod was diagnosed with and received treatment for a serious illness. It was also relevant that Mr McLeod had not engaged in any deliberate or dishonest conduct, had adopted a cooperative approach throughout the proceedings before CALDB including making early admissions in respect of the omissions established and had provided evidence to the Board that he had implemented processes and procedures to address the deficiencies identified.

In CALDB's view, the exercise of its protective function in the particular circumstances of this matter required an order to be made admonishing Mr McLeod as a reproof to Mr McLeod for the lapses established while also serving the public interest as a reminder to the insolvency profession generally that registered liquidators who may find themselves in a similar situation cannot ignore the likelihood that their ability to carry out their professional duties to the standard required will be affected and they must address the need to put appropriate arrangements in place to uphold the high level of responsibility they have assumed to carry out their duties as a liquidator registered under the Corporations Act adequately and properly at all times.

A copy of the CALDB's decision and reasons is published on the CALDB website ([www.caldb.gov.au](http://www.caldb.gov.au)).

The CALDB is an independent statutory body with powers under the Corporations Act to cancel or suspend the registration of auditors and liquidators. The Board's powers are directed to the maintenance of proper professional standards on the part of registered auditors and liquidators.

**For further information contact:**

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