

**ENFORCEABLE UNDERTAKING**

*Australian Securities and Investments Commission Act 2001*

Section 93AA

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

Safe Worlds Internet Television, Inc  
24 Mulgrave Crescent, Varsity Lakes, QLD 4227  
**(Company)**

and

Mary Helen Metcalfe  
of 24 Mulgrave Crescent, Varsity Lakes, QLD 4227  
**(Mary Metcalfe)**

**1. Definitions**

- 1.1 In addition to terms defined elsewhere in this undertaking, the following definitions are used:

**ASIC Act** means the *Australian Securities and Investments Commission Act 2001* (Cth)

**Corporations Act** means the *Corporations Act 2001* (Cth)

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth);

**EU** means this Enforceable Undertaking

- 1.2 Except so far as the contrary intention appears in this EU, the interpretation provisions in Part 1.2 of the Corporations Act and Part 1 Division 4 of the ASIC Act apply for the purposes of this EU as if those provisions were provisions of this EU.

## **2. Background**

### **ASIC's role**

- 2.1 Under s1 of the ASIC Act, ASIC is charged with a statutory responsibility to perform its functions and to exercise its powers so as to promote the confident and informed participation of investors and consumers in the financial system.

### **Details of Conduct**

- 2.2 The Company was incorporated in Pennsylvania, United States of America on 25 June 2010.
- 2.3 The Company has at all material times carried on a business in Australia, including from premises in Brisbane and Varsity Lakes, of development of an e-business system and an internet television platform through the utilisation of artificial intelligence (**the e-business system**).
- 2.4 To raise funds for use in the development of the e-business system, in the period January 2011 to November 2016 (**the relevant period**), the Company has sought investment by issuing shares in the Company to members of the general public in Australia and overseas.
- 2.5 During the relevant period the Company has conducted investor presentations and issued updates to shareholders with a view to raising funds.
- 2.6 The Company has not provided disclosure to investors in compliance with Part 6D.2 of the Corporations Act in connection with any offers of shares that it has made.

### **Alan Metcalfe and Mary Metcalfe**

- 2.7 Alan Metcalfe was a director of the Company from incorporation until his death on 16 February 2017.
- 2.8 Mary Metcalfe was a director of the Company during the relevant period and to date.
- 2.9 Mary Metcalfe is the sole remaining director of the Company.

### **ASIC's investigation**

- 2.10 On 8 September 2016, ASIC commenced an investigation into the affairs of the Company under s13 of the ASIC Act.

### **ASIC's views concerning the conduct**

- 2.11 As a result of its investigation, and by reason of the matters outlined in paragraphs 2.2 to 2.9 above, ASIC is concerned that, at various times since 2011:
- 2.11.1 The Company has offered securities to Australian investors without the disclosure which was required under Part 6D.2 of the Corporations Act in contravention of s727(1) and (4) of the Corporations Act;
  - 2.11.2 The Company has carried on business in Australia without being registered as a foreign company under Part 5B.2 of the Corporations Act.
  - 2.11.3 Mary Metcalfe, as a director of the Company at all material times, was involved in the administration of the Company including the issuing of shares in contravention of s727(1) and (4) of the Corporations Act.
- 2.12 ASIC is concerned that as a consequence of the conduct outlined above, the Company, with Mary Metcalfe's involvement, has not complied with the Corporations Act, in particular s727 and s601CD.

### **Acknowledgement of Concerns**

- 2.13 The Company and Mary Metcalfe acknowledge:
- 2.13.1 ASIC's concerns as set out in paragraph 2.11 and 2.12 above;
  - 2.13.2 That ASIC's concerns are reasonably held;
  - 2.13.3 That they must comply with the requirements of this EU in order to address ASIC's concerns as set out in 2.11 and 2.12 above.

## **3. Undertakings**

- 3.1 Under s93AA of the ASIC Act, the Company and Mary Metcalfe have offered, and ASIC has agreed to accept as an alternative to ASIC exercising its civil powers and/or its administrative powers against the Company or others, the undertakings in paragraphs 3.1.1 to 3.1.6 below.
- 3.1.1 The Company will not offer securities that require disclosure under Part 6D.2 of the Corporations Act without giving the disclosure required under that Part;
  - 3.1.2 Mary Metcalfe will not be involved in the offer of securities that require disclosure under Part 6D.2 of the Corporations Act without giving the disclosure required under that Part;

- 3.1.3 The Company will not advertise in Australia (on its website or otherwise) any offers of securities except in compliance with the Corporations Act;
  - 3.1.4 The Company will, within one week of the date of this EU being accepted by ASIC, send to each of the Company's shareholders (by way of email or ordinary post) a copy of the letter at annexure A signed by Mary Metcalfe;
  - 3.1.5 The Company will, within one month of the date of this EU being accepted by ASIC, register with ASIC as a foreign company under Part 5B.2 of the Corporations Act;
  - 3.1.6 The Company will, within six weeks of the date of this EU being accepted by ASIC, provide ASIC with a statutory declaration sworn or affirmed by a director of the Company who has personal knowledge of the Company's compliance with paragraph 3.1.4 and paragraph 3.1.5 above that details whether or not the Company has complied with paragraph 3.1.4 and paragraph 3.1.5, and if it has not complied, the reason for non-compliance.
- 3.2 The Company and Mary Metcalfe will provide all documents and information requested by ASIC from time to time for the purpose of assessing compliance with the terms of this enforceable undertaking.

#### **4. Acknowledgements**

- 4.1 The Company and Mary Metcalfe acknowledge that ASIC:
  - 4.1.1 may issue a media release on execution of this undertaking referring to its terms and to the concerns of ASIC which led to its execution;
  - 4.1.2 may from time to time publicly refer to this undertaking;
  - 4.1.3 will make this EU available for public inspection.
- 4.2 Further the Company and Mary Metcalfe acknowledge that:
  - 4.2.1 ASIC's acceptance of this undertaking does not affect ASIC's power to investigate, conduct surveillance or pursue a criminal prosecution or its power to lay charges or seek a pecuniary civil order in relation to any contravention not the subject of ASIC's concerns in this enforceable undertaking or arising from future conduct;
  - 4.2.2 this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking or arising from future conduct.

4.3 The Company and Mary Metcalfe acknowledge that this undertaking has no operative force until accepted by ASIC; and the Company, Mary Metcalfe and ASIC acknowledge that the date of the enforceable undertaking is the date on which it is accepted by ASIC.

**5. Notification**

5.1 The address for providing ASIC with the statutory declaration required under paragraph 3.1.6 is:

The Senior Manager  
Corporations and Corporate Governance Enforcement  
Australian Securities and Investments Commission  
100 Market Street  
Sydney  
NSW 2000


Signed:

  
.....

Director

Safe Worlds Internet Television, Inc

Dated: 23/8/2017

  
.....

Mary Helen Metcalfe

Dated: 23/8/2017

**Accepted by the Australian Securities and Investments Commission under s93AA of the ASIC Act by its duly authorised delegate:**

  
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George Stogdale

Delegate of Australian Securities and Investments Commission

Dated: 30 August 2017

**Annexure A - Letter to Safe Worlds Internet Television, Inc Shareholders**

Dear Shareholder

**Safe Worlds Internet Television Inc – Update for Shareholders**

This letter provides you with an important update about Safe Worlds Internet Television Inc (**Safe Worlds**).

**Enforceable Undertaking (EU) provided to Australian Securities and Investments Commission (ASIC)**

On 23/8/17 Safe Worlds provided a signed Enforceable Undertaking (EU) to ASIC. ASIC accepted the EU on [insert date].

ASIC is a government body that administers the Corporations Act 2001 and looks after Australian financial markets, including the rules as to how corporations can raise funds from investors and issue shares to shareholders.

In September 2016, ASIC commenced an investigation into Safe Worlds as it was concerned about the way in which we had raised money from investors.

The Corporations Act applies to companies carrying on a business in Australia. Companies incorporated overseas and carrying on a business in Australia, like Safe Worlds, are required to register with ASIC as a foreign company.

The Corporations Act also sets out requirements which must be followed when companies like Safe Worlds raise money in Australia. These requirements generally include that companies must issue disclosure documents to investors setting out details of the company and the investment, and that the disclosure document must be lodged with ASIC.

Safe Worlds has not registered with ASIC as a foreign company and ASIC has been concerned that Safe Worlds has not complied with its obligations under the Corporations Act.

We have undertaken to register Safe Worlds as a foreign company and not to raise money in Australia unless it is in accordance with the Corporations Act.

A copy of the EU is attached. It is also available on ASIC's public register of Enforceable Undertakings which can be viewed at ASIC's website, [www.asic.gov.au](http://www.asic.gov.au). If you have any concerns about the EU you should seek independent advice.

Yours faithfully,

  
Mary Helen Metcalfe

Director

Safe Worlds Internet Television Inc