

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:

Duane Leslie Wright

and

First National Home Loans and Insurance Pty Ltd

20 Palladium Boulevard, Hope Island QLD 4212

Definitions

1. For the purposes of this enforceable undertaking:
 - (a) words and expressions used in this enforceable undertaking and which are defined in section 761A of the Act have the meaning given by that section for the purposes of this enforceable undertaking
 - (b) Act means the *Corporations Act 2001*.

Approved Training Program means a training program(s) or course(s), which have been approved by ASIC, and which covers the following topics:

- (a) incorporating insurance needs analysis into the provision of advice;
- (b) investigating and assessing existing and new alternative products before recommending a product to the client;
- (c) providing appropriate services, advice and products to clients;
- (d) providing practical replacement product advice comparisons in a Statement of Advice so that clients can make informed decisions about replacing existing insurance policies; and
- (e) demonstrating how insurance premiums diminish superannuation balances over the long-term in order to illustrate the 'real cost' of paying for insurance superannuation.

ASIC Act means the *Australian Securities and Investments Commission Act 2001*.

ASIC's Concerns means the concerns mentioned in paragraphs 7 and 8 of this enforceable undertaking.

authorising licensee means a financial services licensee that has authorised Mr Wright and/or FNHLS to provide financial services on behalf of the licensee.

client means a retail client.

commencement date means the date this enforceable undertaking is accepted by ASIC.

Compliance Statement, in relation to any proposed financial product advice to be given by Mr Wright or First National on behalf of their authorising licensee during the Review Period, means a statement given by their authorising licensee following its review of the proposed financial product advice.

First National means First National Home Loans and Insurance Pty Ltd ACN 142 788 672.

GuardianFP means GuardianFP Ltd ACN 003 677 334 and AFSL 237641.

Mr Wright means Duane Leslie Wright.

Quarterly Report means a quarterly report to be given by the authorising licensee to ASIC in connection with its review of any proposed financial product advice to be given by Mr Wright or First National on behalf of their authorising licensee during the Review Period.

Relevant Period means the period from 13 July 2012 to 29 April 2016.

Remedial Action Plan, in relation to any proposed financial product advice to be given by Mr Wright or First National on behalf of their authorising licensee during the Review Period, means a written plan of Mr Wright or First National to address any notification of non-compliance in a Compliance Statement given by their authorising licensee.

Review Agreement means an agreement between Mr Wright, First National and an authorising licensee on the terms set out in Annexure A.

Review Period, in relation to a Review Agreement with an authorising licensee, means a cumulative period of 12 months commencing from the date the Review Agreement is entered into.

ASIC's role

2. Under section 1 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.

Background

3. Mr Wright is the sole director of First National, a company which operated a financial services business from 20 Palladium Boulevard, Hope Island QLD 4212 throughout the Relevant Period.
4. Mr Wright and First National acted as authorised representatives of GuardianFP during the Relevant Period, and were authorised to provide financial product advice on behalf of GuardianFP.
5. The conduct that is the subject of this enforceable undertaking occurred during the Relevant Period and in the course of Mr Wright and First National providing financial product advice on behalf of GuardianFP.

Relevant law

6. The sections of the Act that are relevant to this enforceable undertaking include:
 - (a) section 947C of the Act, which requires an authorised representative to provide a Statement of Advice in the terms provided by that section;
 - (b) section 947D of the Act, which requires additional information to be included in the Statement of Advice when the advice recommends the replacement of one financial product with another;
 - (c) section 961B of the Act, which requires a person who provides personal advice to a client to act in the best interests of the client;
 - (d) section 961G of the Act, which requires the provider to only provide personal advice to a client where the advice is appropriate to the client;
 - (e) section 961J of the Act, which requires the provider to prioritise the interests of the client if the provider of the advice knows, or ought to know, when they give the advice there is a conflict between the interests of the client and the interests of the provider or the provider's authorising licensee.

ASIC's Concerns

7. ASIC conducted a surveillance of the financial product advice provided by Mr Wright and First National on behalf of GuardianFP during the Relevant Period and identified several concerns, including:
 - (a) the failure to undertake adequate enquiries into the objectives, financial situation and needs of clients to whom Mr Wright and/or First National made recommendations in the Relevant Period (such as giving inadequate consideration to the client's financial circumstances and capacity to service the recommended insurance premiums, both personally and within superannuation);

- (b) the failure to provide adequate replacement product advice to clients in the Statements of Advice, preventing the clients from making an informed decision to switch financial products, in particular:
 - (i) failing to investigate if existing insurance products would be more suitable than the recommended insurance products in meeting the client's needs, or failing to assess the existing products at all;
 - (ii) inadequate investigation and assessment into superannuation products and inadequate consideration of superannuation product suitability;
 - (c) the failure, in some cases, to consider the competing priorities of adequate insurance versus affordability, including the longer term impact of placing insurances within superannuation; and
 - (d) the failure to provide accurate information within the Statements of Advice, as demonstrated by the inconsistencies between the client files and the Statements of Advice.
8. Each instance of the conduct mentioned in paragraph 7 may amount to contraventions of sections 947C, 947D, 961B, 961G and 961J of the Act.

Acknowledgement of ASIC's Concerns

9. Mr Wright and First National acknowledge that:
- (a) ASIC's Concerns are reasonably held; and
 - (b) they must comply with their respective terms in this enforceable undertaking in order to address ASIC's Concerns.

Undertakings

10. Under section 93AA of the ASIC Act, Mr Wright and First National have offered, and ASIC has agreed to accept, the undertakings as set out in paragraphs 11 to 17 as an alternative to ASIC taking administrative action or civil proceedings against Mr Wright and First National in relation to ASIC's Concerns.

Training

11. Mr Wright and First National undertake to:
- (a) within 1 month of the commencement date—enrol Mr Wright and all staff of First National who are authorised to provide financial product advice, in an Approved Training Program;
 - (b) within 3 months of the commencement date—ensure that each of those persons have satisfactorily completed the Approved Training Program; and

- (c) within 14 days of the completion of the Approved Training Program—provide ASIC with written confirmation from the training providers that each of those persons have completed the Approved Training Program.
12. Mr Wright and First National undertake to ensure that any individual who is required to complete the Approved Training Program but who has not satisfactorily completed it within 3 months of the commencement date, ceases to provide financial product advice until the person has satisfactorily completed the Approved Training Program.

Pre-vetting Reviews

13. Mr Wright and First National undertake to:
- (a) procure their current authorising licensee to enter into an agreement with them on the terms specified in the Review Agreement within 14 days of the commencement date; and
 - (b) provide a copy of the signed Review Agreement to ASIC the day after the agreement is entered into.
14. If, during the Review Period, Mr Wright and First National propose to become authorised representatives of another authorising licensee in lieu of their current authorising license, they undertake to:
- (a) seek ASIC's approval to provide financial product advice on behalf of the proposed authorising licensee and not become authorised representatives of the proposed authorising licensee unless ASIC has given its consent;
 - (b) if ASIC consents—procure their new authorising licensee to enter into an agreement with them on the terms specified in the Review Agreement, but modified to apply for the remainder of the Review Period, which is to commence on the same day their authorisation takes effect; and
 - (c) provide a copy of the signed Review Agreement to ASIC the day after the agreement is entered into.
15. During the Review Period, Mr Wright and First National each undertake to:
- (a) provide to their authorising licensee all financial product advice given on behalf of their authorising licensee in accordance with the terms of the Review Agreement; and
 - (b) provide to their authorising licensee all reasonable assistance in fulfilling the obligations under the Review Agreement.
16. Mr Wright and First National each undertake to address any notifications of non-compliance contained in any Compliance Statement by:
- (a) within 14 days of receiving the Compliance Statement containing the notification of non-compliance, submitting a Remedial Action Plan to their

authorising licensee for approval setting out the proposed steps to address each of aspect of non-compliance and the timeframe for completion;

- (b) making any changes to the Remedial Action Plan requested by their authorising licensee within 7 days of receiving the request;
- (c) on receiving approval from their authorising licensee, carrying out the steps specified in the Remedial Action Plan within the specified timeframes.

17. If the authorising licensee provides a further Compliance Statement relating to non-compliant conduct that had previously been addressed in a Remedial Action Plan, Mr Wright and First National will cease providing financial services until the authorising licensee provides Mr Wright or First National (as applicable) with written confirmation that it is satisfied that the non-compliant conduct has been rectified.

Other

18. Mr Wright and First National each undertake to:
- (a) pay all costs of compliance with this enforceable undertaking; and
 - (b) provide all documents and information requested by ASIC from time to time for the purposes of assessing their compliance with the terms of this enforceable undertaking within 5 days after receiving a request from ASIC.

Other acknowledgements

19. Mr Wright and First National acknowledge that ASIC:
- (a) may issue a media release on the execution of this enforceable undertaking referring to its terms and to ASIC's Concerns;
 - (b) may from time to time publicly refer to this enforceable undertaking and whether Mr Wright and First National have complied with it; and
 - (c) will make this enforceable undertaking available for public inspection.
20. Mr Wright and First National acknowledge that ASIC:
- (a) may issue a media release or otherwise publicly refer to any Quarterly Report to be given by the authorising licensee to ASIC; and
 - (b) may make any Quarterly Report available for public inspection.
21. Mr Wright and First National acknowledge that:
- (a) ASIC's acceptance of this enforceable undertaking does not affect ASIC's ability to investigate, conduct surveillance or pursue administrative, civil or criminal proceedings in relation to:

- (i) any of ASIC's Concerns in the event that Mr Wright or First National does not fully comply with the requirements of this enforceable undertaking; and
 - (ii) any contraventions that are not the subject of ASIC's Concerns or which arise from future conduct.
- (b) this enforceable undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this enforceable undertaking or arising from future conduct.
22. Mr Wright and First National acknowledge that this enforceable undertaking has no operative force until accepted by ASIC.

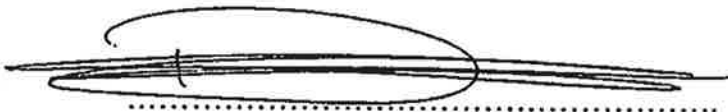
Notices

23. The addresses for providing notices and documents are as follows:
- (a) The address for providing ASIC with any notice or document in connection with this enforceable undertaking is:

Senior Manager
Financial Advisers
GPO Box 9827
PERTH WA 6001

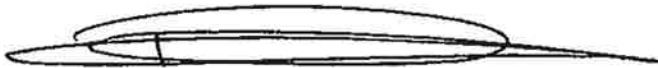
- (b) The address for providing Mr Wright or First National with any notice or document in connection with this enforceable undertaking is:

20 Palladium Boulevard
Hope Island
QLD 4212



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Duane Leslie Wright


Date: 4-1-18



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Signature of director/company secretary
First National Home Loans and Insurance Pty Ltd ACN 142 788 672

Date: 4-1-18

Accepted by the Australian Securities and Investments Commission under section 93AA of the ASIC Act by its duly authorised delegate:


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Joanna Bird

Delegate of Australian Securities and Investments Commission

The 16th of January ~~2017~~ 2018

