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ASIC

Australian Securities &
Investments Commission

GRUBB FINANCE - PROVISIONAL LIQUIDATOR APPOINTED

The Supreme Court in Western Australian has appointed Mark Conlan, of accounting firm Bird Cameron, as provisional liquidator of WA finance broker Rowena Nominees which traded under the name "Graeme Grubb Finance Broker".

Rowena's management portfolio involves 1,800 loans totalling approximately \$75 million and several hundred lender clients.

Rowena and its directors, Graeme and Elizabeth Grubb, earlier this month gave an enforceable undertaking to ASIC agreeing not to carry on any further finance broking or mortgage management business.

The enforceable undertaking also agreed to the appointment of Mr Conlan as an independent accountant to freeze Rowena's trust account and inquire into the status of mortgage investors' security.

The undertakings were given after ASIC investigations revealed unacceptable practices by Rowena and its management in relation to handling of client trust money, inadequate record-keeping, and failing to promptly register lenders security interests.

The undertakings also agreed that Mr Conlan would report to ASIC on his findings to enable ASIC to determine what further action might be necessary.

WA Regional Commissioner Jamie Ogilvie said ASIC was originally concerned about minimising clients concerns and their costs if Rowena was wound up.

"However, Mr Conlan's report to ASIC has revealed that there is a need to go further by appointing a provisional liquidator to take exclusive interim control of the affairs of Rowena.

"The provisional liquidation preserves and secures the position of investors while the state of the trust account and of investors' securities is being clarified.," Mr Ogilvie said.

"While the appointment of a provisional liquidator is the first step, ASIC is also seeking a final order for the winding up of Rowena. No date has been set for the hearing of the final winding up application."

Under the terms of the orders obtained by ASIC, the provisional liquidator has been given wide powers to investigate the affairs of the company and to report to the court on his investigations prior to the hearing of the winding up application.

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