

ATTACHMENT 10

ROGER AND TRACY GOTT – SUMMARY OF ISSUES FACED WITH APPROACHES TO ASIC AND AFCA

The following material sets out a summary of the facts that apply to the representations made by Roger and Tracy Gott about their investment of \$199,000 into Newman Estate Property Trust. It also sets out the details of the responses so far received from Australian Financial Complaints Authority (**AFCA**) and the Australian Securities and Investments Commission (**ASIC**).

STAGES OF INVESTMENT	DEALING WITH MACRO	DEALING WITH ADVISORS	DEALING WITH AFCA AND ASIC	AFCA AND ASIC RESPONSE
In July and August 2011, Gotts became aware of Newman Estate Project (NEP)	Gotts attended seminars run by Macro Realty Pty Ltd (Macro) during July 2011 and August 2011. Details and benefits of an investment of \$199,000 into NEP was outlined by Macro and claims of previous property developments in the Newman town were made. Macro claimed that the NEP was a further scheme developed by Macro and available for investment at a 50% discount for early investors.			

	<p>Gotts were informed by Macro at these seminars that the initial part of the investment process required them to commit to the investment by way of a \$5,000 deposit and by executing an Expression of Interest and Land Reservation form (EOI).</p> <p>The EOI was signed and deposit paid on 20 and 22 August 2011</p> <p>A person by the name of Greg Devine, who variously represented Viridian Property Group Pty Ltd and Viridian Equity Group Pty Ltd, provided some detail of the investment prospects and likely returns. These were set out in printed PowerPoint notes provided to all attendees.</p> <p>Macro required that Gotts pay the balance of the purchase price after meeting with Stephen Smith (Smith) from Viridian Property Group who would assess whether or not</p>			
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	<p>they qualified as “Wholesale or Sophisticated” investors.</p> <p>During December 2011 the Gotts requested a rent guarantee from Macro of \$1,800 per week for the house that they intended to build on the land acquired through this investment. Macro provided such a guarantee on 16 January 2012 signed by Veronica Macpherson as Licensee/Property Consultant of Macro.</p> <p>In early March 2012 the Gotts received a letter from Newman Estate Project Trust which was signed by Veronica Macpherson as Director. This was the first contact with Macpherson since she conducted the seminars for Macro. The letter enclosed a receipt for the funds the Gotts invested and a Unit Certificate. Nobody has ever explained what the Unit Certificate represented. Whilst the Gotts expected to receive a Certificate of Title for</p>			
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	the land they had paid for, no Certificate of Title has ever been received.			
Dealing with Viridian Property Group Pty Ltd and Viridian Equity Group Pty Ltd (each defined as Viridian where relevant).		Gotts met with Smith on 7 December 2011 and were told again that the offer to purchase units in the NEP were only available to Wholesale or Sophisticated investors. Smith produced documents that set out the criteria for Wholesale and Sophisticated investor status. The only criterion that the Gotts met was the capacity to make a minimum investment of \$199,000 into NEP . The Gotts advised that they were able to make the investment minimum and Smith took their documentation away for discussion with "management". Smith returned with another Viridian manager Greg Devine who claimed to be the "safety blanket" for all investors. Smith advised that it was pleasing that the Gotts had been assessed as Wholesale or Sophisticated investors therefore they could go ahead		

		with the investment if they decided.		
		The Gotts received a letter dated 23 December 2011 from Viridian signed by Smith as Authorised Representative of Viridian . An "Information Memorandum" (IM) was included with the letter. The letter set out that a meeting would be set for the Gotts in week of 9 January 2012 where questions about the IM could be answered and application forms could be completed if the investment was to be proceeded with. Smith set up a meeting with the Gotts via telephone for 11 January 2012. The Gotts paid over a cheque for \$194,000 payable to a company called 511 GTN Pty Ltd as dictated by Smith.		
		During the first week of February 2012 the Gotts received a letter dated 1 February 2012 from Viridian Equity Group Pty Ltd acknowledging payment of \$194,000 for an investment into NEP and acceptance of their application for the		

		investment. The letter was signed by Daryl Henthorn as Director of the Licensee, Newman Estate Project.		
Dealings with Pearce Callahan and Associates Pty Ltd (PCA).		On 15 February 2012 the Gotts received an email from Smith which attached a document on the letterhead of a company called Pearce Callahan and Associates Pty Ltd (PCA). Within the document it was stated that Smith was acting as an Authorised Representative of PCA . In the email Smith stated that to complete the Gotts application for the investment into NEP they were required to complete and sign the document which was referred to as their "sophisticated investor certificate". Prior to receiving this email and document, the Gotts had never dealt with or heard of PCA . There has been no further contact with PCA since.		
Dealings with AFCA .			In July 2018, the Gott's made a formal complaint to the Financial Ombudsman Service and the Credit and	AFCA ignored Gott's complaint. It was received by AFCA on 19 October 2021, per Registered mail

			<p>Investments Ombudsman. Each refused to consider the complaint as the entities involved were not members.</p> <p>On 8 October 2021 the Gotts made submissions to AFCA setting out all dealings with Macro and the various advisers they encountered during the investment of their funds into the NEP.</p>	<p>tracking data. Roger Gott had to resort to calling AFCA on 26 October 2021. He was advised by an AFCA staff member that due to the advisory firms involved not holding current AFCA membership, there was nothing AFCA was obliged to do to assist in this case and would not further consider the matter.</p>
			<p>The Gotts responded early December setting out why AFCA ought to have held the capacity to recognise the complaint.</p>	<p>On 17 January 2022 AFCA responded via email that they would not reconsider and that no further action would be taken due to none of the "financial firms" being currently or previously members of FOS or AFCA.</p>
Dealings with ASIC .			<p>On 8 December 2021, the Gotts made representations to ASIC seeking assistance with their endeavours to obtain fair redress for their situation from the entities that clearly deceived them in respect to the NEP investment. They also set out clearly why both Viridian and PCA ought to have been members of AFCA</p>	<p>ASIC responded to the Gott's letter on 18 February 2022 by email. The content of the response was irrelevant and in some cases erroneous. Several matters that the ASIC spokesperson considered to be outside ASIC's powers are in fact specific actions ASIC is able to pursue. ASIC essentially considered</p>

			at the time they provided advice.	that Gott's should simply finance their own legal action but that ASIC could do nothing to help.
			On 20 April 2022, the Gott's responded to ASIC's comments setting out how ASIC had fundamentally misunderstood the elements of their communications with ASIC . Gott's made it very clear that they ought to have been treated as "Retail" investors by all parties dealing with them. Subsequently they ought to have been given the full protection of the Corporations Act. Due to ASIC not adequately regulating its universe of financial services licensees the Gott's have suffered serious financial loss.	On 30 May 2022 ASIC responded with an email that practically set out a version of advice that was irrelevant and of no value to the Gott's. It was advised that the Liquidator of Macro Group ought to be approached for any assistance available. There was other useless information provided that did not help.
			The Gott's responded 26 July 2022 setting out the factual mistakes made by ASIC and making it clear that nothing provided by ASIC was of any assistance in helping to resolve their matter.	ASIC responded on 16 August 2022 advising that the matter had been referred to ASIC's Escalated Matters and Government Team for review. This review will solely consider if the

				<p>previous officers followed the proper procedures in their considerations – not whether the matter was properly understood and responded to.</p>
				<p>ASIC responded 17 October 2022 setting out that the Gott's concerns had been dealt with by ASIC officers in compliance with ASIC policies and procedures.</p> <p>The response went on to set out purported facts set out in the Gott's submissions to ASIC. However, many of the claimed facts appeared to have been gleaned from sources other than the Gott's submissions. Many facts were not relevant or not recognised at all.</p> <p>There has been no further correspondence with ASIC.</p>