

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2014 - 2015

**Department/Agency: Australian Securities and Investment Commission**

**Question: BET 85**

**Topic: Mr Gore**

**Reference: Hansard page no. 43 - 03 June 2015**

**Senator: Canavan, Matthew**

**Question:**

Senator CANAVAN: Just going to the court case: I believe that Mr Gore was permanently banned from involvement in financial services?

Mr Tanzer: Yes, in financial services.

Senator CANAVAN: Some of his colleagues have been banned from directorships. How does it work? Is Mr Gore banned from directorships as well?

Mr Tanzer: No, he is not. The orders that we sought in the court proceedings were all bans from financial services. A few of those directors consented to orders being made against them and also consented to being banned as a director.

Senator CANAVAN: Why isn't Mr Gore banned from being a director? It seems like he has been involved in Ponzi schemes, he has now been found in breach of an obligation to the Federal Court, with allegations of acting as a director while disqualified. Why didn't you seek an order to have him banned from being a director of a company?

Mr Tanzer: My understanding is that at the moment he is an undischarged bankrupt, and therefore he is disqualified as a matter of course under the Corporations Act.

Senator CANAVAN: How much longer will he be an undischarged bankrupt?

Mr Tanzer: I do not know. I can get you that information.

Senator CANAVAN: Some of these other individuals have been banned from directorships for up to 10 years, I believe.

Mr Tanzer: Yes.

Senator CANAVAN: And you are not sure if Craig Gore has a 10-year period of not being able to operate?

Mr Tanzer: It depends on his period of bankruptcy.

Senator CANAVAN: Could you take that on notice as well? It seems a little strange that some people who are more ancillary to what is going on than Mr Gore have a—

**Answer:**

**ASIC's proceedings in relation to Royale Capital, Mr Gore and other entities and individuals was focussed on misconduct in the provision of financial services and obtaining injunctions against the defendants to prevent future contraventions of the financial services laws. The action was not dealing with any breach of directors' duties or management of corporations, as such, and no claims were made against any of the natural person defendants for contravening or being involved in contravention of the directors' duties provisions of the Corporations Act. As such, ASIC did not apply for civil penalty declarations of contravention, nor relief under either s206C or s206E of the Corporations Act.**

**The orders that were made under s206E of the Act against two defendants, namely Mr Burrows and Mr Gibson, were made because they agreed as part of negotiated settlements to be subject to orders disqualifying them from managing corporations. No similar negotiated settlement was reached with Mr Gore.**

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2014 - 2015

**ASIC also wishes to correct and clarify information conveyed on 3 June 2015 in answer to questions from Senator Canavan.**

**During the period of misconduct and while the Federal Court proceedings were ongoing, Mr Gore was disqualified from being involved in the management of any company by operation of law (s206B of the Corporations Act) as a consequence of firstly his Part X Personal Insolvency Agreement and then his subsequent bankruptcy, which commenced on 18 April 2012. Mr Gore was discharged from bankruptcy on 19 April 2015 and, subject to the terms of the injunction against him, is now not disqualified from managing a corporation.**