

TO: : Mr. Tony D'Aloisio, ASIC Chairman  
CC : Hon. K. Rudd, Australian Prime Minister  
CC : Hon. Swann, Australian Treasurer  
CC : Hon L. Tanner, Finance Minister  
CC : Senator N. Sherry, Minister for Superannuation and Corporate Law  
CC : Members of the ASIC Oversight Committee

FROM : Graham MacAulay  
XXXXXXXXXXXXXXXXXXXX  
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DATE : 12 December 2007

Subject What are the reasons for ASIC's withdrawal of the Karen Carey case and what did it cost

Dear Sir,

An article by Neale Prior in the West Australian of 05/12/2007 reports ASIC failed to proceed with its case against Karen Carey on the morning of the trial, and refused to give any reason for the withdrawal. Karen Carey is the sister of Norm Carey, the head of the collapsed Westpoint group.

Given Karen Carey's claims in the articles of 05/12/2007 and 03/12/2007 ( both by Neale Prior), it is not difficult to understand why the trial did not proceed.

The pre-trial costs, and the settlement of Cary's expenses, means the Australian public has paid out a substantial amount of money for no valid reason. While ASIC has accountability to Parliament, it is also accountable to the Australian public. I do not believe ASIC, which should set the standard of behaviour for the financial industry, can refuse to answer why it did not proceed with the trial.

As I understand it, the only reason for not proceeding in such a circumstance is insufficient evidence. That seems strange given the alleged period ASIC had Karen Carey's records. The waste of valuable human resource when ASIC is so hard pressed in cleaning up the messes caused by its previous inaction is unforgivable. But then again, given past ASIC performance, perhaps I should not have been surprised that nothing has changed.

Given the above, would you please inform the Australian public of the total cost of the litigation process, including Karen Carey's expenses, and the precise reasons why ASIC failed to proceed with the case.

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