



**ASIC**

Australian Securities & Investments Commission

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Mr Graham MacAulay  
35/118 Karimbla Road  
**MIRANDA NSW 2228**

Dear Sir

**Prosecution of Karen Carey**

Thank you for your email of 12 December 2007.

I note your concern with respect to ASIC's decision to commence prosecution action against Karen Carey and then to withdraw those charges.

This action was part of a program that ASIC undertakes to assist liquidators to recover books and records and reports as to affairs from directors of companies in liquidation who fail to comply with their obligations. In this case, ASIC's assistance was requested by the liquidator.

After commencing the prosecution and reviewing the evidence, ASIC officers formed the view that the prospects of success did not merit continuation of the proceedings. Accordingly a decision was made not to proceed.

The investigation of liquidator assistance matters is not resource intensive. The program to assist liquidators to recover books and records is part of a summary prosecution program, and matters of this nature are, on occasion, withdrawn. These matters are dealt with outside the major investigations areas and, as such, do not impact on or divert resources from the enquiries presently being undertaken in relation to the Westpoint collapse. Those investigations are continuing.

Yours sincerely

Jan Redfern  
Executive Director, Enforcement