

The Australian

Norm Carey and his firm Westpoint found guilty

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WESTPOINT founder Norm Carey and his failed company have been found guilty of misleading investors and now face fines of up to \$500,000.

Carey and Westpoint were found guilty of five counts of misleading investors, who were talked into terminating apartment contracts, only to see the apartments on-sold at a higher price.

Yesterday, Carey attacked the decision, vowing to appeal and lodge a complaint against the prosecution with the West Australia's Corruption and Crime Commission.

The guilty verdicts delivered in Perth Magistrates Court yesterday are the first recorded against Carey and Westpoint since the company collapsed in 2006.

In a scathing judgment, Magistrate Peter Malone questioned Carey's credibility during the three-week trial. "I can conclude that there is considerable doubt about the credibility of Mr Carey's evidence . . . at times what he said or stated was not true," he said.

"In my judgment the terminations were clearly being obtained on the basis of the property then being resold to others."

The five apartments were on-sold for a total of \$300,000 more than the original selling price.

During the trial, Carey maintained he had no knowledge of the representations made to investors and did not authorise any employees of Westpoint to make the representations.

Yesterday, Carey said he was outraged by the verdict.

"It is not uncommon for magistrates' decisions to be overturned on appeal to the Supreme Court, where judges have a much greater understanding of the law," he said.

WA's Consumer Protection division prosecuted the case and Carey accused two prosecution lawyers of improper conduct relating to charges they also brought against three Westpoint sales people. The trio pleaded guilty to misleading investors and two received spent convictions and Carey said he would refer the case to the CCC.

Carey and Westpoint will be sentenced in April, but prosecutors have applied for this to take place in the District Court, where higher penalties apply and compensation orders can be issued to investors. If the case is sentenced in the higher court, Carey could face a maximum fine of \$20,000 on each of the five counts. Westpoint faces a \$100,000 maximum fine for each count.

Earlier this month, the corporate regulator brought to an end its recovery actions involving Westpoint, after reaching a \$67 million settlement with accounting giant KPMG and some of the company's directors, including Carey.

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