

# The Australian

---

## Former Westpoint director guilty of false statements

- Siobahn Ryan
- From: The Australian
- June 25, 2011 12:00AM

[Recommend](#)[Send](#)[Sign Up](#) to see what your friends recommend.[Share](#)

0 tweet

**FORMER Westpoint chief financial controller Graeme Rundle was found guilty yesterday in a NSW court on criminal charges, five years after the high-profile failure of the property group.**

The Perth-based businessman will be sentenced in August on two offences of making a false statement with intent to obtain a financial advantage.

The charges, brought by corporate watchdog the Australian Securities & Investments Commission, arose from statements made to a financial institution in securing \$71 million in finance to develop a project at York Street in Sydney. Thousands of investors lost their life savings after Westpoint collapsed in January 2006, owing \$388m.

Only \$78m has been recovered, despite 19 civil actions launched by ASIC to seek redress for hapless investors.

Mr Rundle was granted conditional bail but will appear for sentencing before judge Michael Bozic in the District Court in Sydney on August 12.

ASIC separately announced yesterday that it had taken one of its first actions against a financial planning firm linked to Trio Capital investments, in the wake of the fund manager's spectacular and costly demise.

It said Kilara Financial Solutions of Corowa, NSW, had agreed to appoint and pay for an independent expert to review its compliance programs and contact other clients who had invested in Trio products after ASIC found problems with advice given to 26 of its clients.

Between October 2006 and June 2008, Kilara advised some of its retail customers to switch their superannuation from their current fund into an alternative one invested in products overseen by Trio Capital.

Trio Capital, an Albury-based fund manager formerly known as Astarra, was shut down by regulators in 2009 but not before it had transferred investors' money as far afield as the Cayman Islands, never to be recovered.

The scandal forced the biggest ever bailout of superannuation fund members and the imposition of a levy across the industry to finance the \$55m rescue package for 5358 investors.

Hundreds more investors who fell outside the superannuation industry safety net are still to be compensated, with many blaming financial advisers for their plight.

ASIC has opted for an enforceable undertaking to ensure Kilara's compliance with conditions of its licence.

[Recommend](#)[Send](#)[Sign Up](#) to see what your friends recommend.

[Share](#)[0](#) tweet

---

Copyright 2011 News Limited. All times AEST (GMT +10).

All times are EST. © MarketWatch, Inc. 2008. All rights reserved. Subject to the **Terms of Use**. Designed and powered by **Dow Jones Client Solutions**. MarketWatch, the MarketWatch logo, BigCharts and the BigCharts logo are registered trademarks of MarketWatch, Inc. Dow Jones is the registered trademark of Dow Jones & Company, Inc. Intraday data delayed at least 15 minutes. "Intraday data is provided by **Interactive Data Real Time Services** and subject to the **Term of Use**." FXQuote™ provided by GTIS, an Interactive Data Company "Historical and current end-of-day data provided by **Interactive Data Pricing and Reference Data**". FTSE (Footsie) is a trade mark of the London Stock Exchange and the Financial Times and is used by FTSE International under license.