

ASIC brings charges against Westpoint duo

July 1, 2011

The corporate watchdog has brought criminal charges against Westpoint duo Norman Carey and Graeme Rundle, five years after the property company collapsed owing investors some \$388 million.

The two were charged today in Perth's Magistrates Court on two criminal charges each, brought by the Australian Securities and Investments Commission.

The charge allege that in January 2006, Mr Carey and Mr Rundle breached their duties as officers of Westpoint Management Limited and Westpoint Corporation Pty Ltd.

These breaches occurred when they executed deeds extending the time for Westpoint Corp. to exercise an option to purchase the Warnbro Fair Shopping Centre and adjoining land, ASIC said in a statement. The breaches also involved the transfer of the option to purchase WFSC to Bowesco Pty Ltd; a Carey family trustee company.

If convicted, each alleged offence carries a maximum penalty of five years' jail, the statement said.

At the time of the alleged offences, Mr Carey and Mr Rundle were officers of Westpoint Management Limited, the responsible entity for the managed investment scheme, Warnbro Fair Syndicate, which owned WFSC. They were also officers of Westpoint Corp.

The Commonwealth Director of Public Prosecutions is prosecuting the matter and the matter is scheduled to return to court on July 15, ASIC said.

Mr Carey and Mr Rundle were originally charged in April 2011 but court orders suppressed publication of the charges while Mr Rundle faced trial in Sydney for separate offences.

On 24 June, a jury found Mr Rundle, formerly the chief financial controller of Westpoint, guilty on two charges of making false or misleading statements to a financial institution in support of a \$71 million construction finance facility application to fund a Westpoint building in York Street, Sydney, ASIC said in its statement.

Mr Rundle will be sentenced in respect of the York Street's Scots Church project in the District Court of NSW on 12 August 2011, ASIC said.

The charges follow a long list of court activity involving Westpoint, beginning in November 2007 when ASIC launched 16 court actions as it sought compensation totaling \$550 million.

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