

Liquidator to failed companies banned over his own fail

Kate McClymont
January 20, 2012

THE controversial liquidator Peter Ngan has been banned for 2½ years following a lengthy investigation by the corporate regulator.

Mr Ngan, who signed an enforceable undertaking with the Australian Securities and Investments Commission this week, admitted that he is unable to properly perform his duties as a liquidator.

Mr Ngan has handled a string of colourful corporate collapses, including the failed businesses of the corporate crook Brad Cooper, the recently arrested alleged art fraudster Ronald Coles, the Parramatta Eels chairman, Roy Spagnolo, and the eastern suburbs businessmen Ben and Simon Tilley.

Kerry Packer's poker playing buddy Ben Tilley and his older brother Simon attracted 3000 well-heeled investors to their company Heritage. The aim was to invest in fine Australian red wine that would be sold offshore at a profit. Ben Tilley left the struggling business two years before it demised but Simon stayed on. Both offloaded their shares in Heritage two months before it crashed in 2005.

Mr Ngan's subsequent actions as liquidator incensed creditors who took court action to have him removed. His replacement later discovered that Mr Ngan had sold back to the former directors, including Simon Tilley, the company's computers which contained important financial information.

At the time a spokesman for Mr Ngan said the computers were sold to the directors because "we could get more money that way" rather than selling them on the open market.

Mr Ngan has been the liquidator of choice for Mr Spagnolo, who has had an extraordinary run of bad luck as a property developer, with one of his property development companies failing, leaving debts to tradesmen and more than \$1 million owing to the Tax Office.

Eight property development companies in which Mr Spagnolo has been involved have gone into liquidation, and Mr Ngan has been appointed to liquidate the corporate collapses.

When Mr Coles's art business was exposed as a fraud in *The Sun-Herald* in January 2009, the very next day it was Peter Ngan to whom the company turned to sort things out.

On Tuesday this week, the day after Mr Coles was arrested in connection with an alleged fraudulent multimillion-dollar art scheme, Mr Ngan signed an enforceable undertaking

with ASIC that effectively bans him from the liquidation business for 30 months.

It is understood that after receiving complaints from the public and information from other liquidators, ASIC began investigating Mr Ngan. A subsequent review of 24 companies he had liquidated (none of which involved any of the people mentioned earlier) turned up an array of failures on Mr Ngan's behalf.

They included Mr Ngan's failure to identify, secure and deal appropriately with assets, carrying out incomplete or inadequate investigations, chasing up debts and failing to sell assets at their maximum price.

The corporate watchdog also found that Mr Ngan had failed to adequately report to creditors, either didn't adequately report to ASIC or failed to do so at all, and failed to disclose prior relationships and indemnities.