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ASIC winds up planning businesses

Investors defrauded more than \$300,000

By Kate Kachor
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The corporate regulator has wound up a Gold Coast-based unlicensed financial planning business.

Two unlicensed financial planning business that defrauded investors out of more than \$350,000 have been wound up by ASIC.

After filing an application to the Supreme Court of Queensland, ASIC has closed the Gold Coast business of Golden Sparrow and GS Contracting, both allegedly operated by Michelle Bruhn.

In an ASIC statement, the corporate regulator alleged Golden Sparrow, GS Contracting and Bruhn operated an unlicensed and fraudulent financial services business, defrauding 36 investors in excess of \$350,000.

Last Monday, the court made orders that Golden Sparrow, GS Contracting and Bruhn carried on a financial services business without holding an Australian financial services licence (AFSL), as required under the Corporations Act 2001.

The court also ordered Golden Sparrow and GS Contracting be wound up and called for the appointment of William Fletcher and Katherine Barnet of Bentleys Corporate Recovery to act as the liquidators of the companies.

It also ordered Bruhn, Golden Sparrow and GS Contracting be restrained from carrying on a financial services business without holding an AFSL.

ASIC alleged that Golden Sparrow used cold calling and a website to encourage investors to deposit funds into a number of bank accounts held in the names of Golden Sparrow and GS

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Contracting with the promise the funds would be used to buy shares on behalf of the investors and generate returns of between 1 per cent and 3 per cent per week.

ASIC further alleged that Bruhn was the sole director of these two companies and withdrew the money from company bank accounts.

An ASIC investigation found between mid-August and November 2011 around \$350,000 was deposited by investors into Bruhn's company accounts.

During the same period of time, around \$300,000 was withdrawn in cash.

ASIC's investigation into this matter continues.

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