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FORMER SYDNEY FINANCIAL ADVISER JAILED

Mr Tunde Doja, of Sydney, New South Wales, has today been sentenced to a minimum of three years and eight months imprisonment in the Sydney District Court following an investigation by the Australian Securities and Investments Commission (ASIC) into Progressive Investment Securities Pty Ltd (Progressive) and Capital Investments Group (Aust) Pty Ltd (CIG).

On 30 November 2007, Mr Doja, 52, was found guilty by a jury in the District Court before Judge Goldring of eight fraud charges following a three-week trial. He was found guilty of six charges under the NSW Crimes Act following allegations he fraudulently obtained a financial advantage for investors by arranging 100% Investment Loans through Macquarie Bank. The funds were invested on behalf of the investors in products known as ORB 1, ORB 2 and OMIP 15 – 7. The investors were required to enter into agreements with Macquarie Bank for up to \$300,000 in investment loans on each product.

The jury found that Mr Doja submitted loan applications to Macquarie Bank on behalf of investors that contained false information in relation to their financial position. Specifically, Mr Doja was found to have completed the Statements of Financial Position in the loan applications without obtaining those details from the investors. Mr Doja was also found guilty of obtaining a financial advantage for Progressive and CIG by fraudulently obtaining commissions totalling \$740,025 from Capital Guaranteed Investments Limited and \$341,352 from MAN Investments Australia Ltd, who were the sponsors of the ORB and OMIP products respectively. He also made false statements to Capital Guaranteed Investments Limited and MAN Investments Australia Ltd about holding a valid financial services licence.

‘A high degree of trust is placed in individuals providing financial advice to Australian consumers. Mr Doja’s actions affected both investors and the wholesalers of the financial products. Those who choose to abuse this trust by deliberately misleading clients and finance providers face serious consequences’, said ASIC’s Executive Director of Enforcement, Ms Jan Redfern.

The matter was prosecuted by the Commonwealth Director of Public Prosecutions.

Background

Mr Doja was formerly the sole director of Progressive where he promoted Australian growth timber products and other tax effective schemes to clients. Mr Doja was an authorised representative of a number of licensees and was banned from providing financial advice for life by ASIC on the 13 January 2005.

The banning was unrelated to the current proceedings and followed concerns by ASIC that he had failed to perform his duties efficiently, honestly and fairly in recommending clients invest in timber projects and wine projects without considering their specific investment objectives, financial situation or particular needs.

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