

21 February 2012

The Chairman  
Parliamentary Joint Committee on Corporations and Financial Services  
PO Box 6100, Parliament House  
Canberra ACT 2600

**Inquiry into the collapse of Trio and other Related Matters**

Dear Sir,

After reading the Enforceable Undertaking that ASIC accepted from Tony Maher (formerly Paul Gresham) permanently preventing him from working in the Australian financial services industry, I was disturbed by some of its findings.

As a result I have some questions that I would request the Inquiry investigates.

1. Point 4.5 in Tony Maher's EU "from its inception in 1984 until 2004, PPPST invested in wholesale managed funds. By 2004, PPPST had largely invested in a portfolio of listed equities, bonds and cash that was managed by a large fund manager based in Australia."
2. Point 5.1 in his EU "In 2003, Gresham became aware that impending changes to the Corporations Act meant that his business was required to operate under an AFSL from 11 March 2004.

Accordingly, Gresham made enquiries about becoming an authorised representative of an AFSL holder. In the course of these enquiries, Gresham was referred to Richard and Littauer who were directors of WGI, a company which held an AFSL."

**Since Paul Gresham had a viable and successful business, why did he not personally apply for a licence to enable him to continue to run his business on his own as he done for many years?**

**Instead why did he find it necessary to team up with Richard and Littauer?**

**Did he have an issue with any of his business dealings that he felt would preclude him from being granted a licence? If so what was it?**

**How thorough were the investigations made by ASIC and APRA concerning the backgrounds of Richard (who is now in jail) and Littauer who were directors of WGI, a company which held an AFSL and what date was the licence granted?**

It appears that the need for Paul Gresham to approach Richard and Littauer for an AFSL, could be one of the pivotal issues which led to the demise of ARP Growth and the collapse of investor's superannuation.

Point 6.1 in his EU “In about late 2003, Gresham considered changing the investment strategy of PPPST” (later ARP Growth Fund) “to include alternative investments such as property, derivatives and offshore hedge funds.”

Point 6.2 “In about January 2004, PSTM in its capacity as investment manager of PPPST, recommended to Trust Company that PPPST’S investment strategy be changed to include alternative investments.”

Point 6.3 Gresham was subsequently advised by Trust Company that it was reluctant to change the current investment strategy of PPPST, or to approve investments in such alternative investments.” See Point 4.5

Point 6.4 “Gresham then commenced steps to have Trust Company replaced as trustee of PPPST by Trio. Richard and Littauer had advised Gresham that Trio **WOULD ALLOW PPPST’S INVESTMENT STRATEGY TO BE CHANGED TO INCORPORATE ALTERNATIVE INVESTMENTS.**”

*This was completely flouting what the Trust Company had seemed to have deemed as appropriate investment strategy and which in Point 6.3 they had refused to allow.*

**Why did the Trust Company NOT raise red flags with ASIC and APRA regarding Paul Gresham’s investment strategies, when he raised the subject of alternative investments to which Trust Company objected and refused to allow?**

**Did the Trust Company ask any questions as to the reason why its tenure as trustees was being terminated?**

It was not until 11 June 2004 that the Trust Company was asked to resign as trustee of PPPST and Trio was then appointed trustee. From January 2004 until June 2004, Trust Company was still the trustee, yet on 14 April 2004, it allowed Gresham to invest \$4.75 million of our funds into an investment that they had just earlier refused – see Point 7.1.

It would appear that Trust Company failed in its duties at this point in time and did not fulfil its role as watchdog. APRA and ASIC should also have been asked to investigate Paul’s strategies.

Reading through the Undertaking, it would appear quite clear that from the time that Paul Gresham teamed up with Richard and Littauer, and then with Jack Flader, James Sutherland and Philip York, an investment scam of tragic magnitude was hatched and put into practice.

It appears to be a scam of massive greed, negligence and betrayal.

I trust that my comments have been helpful and that the Committee can find some way to bring these people to account, while realising that we were not at fault at any time and that compensation should be seriously considered.

Yours sincerely,

Dorothy Logan