

**Paul Buckman**  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

Correspondence

Between the

Various Parties

And

Paul Alan Buckman

From

May 1999

To

December 2007.

The following correspondence is presented in date order with the “most recent” item on top of that section.



# Contents

<b>National Australia Bank .....</b>	<b>7</b>
October 2007.....	7
A reminder to the National Australia Bank of the fraud they have engaged in. ....	7
November 2005 .....	11
Response from Glenn Leyden (Office of the CEO) to Buckman - Campaign #7.....	11
Campaign #7 – an attempt by Buckman to entice the National Australia Bank to reconsider their position.....	12
October 2004 .....	21
Reply to Buckman re letter of 20 <sup>th</sup> of September 2004 to John Stewart.....	21
September 2004 .....	22
Buckman to National Australia Bank welcoming Stewart & advising of the Basstech dispute.....	22
September 2003 .....	30
Letter to Frank Cicutto – Please assist me to circulate this petition to your staff and shareholders.....	30
Petition – If the comments of PAB are libellous & Defamatory, then join the petition to sue the author – ME. ....	32
July 2003 .....	34
Letter accompanying a submission to ABIO requesting an investigation of the NAB for Unconscionable Conduct & Theft.....	34
April/ May/ June 2003 - Representations by Hon Philip Davis MP .....	35
Response of Buckman to Rick Drury NAB.....	35
Letter from the Hon Philip Davis MP to Buckman .....	36
Rick Drury National Australia Bank to Philip Davis MP.....	37
Acknowledgement to Buckman of letter from Hon Philip Davis MP 2Apr2003 .....	38
January 2003.....	39
Email from PAB – Acknowledging James B Litt.....	39
NAB Response to Campaign #1 .....	40
June 2000.....	41
NAB letter from “Legal Services” .....	41
Refusal of PAB to honour Guarentee .....	42
May 2000.....	43
NAB Threat re: Lease No 470888163 29 <sup>th</sup> of May 2000.....	43
The Response of Buckman to the NAB Demand #2 Lease No 470888163 .....	44
NAB Demand #2 Lease No 470888163 12 <sup>th</sup> of May 2000.....	46
March 2000.....	47
Response of Buckman to Nab Demand 14 <sup>th</sup> of March 2000 .....	47
Nab Demand 14 <sup>th</sup> of March 2000 .....	49
February 2000.....	51
The Response of Buckman to the NAB Demand 21 Feb 2000 .....	51
PAB – Confirmation of points of agreement 1 Feb 2000 meeting .....	53
January 2000.....	54
Response of Buckman Guarantee & Indemnity .....	54
Letter from NAB – Guarantee & Indemnity.....	55

November 1999 .....	56
NAB Response 23 <sup>rd</sup> November 1999.....	56
Letter to NAB 9 <sup>th</sup> of November 1999 .....	57
September 1999 .....	59
NAB Advice of Rate Increase .....	59
Nab Set-Off of Funds 14 Sep 1999.....	60
Alan Sampson to NAB RE: Funds Withheld.....	61
May 1999.....	62
Dismissal of Harty .....	62
NAB Dishonour Notice 18 May 1999 & dishonoured Cheque .....	63
NAB's Authority to Transact Business .....	64
<b>The Receiver &amp; Manager (Burness of Scott Partners Malvern Vic).....</b>	<b>65</b>
October 1999 .....	65
ASIC Form 429 .....	65
Refusal to Investigate the Bank .....	67
September 1999 .....	68
R&M Acknowledgement of Sampson & Buckmans refusal to be party to Sale .....	68
Alan & Elke Sampson - refusal to consent to the Sale of Basstech.....	69
Buckman - refusal to consent to the Sale of Basstech .....	70
Formal Request that R&M take action on behalf of Basstech.....	71
Acknowledgement of "Notice that Grounds for an Action exists" .....	72
Notice to R&M that an Action Exists against the NAB .....	73
<b>Australian Securities &amp; Investments Commission.....</b>	<b>74</b>
October 2007 .....	74
Response to Buckmans letter of the 4 <sup>th</sup> of October 2007.....	74
Buckmans letter of the 4 <sup>th</sup> of October 2007 .....	75
October 2003 .....	77
Another Refusal to Investigate .....	77
April 2003.....	79
Response to ASIC's refusal to investigate.....	79
March 2003.....	82
ASIC's Response – Refusal to investigate .....	82
2 March 2003 - No Meaningful Response yet from AISC .....	84
January 2003.....	87
ASIC to Response "Campaign #1" .....	87
<b>Australian Competition &amp; Consumer Commission.....</b>	<b>89</b>
October 2007 .....	89
Response to 4 <sup>th</sup> October 2007 letter.....	89
December 2005.....	90
Response to Buckman re: letter of 17 <sup>th</sup> of November 2005.....	90
July 2005 .....	92
Response to Buckman's letter of the 23 <sup>rd</sup> of May 2005.....	92
May 2005.....	94
Buckman to John Martin (Australian Competition & Consumer Commission) correcting statements made by him in response to Prof. Evan Jones of the 8 <sup>th</sup> of April 2005.....	94
April 2005.....	106
Response to Dr Evan Jones of the University of Sydney. ....	106



October 2004 .....	114
Response from my letter of the 1 <sup>st</sup> of October 2004 raising further issues.....	114
October 2003 .....	116
Response 2 October 2003 .....	116
February 2003.....	117
Still refuse to investigate .....	117
January 2003.....	118
ACCC Response to Campaign #1.....	118
<b>Insolvency &amp; Trustee Service Australia .....</b>	<b>119</b>
August 2003.....	119
Response of ITSA to my letter of 11 Aug 2003 .....	119
Does your failure to pursue recovery constitute “Collusion & Conspiracy” .....	120
July 2003 .....	122
ITSA Response to the Ultimatum of Paul Alan Buckman .....	122
March 2003.....	124
Letter from ITSA accompanying the only “Admitted” correspondence (10Aug2000) with the NAB.....	124
<b>Australian Banking Industry Ombudsman.....</b>	<b>125</b>
August 2003.....	125
Will not Investigate Complaint.....	125
July 2003 .....	127
Request for Investigation of Unconscionable Conduct and Theft .....	127
<b>Australian Prudential Regulatory Authority .....</b>	<b>129</b>
November 2007 .....	129
February 2005.....	130
Email from Benjamin Stefanou to Buckman.....	130
October 2004 .....	132
Response to letter of the 1 <sup>st</sup> of October 2004.....	132
No Response to any correspondence or contact prior to 7 <sup>th</sup> of Oct 2004.....	133
<b>Reserve Bank of Australia .....</b>	<b>134</b>
October 2004 .....	134
Response to letter of 1 <sup>st</sup> Oct 2004.....	134
January 2003.....	135
Acknowledgement of Campaign Set #1 .....	135



# National Australia Bank

October 2007.

A reminder to the National Australia Bank of the fraud they have engaged in.

Copies also personalised & sent to those indicated on page #2.

Paul Buckman  
P.O. Box 120  
Tinaramba Vic. 3859

Mobile: 0417 451 406

Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

4<sup>th</sup> of October 2007.

Mr John Stewart  
Managing Thief, National Australia Bank  
GPO Box 2870  
Melbourne Vic. 8060

Re: Basstech Pty Ltd acn 006 035 301

Dear Sir,

As always I formally advise you of my actions as & when I enact them, I promised you that a long while ago, so as a matter of courtesy I am advising you that I am back. The fraudulent conduct of your bank, which I have raised with you on previous occasions, remains unresolved.

I will be attending your offices in the very near future. Once again, should you wish to sue me for libel & defamation so be it. Similarly, should you wish to have me arrested for trespass then that too is your decision, I personally welcome any & every opportunity to defend my conduct in these events, the question is - do you?

Sir, to reiterate previous correspondence, you head & run a convicted criminal corporation; to remind you, In June 2004 the National Australia Bank went within a micron of having your entire Irish business & assets confiscated & liquidated by the High Court of the Republic of Ireland for:

1. Maintaining & operating bogus non-resident accounts in branches designed to enable customers to evade tax through concealment of funds from the Tax Office.
2. Maintaining & operating "fictitiously named" accounts in branches designed to enable customers to evade tax through concealment of funds from the Tax Office.
3. Promoting CMI policies as secure investments for funds undisclosed to the Tax Office, ie bottom of the harbour schemes
4. Tax Evasion
5. Defrauding your Irish customers through the improper charging of interest.
6. Defrauding your Irish customers through the improper charging of fees.

The National Irish Bank – was a wholly owned subsidiary of the National Australia Bank at that time.

Sir, as a brief overview your bank has in this the Basstech case:

1. Detected forged signatures on your customer's cheques & chose to ignore that fact.
2. You (the National Australia Bank) then chose not to "enquire of your customer" or to alert them of those detections – that is each incident of "theft & fraud in progress".
3. You then chose to conspire with the thief to defraud your customer by honouring those forged cheques & illegally debiting your customers account of \$238,750 from 152 cheques.
4. You knowingly participated in the conversion of stolen property to cash
5. You then charged us, your customer, in excess of \$21,000 for this privilege. That is you "gained financial advantage by deception" when you charged us in excess of \$21,000 in interest & other fees & charges for services not provided on that money

Page 1 of 3

illegally debited from our bank account, without our consent, our knowledge or authority.

6. When we detected account irregularities, (and advised National Australia Bank staff of that detection) you then chose to conspire with our financial advisor, Paul Burness of Scott Partners Malvern Victoria, to place our business under receivership in his hands, then to liquidate our business & assets knowing that you held both factual culpability & liability in the antecedent events leading to our insolvency.
7. You then took possession of & sold at a mortgagee's auction assets from my fellow directors (ie their family home). In National Australia Bank v Voloshin (NSW Supreme Court 2000) the mere attempt by your bank to repossess a customer's property under such circumstances was declared "Unconscionable" & was refused.
8. In an effort to negate your legal liabilities to us, your customer, you forced us to bankruptcy.

Is this an isolated case? Well apparently not:

*Refer Australian Financial Review 17<sup>th</sup> of September 1999, National Australia Bank v Nemur Varity Pty Ltd (Supreme Court of Victoria). The professional person – an Insurance Intermediary.*

*Refer Herald Sun, Monday 24<sup>th</sup> of Jan 2005, the headline is "\$3.2m siphoned off". The professional person – another chartered accountant.*

*The story in short form: Good people hire "Professional Person", "Professional Person" steals cheques, "Professional Person" forges signatures on cheques, National Australia Bank clears forged cheques, National Australia Bank illegally debits their customers account – ie – theft, conversion & conspiracy to defraud by your bank against your customer.*

Both mirror images of your conduct in respect of Basstech, there are undoubtedly more.

Your customers, Nemur Varity Pty Ltd & the Griffith family had to take you to court to retrieve their hard earned money. My reading of court proceedings in the Griffith case is: *The National Australia Bank's defence has been struck out.* So too was your defence in Nemur Varity.

This is systemic fraud on your part Sir, your corporation are thugs, thieves & the leaders of white-collar ie the personification of organised crime in Australia.

I will see you soon.

Yours in the forlorn quest for ethics, equity, honesty & integrity in the banking system.



Paul Buckman

Cc:

Mr John Stewart, Managing Thief, National Australia Bank, GPO Box 2870, Melbourne Vic. 8060  
Mr Michael Chaney, Chairman of the Board of Thieves National Australia Bank, GPO Box 2870, Melbourne Vic. 8060  
Mr Ahmed Fahour, Member of the Board of Thieves National Australia Bank, GPO Box 2870, Melbourne Vic. 8060  
Mrs Patricia Cross Member of the Board of Thieves National Australia Bank, GPO Box 2870, Melbourne Vic. 8060

## NAB loses cheque case; ordered to pay \$600,000

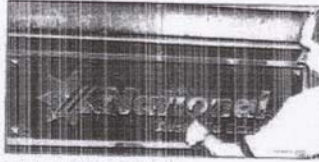
Michael Breen

National Australia Bank is to pay nearly \$600,000 to one of its clients, a small country insurance broker, for wrongly cashing its cheques under a Victorian Supreme Court ruling.

In a decision with significant implications for the banking sector, the court ordered NAB to compensate the insurance broker for profits losses it suffered when it lost clients because of the bank's failings.

The decision, handed down earlier this week, makes it clear that bank clients are no longer confined to claiming only the value of the cheques in cases of conversion.

The wrong of conversion is committed when a person deals with the property of another, in this case a cheque, in a way which is fraudulent.



The NAB is returning the cash 'very quickly'.

Photo: AP/WIDE

ent with the rights of the owner, the signer of the cheque.

Bank clients will also be able to claim for any additional losses which they can show flowed from

the bank's breach of its duties in handling the cheque.

The Supreme Court decision was handed down in a case where a Shepparton insurance broker,

Nesner Varley Pty Ltd, was defrauded by an insurance intermediary. The intermediary purported to act for an insurance company but deposited insurance premiums collected by Nesner into his own account.

Justice David Ashley found that NAB breached its legal duties in failing to make any inquiry of the intermediary when he deposited cheques amounting to \$282,000 into an account with a name different to that of the company to which the cheque was payable.

The judge also found that NAB breached its duties in allowing the intermediary to retransfer almost \$90,000 into an account by failing to check that the name of the account into which the funds were transferred matched with those of the intended beneficiary.

Nesner thought the payments were being sent to a United States insurer, Renaissance Casual America (RCA), through an insurance intermediary Australian National Intermediaries Pty Ltd (ANI).

In fact, ANI was being run by a fraudulent businessman who was pocketing the premiums instead of passing them on.

This sum was eventually recovered by Nesner when a number of its clients made insurance claims which were not paid.

The total amount of damages NAB was ordered to pay was \$598,915, which included an amount of \$114,518 for cost and future loss of business income.

A spokesman for NAB said yesterday the bank would review the case very carefully before deciding whether to appeal.

www.heraldson.com.au

Herald Sun, Monday, January 24, 2005 25

## Makybe Diva trainer among accountant's victims

# \$3.2m siphoned off

ALBERTA'S PREMIER BORIS JOHNSON, who has been criticised for his handling of the Makybe Diva case, is among the victims of a bookkeeper who stole more than \$3.2 million.

Charmaine, an accountant, is accused of siphoning off \$3.2 million from the Makybe Diva stable, which is owned by the late, wealthy businessman, John Fredman.

While working for the Fredman brothers, John, Richard and Michael, in 2001 and 2002, Charmaine stole six cheques worth \$65,000 each.

John Fredman, whose cheques were stolen, was the second consecutive Melbourne Cup jockey to be defrauded by a bookkeeper. In 2001, John Fredman's bookkeeper, John, stole \$1.1 million from the stable.

Charmaine told police in his second interview that he used the siphoned funds to prop up his own failing business, including restaurant endeavours.

He also would have been a consultant to the Makybe Diva stable, which has been siphoned by Charmaine with stolen money.

Charmaine also used some of the money on veterinary bills for the horses. When interviewed in January 2002, Charmaine admitted stealing a cheque and forging Mr Fredman's signature, but the full extent of his crimes was not exposed until audits were completed in June and December that year.

He has now declared himself bankrupt. Of the \$3.2 million stolen, only \$655,700 has been reimbursed.



Lee Fredman



November 2005

**Response from Glenn Leyden (Office of the CEO) to Buckman - Campaign #7**



National Australia  
Bank Limited  
ABN 12 004 044 937  
AFSL 230686

**Customer Feedback & Resolutions**

GPO Box 2870  
Melbourne Vic 8060  
(ph) 03 8634 4743  
(fax) 03 8634 4888  
(email) Glenn\_M\_Leyden@national.com.au

23 November 2005

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

Dear Mr Buckman,

I refer to our recent telephone conversation in relation to claims you have made against the National. As requested, I am advising our position in writing.

Since the issues raised have previously been responded to, we reiterate the following:

1. As Basstech is/was in liquidation, any claims made by Basstech must be made by the liquidator;
2. As you have been declared Bankrupt, any claims made regarding your Personal Estate must be made by the Trustee in Bankruptcy.

In addition, we recommend that you seek independent legal advice on the claims made.

If you would like to discuss this further, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Glenn Leyden".

Glenn Leyden  
Customer Resolutions  
Office of the CEO, Australia

*Recd. 6 Dec 2005*



**Campaign #7 – an attempt by Buckman to entice the National Australia Bank to reconsider their position.**

Campaign #7 – Letter to John Stewart – Page #1

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406

Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

17<sup>th</sup> of November 2005.

National Australia Bank  
Mr. John Stewart, Managing Director  
271 Collins St  
MELBOURNE 3000

Dear Sir,

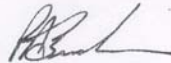
Please find attached an open letter to all, I am seeking answers as to why a powerful corporation, the National Australia Bank, is empowered & protected by the legislative, justice, legal, regulatory & investigative agencies of this country to defraud its customers and break the law? If anyone can reasonably explain & justify these things to me I could eagerly walk away and be forever grateful.

The problem as I see it is the very nature of the corporation itself. The corporations' sole legal imperative it seems is to maximise its own self-interest that is its profit, hence the shareholders interests. *"To obey the law is simply a cost effective decision, if the chance of getting caught and the penalty are less than it costs to comply, our people think of it as being just a business decision."* [an extract from "The Corporation" by Joel Bakan quoting Robert Monks], I warmly commend to you - both the book & the DVD of the same name.

Law professor Bruce Welling states the logic this way: *"The practical business view is that a fine is an additional cost of doing business. A prohibited activity is not inhibited by the threat of a fine so long as the anticipated profits from the activity outweigh the amount of the fine multiplied by the probability of being apprehended and convicted. Considering the amount of the average fine, deterrence is improbable in most cases. The argument is even more obvious regarding prevention and recidivism. The corporation, once convicted and fined, will simply have learned how to cover its tracks better."*

Beware the upcoming ~~Feral~~, sorry, Federal Industrial Relations Laws.

Yours in the forlorn quest for ethics, equity, honesty & integrity in the banking system.



Paul Buckman

**Robert Monks:** One of America's most important and influential businessmen, a business insider. Monks helped reform and run numerous Fortune 500 companies and banks, served as adviser to Republican administrations, and ran twice himself as a Republican candidate for the US Senate. He founded and heads an international investment firm.

**Professor Bruce Welling:** Corporate Law in Canada, 2<sup>nd</sup> ed. Toronto: Butterworths 1991

**Professor Joel Bakan:** Born in East Lansing, Michigan in 1959, Joel Bakan is professor of law at the University of British Columbia and an internationally renowned legal scholar. A former Rhodes Scholar & law clerk to Chief Justice Brian Dickson of the Supreme Court of Canada, he has law degrees from Oxford, Dalhousie, and Harvard. His academic work examines the social, economic, and political dimensions of law, and he has published in leading legal and social science journals, as well as in the popular press. [from The Corporation: about the author].



**Paul Buckman**  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

10<sup>th</sup> of November 2005.

To whom it concerns

This is an open letter and addressed to the Customers of the National Australia Bank, to the National Australia Bank itself & to those mentioned within, but specifically To Whom ever is interested in ethics, equity & Justice (I know – its an absurd & notional concept with no prospects of reality – but one does live in hope – some day people will matter).

**To John Stewart & the National Australia Bank**

Well g'day Johnno & Co, as you can see I'm back. I hope you don't mind me calling you Johnno as I've written to you so many times we are almost pen pals.



And John, I intend to face your customers, the public, and your shareholders, Brokers, the Fund Managers & Investment Advisors etc etc

(a more readable bill board is attached)

As always I formally advise you of my actions as & when I enact them, I promised you that a while ago as a matter of courtesy; and I will at all times advise the staff of your local branch when I move into their area. I shall also request that your staff formally advise your office of that fact at that time.

Once again, should you wish to sue me for libel & deformation so be it. Similarly, should you wish to have me arrested for trespass then that too is your decision, I personally welcome any & every opportunity to defend my conduct in these events, the question is - do you?

John to reiterate previous correspondence, you head & run a convicted criminal corporation; to remind you, In June 2004 the National Australia Bank went within a micron of having your entire Irish business & assets confiscated & liquidated by the High Court of the Republic of Ireland for:

1. Maintaining & operating bogus non-resident accounts in branches designed to enable customers to evade tax through concealment of funds from the Tax Office.
2. Maintaining & operating "fictitiously named" accounts in branches designed to enable customers to evade tax through concealment of funds from the Tax Office.
3. Promoting CMI policies as secure investments for funds undisclosed to the Tax Office, ie bottom of the harbour schemes
4. Tax Evasion
5. Defrauding your Irish customers through the improper charging of interest.
6. Defrauding your Irish customers through the improper charging of fees.

The National Irish Bank – was a wholly owned subsidiary of the National Australia Bank at that time.

John, your bank has in this the Basstech case:

1. Detected forged signatures on your customer's cheques & chose to ignore that fact.
2. You (the National Australia Bank) then chose not to "enquire of your customer" or to alert them of those detections – that is each incident of "theft & fraud in progress".
3. You then chose to conspire with the thief to defraud your customer by honouring those forged cheques & debiting your customers account of \$238,750 from 152 cheques.
4. You knowingly participated in the conversion of stolen property to cash
5. You then charged us, your customer, in excess of \$21,000 for this privilege. That is you charged us in excess of \$21,000 in interest & other fees & charges for services not provided on that money illegally debited from our account, without our consent, our knowledge or authority.
6. When we detected account irregularities, (and advised National Australia Bank staff of that detection) you then chose to conspire with our financial advisor, Paul Burness of Scott Partners Malvern Victoria, to place our business under receivership in his hands, then to liquidate our business & assets knowing that you held factual culpability & liability in the antecedent events leading to our insolvency.
7. You then took possession of & sold at a mortgagee's auction assets from my fellow directors (ie their family home). In National Australia Bank v Voloshin (NSW Supreme Court 2000) the mere attempt by your bank to repossess a customer's property under such circumstances was declared "Unconscionable" & was refused – **ACCC please note.**
8. In an effort to negate your legal liabilities to us, your customer, you forced us to bankruptcy.

Is this an isolated case? well apparently not:

- ❖ Refer Australian Financial Review 17<sup>th</sup> of September 1999, National Australia Bank v Nemur Varity Pty Ltd (Supreme Court of Victoria). The professional person – an Insurance Intermediary.
- ❖ Refer Herald Sun, Monday 24<sup>th</sup> of Jan 2005, the headline is "\$3.2m siphoned off". The professional person – another chartered accountant.

Both mirror images of your conduct in respect of Basstech, there are undoubtedly more.

The story in short form: *Good people hire "Professional Person", "Professional Person" steals cheques, "Professional Person" forges signatures on cheques, National Australia Bank clears forged cheques, National Australia Bank illegally debits their customers account – ie – theft, conversion & conspiracy to defraud by your bank against your customer.*

Your customers, Nemur Varity Pty Ltd & the Griffith family had to take you to court to retrieve their hard earned money. My reading of court proceedings in the Griffith case is: *The National Australia Bank's defence has been struck out.* So too was your defence in Nemur Varity.

This is systemic fraud on your part John, your corporation are thugs, thieves & the leaders of white-collar ie the personification of organised crime in Australia.

### **To those notable "defenders of the honest citizen & the public interest"**

I find it difficult to believe that a corporate member of an industry that are the foundation stone of the Australian Financial system can actively & systematically defraud their customer, to threaten the safety & security of depositors' funds, & have the principal regulatory, investigative & prosecution authorities accept that conduct as acceptable is extraordinary.

#### ***Australian Competition & Consumer Commission***

You appear to accept that a bank has an innate right to defraud their customer & see no issue with this bank's multiple conduct noted above. At no time has this esteemed authority seen fit to enquire or seek further evidence or information from me in relation to my complaints to them in this matter.

The ACCC also claim no jurisdiction, they claim it is the responsibility of ASIC even though the events took place prior to ASIC gaining responsibilities in the financial sector. That is the criminal events occurred in 1998/1999 ASIC gained jurisdiction in 2001 I believe.

The ACCC's conduct is at best incompetence, at worst collusion & active protection of the bank's right to defraud their customer.

#### ***Australian Prudential Regulatory Authority***

To be fair, they are the only authority to request further evidence "to substantiate my claims". It only took them 2 to 3 years to get around to that. They were **"concerned about the safety & security of depositor funds"** – to quote.

They also assured me that I would never know the progress or outcome of any investigation – should one even occur.

They are true to their word, surely a victim of fraud deserves better.

#### ***Australian Securities & Investments Commission***

Even though the conduct of corporations has always been within their jurisdiction, this esteemed defender of the public interest cites "no jurisdiction" in these events – try the ACCC they say.

It seems that a financial, well resourced & aggressive corporation is perfectly entitled to defraud & bankrupt their customer with impunity despite the fact that they have acted in a manner that is predatory, unconscionable & is in breach of many points of settled law.



***Insolvency Trustee Service Australia (ITSA) & Bankruptcy Trustees generally***

When a bank has a disagreement with their customer, that customer is almost universally bankrupted. This is engineered for the following reasons:

1. Generally a bankrupts business is a PTY LTD company with the owners holding the board positions and acting as executive managers. Their assets secure the business, its operations, loans etc. (The sole trader & partnership suffer the same processes).
2. Once the process as highlighted here begins, the customers find themselves in an insolvent position very quickly. The bank will usually decide that you are no longer welcome as a customer, the purpose in our case, to resolve their liabilities of theft, conversion & conspiracy to defraud us. They will universally withhold those determinations & all information in their possession from you.
3. The process commences in a way that seems incomprehensible to the customer, decisions are made by the bank that have the effect of costing you substantial sums of money despite more effective options being available. In fact the process is designed to maximise your losses. They will renege on previous & recent agreements & promises.
4. Once the bank has decided to liquidate they will do so in extreme haste. In our case, it took five working weeks from the time the Receiver & Manager was appointed, to the signing of the contracts of sale by him on a \$1.6m business. On the other hand it can take considerable Police time to uncover & prove the real events & circumstances behind any insolvency, in our case in excess of 12 months. By that time the owners assets have generally been liquidated & the owners bankrupt – which we were.
5. As a bankrupt, the customer are now “banned people” in terms of acting on behalf of their own company. The customer (the owner) has no say in the decisions that effect either their own financial position or that of their company in any way whatsoever. Those rights now vest with the Receiver & Manager (generally the banks own appointee) and the Bankruptcy Trustee.
6. Once bankrupt, any & all current or planned litigation is cancelled forthwith.
7. Your entire estate now falls under the control of your bankruptcy trustee, in my case the ITSA.
8. The ITSA are not there to protect the interests of the bankrupt. They are there solely to protect the interests of the bankrupts’ creditors. In my case principally the National Australia Bank.
9. The ITSA will not pursue any legal investigation or legal action unless the creditors agree to fund such an action. It is not difficult to believe that the National Australia Bank will decline an invitation to fund a criminal investigation into their own conduct.
10. The bank are therefore free to concentrate upon their next victim free in the knowledge that in this case their financial, legal & ethical liabilities to their customer are protected, all be it by conspiracy & fraud protected by the very regulators & agencies charged with the mandate to protect the public interest & those of the banks customers.

**All in all a very sweet little arrangement don't you think?**

#### *Australian Federal Police*

They determined that no federal laws were breached. I mistakenly believed that fraud was a criminal event & that the financial system was part of the Federal jurisdiction – silly me.

I was therefore interested to note an article in the Australian Financial Review (Rachel Leblhan 20/05/2004) heralding "*The Australian Federal Police has forged an alliance with banks to crack down on financial fraud by creating a new taskforce of investigators and banking specialists.*".

Isn't it interesting the difference between "people" defrauding a bank, & a bank defrauding their customer? One it seems is an abomination under "Federal Law," illegal, & under the jurisdiction of the AFP, the other is perfectly reasonable & acceptable. How curious.

#### *The Commonwealth Director of Public Prosecutions*

Will only accept briefs etc from the AFP, ACCC, ASIC &/or APRA. They have neither the will nor the interest in absurd notions of justice for the mere peon – ie, the ordinary citizen with little or no financial means or political influence.

#### *The Legal Industry*

I have attempted to gain legal advice & it generally follows the following format:

1. The first half hour they will listen to the overview of events.
2. They then ask the questions
  - a. How much money do you have?
  - b. What assets do you have?
  - c. What liabilities do you have?
3. The answer to all in my case is ZERO I am a recently discharged bankrupt – their answer is goodbye.

This of course assumes that they are not held on retainer by the banking industry, if they are then another unsavoury dynamic has been known to appear.

You can understand this though from the sincere legal practitioner & they do exist, they have a business to run, a wife & children, vehicles, the dog & the cat to feed; – & don't forget the budgie. It is difficult to expect anyone to devote a large slice of their life to a contest that firstly compromises their commercial relationships with the financial sector; secondly, a contest that is unlikely to succeed in the courts. **Why is it unlikely to succeed?**

**Precedent:** National Australia Bank v Idoport Pty Ltd NSW Supreme Court (Mr Justice Einstein 2002) Idoport's case was dismissed in favour of the National Australia Bank

1. Not because Idoport failed to prove their case.
2. Not because the National Australia Bank proved that they had no case to answer.
3. It was dismissed because Idoport ran out of money. They failed to produce to the court a further \$1.9 million as security for costs.

This case ran for 222 court days at an estimated cost of \$70 million. Even though the judge stated that the case was in its infancy, & that the Idoport evidence at that point in time had not been heard, the case was dismissed.

Who in this country then can afford to take on a bank in the legal jurisdiction when sums like this & this rationale are involved? Justice has no place at this table.

Can anyone see why such importance must be placed upon a functioning, diligent & effective regulatory & legal process, for investigating & controlling such excesses & criminal behaviour by these huge predatory & well-financed corporations?

***To the Chief Justice of the Supreme Court of Victoria***

So Sir, here we are looking at a system from the viewpoint of the mere peon - me, the average citizen that has been the target of a major corporation in such fraudulent events. Such an unequal contest this is.

With legal advice out of my reach, I have made several attempts to bring this conduct to the attention of the Victorian Supreme Court on my own account. Having no legal training (other than half a dozen episodes of Perry Mason in the 60's), my "feeble" attempts have been met by the Senior Master Equity Division, as "being an abuse of the Court process".

It seems to me that justice is merely a product bought & sold by those with the wealth, influence & power to manipulate the system. Court systems are merely the auction house doling out those favours to the highest bidder.

As a nation that prides itself upon the notion of a fair go for all, it is paramount that absolute respect & confidence be held in the Judiciary & the Court Systems of this country, without it we descend into chaos & the law of the jungle. That respect & confidence is decimated when atrocities such as these events can happen because one party has the financial means & legal expertise to enforce their illegal activities in those same courts.

This notion of who we are as Australians was fought for by ordinary people of my fathers & grandfathers generations, many of whom died in that fight; they did not fight for this the big corporate view of "dog cannibalise dog" & "my profit is all that matters", I do believe that ethics, equity, honesty, integrity & respect for fellow citizens & the law came into that equation somewhere.

**So, the resulting view of Justice for the average citizen**

We may well have a system of Law in this country, but under no circumstances can it ever be perceived as a system of Justice. Fraud at this level, to this scope & scale cannot live without the protection, collusion &/or co-operation of all those in responsible positions charged with the protection of the public interest. Whether this protection is overt or covert, active or passive, or by way of sheer indifference is irrelevant, the end result remains precisely the same.

I am not challenging the National Australia Bank's right to hold a banking licence; the conduct of the National Australia Bank directly challenges this banks right & fitness to hold Company Registration in this country.

If the natural person, the flesh & blood citizen is required to live ethically & within the law, why then is the corporate citizen not subject to the same responsibility? They are after all given the privilege of "licence" to operate as a natural person, to enjoy the same rights & freedoms as us – the natural person.

Why then do the responsible authorities & the courts accept their perception that their only responsibility is to maximise the profit for the shareholder to the exclusion of all else?

It appears that a corporate decision to obey any law is merely a business decision determined by the profitability of that situation. Why then are they entitled to act not just in breach of, but often above & beyond the law?

So when may I ask does the law stop being the law & lose its relevance?

Does one's resolute intent to act illegally coupled with one's massive financial means determine:

1. When the law applies to them?
2. When a regulatory or investigative authority takes reasonable action?

Is Justice solely dependent upon one's capacity to pay the piper?

Ladies & Gentlemen I decided long ago that whilst I must accept the reality of these events, I cannot and will never accept a banks' perceived right to steal from & systematically defraud their customer, nor do they have the right to destroy their customers' financial security for that bank's profit.

The fundamental issues of this case are greater than what has happened to my partners & I; we are but one unfortunate story amongst others. The fundamental issues here directly confront the safety & security of depositors' funds (your money in your bank account) & should rightfully question this bank's fitness, competence, ethical capacity & right to hold the privilege of ASIC Company registration in this country, let alone to hold a banking licence.

Therefore, if you the protectors of the public interest will not uphold your duties, responsibilities, and your mandate & refuse to protect the public interest, then I shall at least attempt to do your job for you; however clumsy, inconvenient or unwelcome that may be.

Yours in the forlorn quest for ethics, equity, honesty & integrity in the banking system.



Paul Buckman

I am reminded of a quotation (origin unknown by me)

**"For evil to triumph it takes good men to do nothing".**

A note of caution: If a multination corporation can behave in this illegal manner with impunity and destroy the financial viability of an ordinary citizen for its own profit & protection, what makes you think that you have the capacity to "discuss" let alone "negotiate" anything with these enterprises. Your choice is "take-it or leave-it" – beware the new Industrial Relations Laws.

In light of recent legislation before the Federal Parliament my actions here may well by now be seditious, I'm sure that one of our "noble defenders" of the public good will advise me, after all I am but a mere peon of this society, a citizen, an easy target.

**PEON** n (India, Spanish America, Australia [new]); day labourer, enslaved debtor, uneducated rural worker, worthless person, a person of little commercial value or consequence, one who conducts business with a bank as a "customer".



Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: paul.buckman@bigpond.com

18

FRIDAY, SEPTEMBER 17, 1999  
THE AUSTRALIAN FINANCIAL REVIEW

## NAB loses cheque case; ordered to pay \$600,000

Nicholas Rocco

National Australia Bank is to pay nearly \$600,000 to one of its clients, a small country insurance broker, for wrongfully mislending its cheques under a Victorian Supreme Court ruling.

In a decision with significant implications for the banking sector, the court ordered NAB to compensate the insurance broker for profit losses it suffered when it lent clients cheques because of the bank's failings.

The decision, handed down earlier this week, makes it clear that bank clients are no longer confined to claiming only the value of the cheque in cases of conversion.

The wrong of conversion is committed where a person deals with the property of another, in this case a cheque, in a way which is inconsistent with the rights of the owner, the



The NAB is reviewing the case 'very carefully'.

Photo: JIM HILL

Bank clients will also be able to claim for any additional losses which they can show flowed from

the bank's breach of its duties in handling the cheque.

The Supreme Court decision was handed down in a case where a Shepparton insurance broker,

Nemur Varity Pty Ltd, was defrauded by an insurance intermediary. The intermediary purported to act for an insurance company but deposited insurance premiums collected by Nemur into his own account.

Justice David Ashley found that NAB breached its legal duties in failing to make any inquiry of the intermediary when he deposited cheques amounting to \$202,000 into an account with a name different to that of the company to which the cheque was payable.

The judge also found that NAB breached its duties in allowing the intermediary to teletransfer almost \$90,000 into an account by failing to check that the name of the account into which the funds were transferred matched with those of the intended beneficiary.

Nemur thought the payments were being sent to a United States insurer, Reinsurance Co of America (RCA), through an insurance intermediary Australian National Intermediaries Pty Ltd (ANI).

In fact, ANI was being run by a fraudulent businessman who was pocketing the premiums instead of passing them on.

This scam was eventually uncovered by Nemur when a number of its clients made insurance claims which were not paid.

The total amount of damages NAB was ordered to pay was \$590,915, which included an amount of \$314,510 for past and future loss of business income.

A spokesman for NAB said yesterday the bank would review the case very carefully before deciding whether to appeal.

www.heraldson.com.au

Herald Sun, Monday, January 24, 2005 25

## Makybe Diva trainer among accountant's victims \$3.2m siphoned off

HIGH-profile horse trainer Lee Freedman is among the victims of a bookkeeper who stole more than \$3.2 million.

Chartered accountant Robert Andrew Kiropp, 38, pleaded guilty at Melbourne Magistrates' Court on Friday to 180 "dishonest" charges after stealing cheques from his employer over five years.

A summary tendered to the court alleged Kiropp looked after the accounts for the operation

Elissa Hunt  
chief court reporter

store of Seymour's Northwood Park Stud, Barrie and Margaret O'Shea, and used 518 stolen and forged cheques to divert \$3.167 million into his own accounts between 1997 and 2002.

While working for the Freedman brothers, Lee, Richard and Michael, in 2001 and 2002, Kiropp stole six cheques worth \$60,000 each.

Lee Freedman, whose champion mare Makybe Diva won his

second consecutive Melbourne Cup last year, told police his signature had been forged on cheques cashed by Kiropp.

Kiropp told police in his record of interview that he used the siphoned funds to prop up his own failing businesses, including restaurants and racehorses.

"It would have been a combination of a... I guess an enormous lifestyle, things like that," he said.

"If something went right in my life, I was always going

hopefully to pay them back. I still think that."

Kiropp told police some of his businesses were not doing well at the time, including restaurants "Cafe", Arur Lounge and Tonic Cafe, all of which have since been sold.

He also raced horses under his own name and through his company, Awesome Racing, but admitted he bought the animals with stolen money.

Kiropp also used some of the money on veterinary bills for the horses. When interviewed in

January 2003, Kiropp admitted stealing a cheque and forging Mr O'Shea's signature, but the full extent of his crimes was not exposed until audits were completed in June and December that year.

He has now declared himself bankrupt. Of the \$3.222 million missing, only \$4825.70 has been reimbursed.

Kiropp, who is on bail, was ordered to face a plea hearing at the County Court in April. He also faces federal charges.



Lee Freedman



October 2004

Reply to Buckman re letter of 20<sup>th</sup> of September 2004 to John Stewart



National Australia  
Bank Limited  
ABN 12 004 044 937  
AFSL 230686

**Customer Resolutions**

National Australia Bank

GPO Box 2870

Melbourne Vic 8060

(ph) 03 8634-4747

(fax) 03 8634-4888

(email) [Feedback@national.com.au](mailto:Feedback@national.com.au)

25 October 2004

Mr. P. Buckman  
P.O. Box 120  
TINAMBA Vic. 3859

Dear Mr Buckman

I refer to your letter dated 20 September 2004 addressed to John Stewart. I have been requested to acknowledge receipt of your letter on behalf of the National.

In response, I refer you to our letter of 23 January 2003 signed by James Litt.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Kathleen Russell".

Kathleen Russell  
Head of Customer Resolutions (Relieving)

A handwritten note in pink ink that reads "Recd. 27th Oct 2004".

September 2004

**Buckman to National Australia Bank welcoming Stewart & advising of the Basstech dispute**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

20<sup>th</sup> of September 2004.

Mr John Stewart  
National Australia Bank  
271 Collins St  
Melbourne Vic 3000

Dear John,

Please forgive my tardiness in not welcoming you to your position earlier than this, however I have been busy – but welcome anyway.

I am well known to your staff as the attachments will attest & this letter is designed to bring you up to speed with the current status of our dispute, & despite James B Litt's dictate (letter attached) that your file is closed – my file is not - in fact it is rapidly growing. I have in recent times (the past 5 years) sought redress from the National Australia Bank to no avail. In spite of this & as a matter of courtesy to you, I am offering you the opportunity to resolve these outstanding issues. That assumes that you are a man of ethics & integrity, as opposed to a mere banker. Given the conduct of your bank in these matters to date, one could reasonably be excused for believing that an "ethical banker of integrity" is an oxymoron. This document & attachments are delivered without prejudice.

**The Background**

In short form, my partners & I ran a small business in Bairnsdale (East Gippsland) from 1982 called Basstech Pty Ltd acn 006 035 301 – your customer. Basstech, after a period of redevelopment was growing at an averaged 3-year rate of 39% per annum (1996 – 1999). In December 1997 we were on target to gross \$1,000,000 in invoiced earnings & this was exceeded. As we were beginning to handle substantial sums of money, we the Directors decided that to maintain financial credibility & the confidence of our creditors & bankers that we needed to have a "Chartered Accountant" as our internal financial controller. The person we chose was the accountant that had assisted us with the business redevelopment program over the previous four years. At that time he was the Bairnsdale branch manager for the Public Accounting Practice (Phillipson Fletcher of Sale Vic). A practice that we had used for some years, I personally had used them for around 20 years for business & personal matters. In Oct 1997, he (Harty) was looking for a change from public practice. Unbeknown to us, but explicitly known to our Accountants at that time, was that Harty was a chronic gambling addict.

In Dec 1997 Harty joined Basstech. The earliest theft (uncovered during the Police investigation) began in March 1998, he stole company funds by forging signatures on cheques:

- There were 184 cheques involved in the fraud,
- Of those 152 involved forged signatures,
- Of those 35 were explicitly referred to your National Australia Bank manager by other bankers for explicit signature verification and clearance.

The total funds stolen was \$234,400, the total funds removed from our bank account under forged signatures was \$238,750. The discrepancy being that not all cheques bearing forged signatures were stolen funds as Harty did forge some signatures to pay legitimate creditors. Reference to this case: The Queen v Brendan James Harty, County Court Melbourne 1<sup>st</sup> of October 2001, Judge White.

The issue here is the misconduct of the National Australia Bank in the conduct of the original fraud and the subsequent unconscionable & criminal conduct in your banks endeavours to limit its liability in these same matters.

Page 1 of 8

#### **The issues concerning the National Australia Bank**

The National Australia Bank has 146 years experience in banking. As bankers you should be well aware of the legislation and settled law as it applies to your industry & operations that is assuming, in spite of recent reports & judgements, that you are "Diligent & Prudent Bankers". Your bank has acted contrary to the "perceived" & expected conduct and culture of the Professional Person and the diligent and prudent banker.

What the National Australia Bank has in effect done here is:

- ❖ From cheques referred to your account manager by other bankers, your bank detected on at least 35 separate occasions, cheques bearing forged signatures yet your bank continued to honour those cheques without question
- ❖ Having detected criminal activity, knowingly surrender the banks money to a thief then re-assign responsibility for the banks conduct to Basstech in the form of "Overdraft money" the value of which ultimately represented 25% of our annual receipts as shown by your banks monthly statement of account (1998/ 1999);
- ❖ Then, in addition, charged Basstech in excess of \$21,000 in overdraft interest & fees on that money removed illegally without our mandate.
- ❖ The compound effect of these actions placed Basstech in an insolvent condition.
- ❖ Whilst "knowing" that your bank had substantial liability in the underlying events. The National Australia Bank attempted to create a more favourable position for itself by formalising an "unofficial" overdraft into a formal loan under guarantee and the "Registered Debenture" held over Basstech by your bank, thereby ensuring your priority over assets. I believe that these and all other guarantees given to the National Australia Bank became void at that time by reason of the principles expressed by the High Court of Australia in *COMMERCIAL BANK OF AUSTRALIA LTD. v. AMADIO* (1983) 151 CLR 447; & reinforced in the *National Australia Bank v Voloshin* ([2000] NSWSC 84 (25 Feb 2000)).

The National Australia Bank made an express misrepresentation that induced the Directors of Basstech to enter into those guarantees. That misrepresentation includes but is not limited to the National Australia Bank's withholding of relevant information pertaining to facts surrounding that fraud and the National Australia Bank's collusion in that fraud.

- ❖ Whilst "knowing" that the National Australia Bank had substantial liability in the antecedent events, Your bank then used that insolvent condition as the justification to appoint the receiver & manager to liquidate our business & assets,
- ❖ Whilst "knowing" that the National Australia Bank had substantial liability in the antecedent events; your bank then forced us the directors & shareholders to personal bankruptcy, in order to remove from us all financial & legal capacity to challenge your banks dishonest, unconscionable and criminal conduct, thereby cancelling any proposed litigation and removing our legal capacity to act on behalf of Basstech.
- ❖ This was done before the Police investigation was concluded and while the evidence collected was still under investigation and "sub judice" thereby restricting/ removing our capacity to legally defend ourselves.
- ❖ Your bank knowingly used this "legal" strategy to remove our capacity to hold the bank to account thereby protecting the banks interest; and is a conspiracy to defraud your customer, your customers creditors & perverting the course of justice.

It also needs to be said that your banks receiver & manager (Paul Burness of Scott Partners, Malvern Victoria) conspired with the National Australia Bank in that he Burness:-

- ❖ In defiance of settled law, refused to hold a creditors meeting or consider any other creditors interest save that of "his appointer" – the National Australia Bank.
- ❖ Refused to comply with Corporations Law, The ASIC Act and the statutory obligations of a Receiver & Manager by protecting the interests of one creditor (the National Australia Bank) in preference to all others including the interest of the Commonwealth.

- ❖ Refused to investigate the banks conduct and collusion with a thief in the fraud against Basstech particularly as the National Australia Bank "were his appointor".
- ❖ Conspired with the bank to act against the interests of Basstech and acting contrary to law and legal precedent – in *Freeman v National Australia Bank Ltd* [2002] FCA 427 (9 April 2002); SPENDER J said at [5] "*it has been said that the receiver & manager is the agent of the mortgagor* (in Basstech - the directors & shareholders), *not the agent of the bank*" (whether or not he was appointed by the bank). It is obvious from correspondence between Burness & myself that reality and commercial custom differs from judicial and legal perception.
- ❖ Conspired with the National Australia Bank in negotiating with your bank to act as your Receiver & Manager whilst still acting in the capacity of Basstech's professional financial adviser; in that he attended meetings between the National Australia Bank and Basstech's Managing Director, where he participated in negotiations on Basstech's behalf. At the final meeting he commenced direct negotiations on his own behalf to act as your banks Receiver & Manager in the presence of the Basstech Managing Director.

	The Conduct, Circumstance or Authority	The Issues & Ramifications
I.	<p><b>The banker customer relationship.</b></p> <p>References &amp; settled law:</p> <p><i>Tai Hing Cotton Mill Ltd v Liu Chong Hing Bank Ltd</i> [1986] AC80; [1985] 2 All ER 947; 2 Lloyd's Rep 313</p> <p>Further authorities for this duty may be found in <i>Tai Hing Cotton Mill Ltd v Liu Chong Hing Bank Ltd</i> [103 of 1983];</p> <p><i>Selangor United Rubber Estates Ltd v Craddock</i> [1968] 1 W.L.R. 1555;</p> <p><i>Dutton v. Bognor Regis</i> [1972] 1 Q.B. 373 at 374</p> <p><i>Hedley Byrne &amp; Co. Ltd. v. Heller &amp; Partners Ltd.</i> [1964] A. C. 465</p> <p><i>Eso Petroleum v. Marden</i> [1976] Q.B. 801</p>	<p>In <i>Tai Hing</i>, the Privy Council determined that a mutual duty of care exists between a bank and its customer to protect the interests &amp; liabilities of the other. This "Duty of Care" is analogous to that which exists between Solicitor &amp; Client, Doctor &amp; Patient etc. Many other precedents &amp; case law support this.</p> <p>In <i>Hedley Byrne</i> Lord Devlin likened the position of banker and customer to that of solicitor and client p. 530. Lord Denning M.R. did the same in <i>Dutton v. Bognor Regis</i>, treating them both as professional men. Again in relation to professional men and after referring to the solicitor cases Lord Denning M.R. had this to say in <i>Eso Petroleum v. Marden</i> at 819 :</p> <p>"In the case of a professional man, the duty to use reasonable care arises not only in contract, but is also imposed by the law, apart from the contract, and is therefore actionable in tort. .... A professional man may give advice under a contract for reward; or without a contract in pursuance of a voluntary assumption of responsibility gratuitously without reward. In either case he is under <u>one and the same duty</u> to use reasonable care. .... In the one case it is by reason of a term implied by law. In the other it is by reason of a duty imposed by law. " (my emphasis)"</p> <p>Duties &amp; responsibilities are also imposed upon the banker by various Acts of Parliament; including but not limited to: The Cheques Act (1986), The Financial Services Act, The Fair Trading Acts (of the various States &amp; Commonwealth), The ASIC Act &amp; others.</p>



	The Conduct, Circumstance or Authority	The Issues & Ramifications
2.	The conduct of my partners & I is consistent with a duty & responsibility to protect the financial interests of all related parties. Those parties being our creditors, bankers, employees and shareholders.	<p>Our company was a small business with an annual revenue base (1996) in the order of \$400,000 per annum but with strong forecast growth (turnover 1998/1999 was on target for \$1.6 million). Despite the capital base we, the owners &amp; Directors, saw &amp; committed to the need to establish solid business practices and standards to underpin that growth and to protect the interests of all parties to this relationship.</p> <p>To this end Basstech &amp; its Directors:</p> <ol style="list-style-type: none"> <li>1. Ensured that all chequebooks, financial instruments &amp; company seals were at all times secured in the direct custody of a Director of Basstech.</li> <li>2. Undertook &amp; achieved ISO9002 certification &amp; applied that to all business aspects, practices &amp; procedures.</li> <li>3. Employed the services of a "Chartered Accountant" as the Basstech financial controller, to re-enforce our commitment to proper financial accountability, standards &amp; controls.</li> </ol> <p>I do not accept that we as a small business with limited income &amp; resources at our disposal, could have reasonably done any more than that which we did to protect the interests of all other parties.</p> <p>As we had the vital knowledge of Harty's addiction &amp; dishonesty withheld from us by other parties with a duty of care to us, specifically our Public Accountants &amp; the National Australia Bank, we can hardly be held to have been negligent or contributed in anyway to our demise.</p>
3.	The National Australia Bank has specific & reciprocal legal responsibilities & "duty of care" obligations to your customer.	<p>National Australia Bank staff had on at least 35 separate occasions cheques bearing forged signatures referred to them for explicit clearance by other bankers.</p> <p>The National Australia Bank has in the Basstech case, detected forged signatures on "CASH" cheques, that is the National Australia Bank:</p> <ol style="list-style-type: none"> <li>1. Detected Fraud in Progress – that is criminal activity in the operation of your customers account</li> <li>2. Knowingly colluded with the thief to defraud YOUR customer</li> <li>3. Is therefore guilty of Conversion &amp; Conspiring to Defraud your customer</li> </ol>

	The Conduct, Circumstance or Authority	The Issues & Ramifications
4.	<p><b>The National Australia Bank - an Accessory to Fraud Before, During &amp; After the fact.</b></p>	<p>This conduct places the National Australia Bank &amp; its staff in the position of being an accessory to theft and fraud,</p> <ol style="list-style-type: none"> <li>1. <b>Before</b> (by knowing that forged signatures were in regular use and therefore fraud is in progress),</li> <li>2. <b>During</b> (by delivering value to the thief and debiting your customers account) and</li> <li>3. <b>After the fact</b> (by debiting your customers account without making the inquiry of that customer);</li> </ol> <p>Each subsequent act becomes in fact "collusion, conversion and an active conspiracy" with the thief to defraud Basstech, YOUR customer</p>
5.	<p><b>Collusion &amp; Conversion</b></p> <p>Brightman J. in Karak Rubber Co. Ltd v Burden[1972] 1 W.L.R. 602 said, page 628:</p> <p><i>"In my view the Achilles heel of the bank's argument, both in the Selangor case (1968) 1 W.L.R. 1555, and in the case before me, is that it is not, and never reasonably could be, asserted that a paying bank with certain knowledge that the authorised signatories are misapplying the company's funds may nonetheless rely on their signatures. If that is axiomatic, and it was conceded so to be in the case before me, it seems utterly irrational to suppose that a bank has an absolute unqualified duty to pay and no duty to inquire despite a deep suspicion, approaching but falling short of a certainty, that the funds are being misapplied. Once a bank disclaims the untenable position of being in all cases an automatic cash dispenser, whatever the circumstances, there is no rational stopping place short of a contractual duty to exercise such care and skill as would be exercised by a reasonable banker in similar circumstances."</i></p> <p>The Cheques Act Section 55 – <i>Where a cheque that bears a crossing of the kind referred to in paragraph 53(1)(b) is transferred by negotiation to a person, the person does not receive, and is not capable of giving, a better title to the cheque than the person from whom the first-mentioned person took the cheque had."</i></p>	<p>The <b>National Australia Bank</b> cleared cheques bearing forged signatures from the Basstech (your customers) trading account.</p> <p>Other bankers referred cheques bearing forged signatures to your National Australia Bank Manager for explicit signature verification and clearance on at least 35 known occasions.</p> <p>One such cheque has the "bankers" inscription (on the reverse of the cheque) "cheque faxed – signature not on system." See the YELLOW brochure attached.</p> <p>This cheque was made payable to "Cash" for the amount of \$10,173.00 on a "Non-Negotiable" Cheque.</p> <p>"Non Negotiable Cash cheques" presented for conversion at the National Australia Bank in one month alone (November 1993), rose from their normal historic level (15 years) of \$200 per month to \$37,223 without question or enquiry from the National Australia Bank.</p> <p>The banks in the case of "cash" cheques are the "holders in due course" as defined by the Cheques Act 1986.</p> <p>The National Australia Bank to this day retain in excess of \$133,000 being "not negotiable" cheques bearing forged signatures made payable to CASH. The National Australia Bank well knows that under the cheques Act 1986, you have no title to those moneys as "Not negotiable" cheques have implications upon title.</p> <p>Further retention of those moneys illegally removed without the mandate of your customer, is nothing short of <b>theft by your bank</b>.</p>

	The Conduct, Circumstance or Authority	The Issues & Ramifications
6.	<p><b>Scott Partners of Malvern Vic (Public Accountants)</b></p> <p>The National Australia Bank's appointed receiver &amp; manager.</p> <p>In breach of company law they set about to favour the interests of the National Australia Bank ahead of all other creditors.</p> <p>Indeed no creditor meeting was ever called.</p> <p>In Freeman v National Australia Bank Ltd [2002] FCA 427 (9 April 2002); SPENDER J said at [5] "Whether in fact any default by the Receiver in the sale of the property of Mr Freeman can be sheeted home to the National Australia Bank, the petitioning creditor, notwithstanding the contractual provision which asserts that the Receiver is the agent of the mortgagor, .... is a matter of quite considerable practical importance."</p>	<p>At the end of May early June 1999, Basstech retained Paul Burness of Scott Partners Malvern Vic as our financial advisor to assist us with trade-on &amp; other negotiations between the National Australia Bank &amp; us. See [8] below.</p> <p>Burness ultimately became the appointed Receiver &amp; Manager.</p> <p>I have reference from various judgements where the receiver &amp; manager are deemed by a Court to be responsible to &amp; act on behalf of the mortgagors – that is, the customer.</p> <p>Mr Paul Burness of Scott Partners failed in his duty:</p> <ol style="list-style-type: none"> <li>1. By not considering any other creditors interests except those of the National Australia Bank.</li> <li>2. Refused to investigate serious breaches of law &amp; other issues concerning the National Australia Bank on the grounds that "they are his appointor".</li> <li>3. Acted against the advice of the Directors of Basstech in completing the sale, &amp; acting against the interests of all other parties.</li> </ol> <p>Further, Burness as a "Professional Man" failed his "Duty of Care" obligations in law and:</p> <ol style="list-style-type: none"> <li>1. Knowingly colluded with the National Australia Bank in that he conspired with the bank in negotiating with them to act as your Receiver &amp; Manager while still acting in the capacity of Basstech's professional financial adviser. He attended meetings between the National Australia Bank and Basstech's Managing Director, where he participated in negotiations on our behalf.</li> </ol> <p>At the final meeting he commenced direct negotiations on his own behalf to act as your banks Receiver &amp; Manager in the presence of the Basstech Managing Director.</p> <ol style="list-style-type: none"> <li>2. By refusing to investigate, Burness is guilty of Conspiring to Defraud your mutual customer by knowing that serious breaches of law were involved in the conduct of National Australia Bank in the execution of fraud</li> <li>3. He conspired with your bank to defraud YOUR customer by selling the business &amp; assets of the company to remove Basstechs capacity to take legal redress.</li> </ol>

	The Conduct, Circumstance or Authority	The Issues & Ramifications
		He is therefore guilty of Conversion.
7.	<p><b>Conspiracy to Defraud YOUR Customer</b></p> <p>When <u>we</u> (not your bank) <u>detected criminal activity</u> on or around the 17<sup>th</sup> of May 1999 the National Australia Bank contrived to conceal their extended knowledge of the facts from us during discussions &amp; negotiations (including loan negotiations) during May &amp; June of 1999.</p> <p>The focus of these negotiations was to enable Basstech to trade on &amp; trade its way out of the difficulties <b>known to us</b> at that time.</p> <p>The bank sought to add my name to the agreements, guarantees and securities available to them for call. At that point in time I was neither a guarantor nor signatory to any business document, other than as an account signatory, with the National Australia Bank in support of Basstech.</p> <p>High Court of Australia in COMMERCIAL BANK OF AUSTRALIA LTD. v. AMADIO (1983) 151 CLR 447</p> <p>National Australia Bank v Voloshin ([2000] NSWSC 84 (25 Feb 2000)).</p>	<p>Whilst "knowing" that you held substantial liability in the underlying events. The National Australia Bank attempted to create a more favourable position for itself by formalising an "unofficial" overdraft into a formal loan under guarantee and the "Registered Debenture" held over Basstech by your bank. This act was designed to ensure your priority over assets.</p> <p>I believe that these and all other guarantees given to the National Australia Bank by all guarantors became void at that time by reason of the principles expressed in Amadio and reinforced in Voloshin</p> <p>During these negotiations, the National Australia Bank withheld vital information from us the signatories &amp; providers of that security; information regarding the conduct of the fraud and the existence at that time of forged signatures in the operation of our cheque account including your banks misconduct which involved the clearance of forged signatures, &amp; other acts.</p> <p>At this time we remained ignorant of both the conduct of the National Australia Bank, and the exact methods employed by the thief in the execution of that fraud.</p> <p>We were made aware for the first time of the misconduct of your bank &amp; staff on the 1<sup>st</sup> of September 1999 from documents surrendered by your bank under Victoria Police search warrant.</p> <p>That is 10 days after the appointment of your receiver &amp; manager.</p>
8.	<p>On the 20<sup>th</sup> of August 1999 the <b>National Australia Bank</b> appointed the <b>Receiver &amp; Manager</b> to our company with instructions to liquidate the business and assets of Basstech.</p> <p>Paul Burness of Scott Partners Malvern Vic, at that point ceased to act as our financial advisor.</p>	<p>This process took 5 weeks, from the 20<sup>th</sup> of August to the 30<sup>th</sup> of September 1999.</p> <p>Contracts for the sale of the business &amp; assets being signed by the receiver &amp; manager on the 30<sup>th</sup> of September 1999 despite a written request on him from the Basstech Directors to investigate your banks conduct &amp; liability.</p> <p>The owners &amp; Directors of Basstech refused to be a party to that outrageous, unconscionable &amp; criminal act of sale.</p>
9.	<p>The National Australia Bank pursued us to bankruptcy with extreme haste and whilst, due to the fraud trial of Harty, the evidence was sub judice.</p> <p>Your bank did this knowing that they held significant &amp; continuing liability in these</p>	<p>My partners were declared bankrupts around the end of March 2000, whilst my bankruptcy was declared on the 20<sup>th</sup> of June 2000.</p>



	The Conduct, Circumstance or Authority	The Issues & Ramifications
	matters	
10.	Fraud is proven in the County Court Melbourne trial of Brendan James Harty.	Harty was convicted on the 1 <sup>st</sup> of October 2001 & sentenced on the 9 <sup>th</sup> of October 2001.

This is a not a trivial matter and direct breaches of law are involved. Those breaches involve on the part of your bank, its staff and your appointed receiver & manager:

1. Theft;
2. Collusion;
3. Conversion
4. Conspiracy to defraud;
5. Being an accessory to fraud before, during & after the fact.
6. & The potential for Tax evasion

I suggest to you that these issues are by no means "foreign concepts" to the National Australia Bank given your public statements on your release of the recent PWC report; and, the Investigators Report and the judgement of the High Court of the Republic of Ireland [2004]. You will also be aware that the National Australia Bank has been under investigation in the USA under the Sarbanes Oxley rules, and reportedly been investigated for tax evasion in both Australia & New Zealand recently and penalties have been imposed. So I expect that you should agree that criminal conduct on the part of this bank & its employees across the globe is by no means unusual; it is ingrained & structural.

John, I advise you now that I intend to force legislative changes & that protection be invoked for small businesses against the predatory conduct engaged in by your bank & industry. I also intend to see Managers, Senior Managers & Directors of your bank goaled over the criminal conduct engaged in by the staff & divisions under their control & stewardship commencing with Craig Hunter & your Asset Theft Structuring Unit, current Directors, & your former Directors Cicutto & Allen.

In the past I have encouraged Cicutto, & now you too are encouraged to prosecute me for libel & defamation over these statements should they be false. For that purpose I have enclosed a Petition for distribution to your staff & shareholders. It is in the interests of your staff to defend their reputation as diligent & prudent bankers of integrity, & it is in your shareholders interests to defend their integrity & reputation as ethical investors.

This & other documents form part of document sets & statements publicly released & circulated by me & I promise to attest to that fact should you wish to prosecute me – guilty your honour. I shall of course revel in the opportunity to present my case.

Yours in the forlorn quest for ethics, equity, honesty & integrity in the banking system.



Paul Buckman

*September 2003*

**Letter to Frank Cicutto – Please assist me to circulate this petition to your staff and shareholders**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

11 September 2003

National Australia Bank  
Mr. Frank Cicutto, Managing Director  
271 Collins St  
MELBOURNE 3000

Reference: James Litt (Basstech Pty Ltd acn 006 035 301)

Dear Sir,

Notwithstanding the determination of James B Litt (no less) letter attached, you are invited to assist me.

Please find attached a brochure that if false is at the very least libellous and defamatory in nature, as is most other material & documents that I have expressly sent to you. The attached brochure is in support of a Royal Commission into the fraudulent & criminal conduct of this bank and the banking industry in general, as well as the regulators that "supposedly" regulate this industry &, in comical terms, "prosecute" breaches of law. I would expect that you would not support such a petition.

However, I am also circulating "Petition # 2" which you may wish to support, & I encourage you to do so. To that end I formally request that you circulate this brochure & petition (attached) to both your staff & your shareholders, so that they may join this petition & see "justice" done, that is should my statements be false.

In my travels in this regard I am experiencing little resistance in collecting signatures for either petition. When National Australia Bank shareholders have identified themselves; I make the point that joining Petition #2 is directly in their interests as not to do so is a slight upon their ethics and their "ethical" investments.

**There has to be a better way.**

Yours in the forlorn quest for the insertion of ethics, equity, fairness, honesty, integrity and justice in the banking system.



Paul Buckman

Cc The Hon. Peter McGauran, Member for Gippsland.

Copy of this letter accompanied "Letter to Frank Cicutto – Please assist me to circulate this petition to your staff and shareholders". Also included were the two brochures in the "Public Documentation Set"



National Australia  
Bank Limited  
ABN 12 004 044 937

**Customer Resolutions**

GPO Box 2870  
Melbourne Vic 8060  
(ph) 03 8641-2326  
(fax) 03 8641-0665

(email) James\_B\_Litt@national.com.au

23rd January 2003

Mr Paul Buckman  
PO Box 120  
Tinamba Vic 3859

Dear Mr Buckman,

I refer to your letter dated 5th January 2002 addressed to the Managing Director, who has asked that I respond on his behalf. Please accept my apology for the delay in this response.

I have had a chance to review the lending file for Basstech Pty Ltd. I note that in a letter from ITSA dated 30/6/2000, they indicate that contained within your Statement of Affairs was an expectation of compensation from the Bank in relation to "fraudulent acts committed in respect of the Basstech companies of which [you were] formerly a director".

In response to this letter, the Bank advised that it had, and would cooperate with any sanctioned and legitimate criminal investigation undertaken by the Victorian Police Force.

The Bank's file of Basstech Pty Ltd has been closed and accordingly no further correspondence will be forthcoming.

Yours faithfully,

**James Litt**  
**Head of Customer Resolutions**

29 JAN 2003

**Petition – If the comments of PAB are libellous & Defamatory, then join the petition to sue the author – ME.**

## Petition

To the Chairman of the Board & the Managing Director  
of the  
National Australia Bank.

The following citizens of Australia &/or customers of Australian Banking Institutions draw your attention to documents (example - Explanatory Note #5) & other brochures circulating in the public domain (of which Mr Frank Cicutto is patently aware); documents that are at face value grossly defamatory and libellous to the National Australia Bank.

Therefore, Should those documents & comments be false, your petitioners request that the National Australia Bank "prosecute" the author Mr Paul Alan Buckman of Tinamba Vic in a Court of LAW for libel and deformation to protect the good name of the bank and the Australian Banking Industry.

[illegible]

Please insert this  
reply into a DL size  
window envelope  
and return to.

Please return to  
**Paul Buckman**  
**P.O. Box 120**  
**Tinamba Vic 3850**

\_\_fold here\_\_

**Are you satisfied with the queues and general level of service from your bank?**  
That of course assumes that your Town or Suburb has a bank.

**Are you satisfied with the level of fees and charges that you pay?**

**Do you see these exorbitant fees as profiteering?**

**Do you know the true cost of banking of your business or for you personally?**

**Are you receiving value for money?**

**If the answer to these questions is NO, then help ME to help YOU.**

1. Please circulate this petition to your colleagues and others to sign.
2. Please ensure that any person signs this petition only once.
3. If more forms are required then please photocopy & use the front of this form.
4. Please mail the completed forms to the above address.
5. Your financial support is very welcome. This issue is greater than what has happened to my partners & I. We are just one of many such incidents. This is the launch of an Australia Wide campaign to force Governments to protect us (their citizens) and, to force Regulatory Agencies (ASIC, APRA & the ACCC) to actually monitor and enforce the law when it comes to big business & their predatory tactics against us the mere customer of these institutions.

\_\_fold here\_\_

**If you want to know more then please contact me at:**

**P.O. Box 120**  
**Tinamba Vic 3859**

**Or**

**0417 451 406**

**paul.buckman@bigpond.com**

**July 2003**

**Letter accompanying a submission to ABIO requesting an investigation of the NAB for Unconscionable Conduct & Theft**

See also ABIO letter of the 9<sup>th</sup> of July 2003. Letter reprinted from file on the 26<sup>th</sup> of January 2004, the original was signed by Paul Alan Buckman.

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

9<sup>th</sup> of July 2003.

National Australia Bank  
Mr. Frank Cicutto, Managing Director  
James Litt  
271 Collins St  
MELBOURNE 3000

Reference: Email From Sonya Causovski

Dear Sir,

As a matter of courtesy you will find attached a copy of my submission to the Banking Industry Ombudsman regarding the issue of theft, criminal conspiracy and conversion by the National Australia Bank against Basstech Pty Ltd acn 006 035 301.

You may wish to consider your conduct further. Should you choose to show me the courtesy of acknowledging this correspondence then that would be unusual but welcome.

**There has to be a better way.**

Yours in the forlorn quest for ethics, equity, fairness, honesty, integrity and justice in the banking system.

Paul Buckman



**April/ May/ June 2003 - Representations by Hon Philip Davis MP**  
**Response of Buckman to Rick Drury NAB**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

FILE.  
12<sup>th</sup> of July 2003.

Rick Drury  
Executive – Credit Restructuring (Victoria & Tasmania)  
National Australia Bank  
3/271 Collins Street  
Melbourne Vic 3000

Sir,

I refer to inaccuracies in your reply to the Hon Philip R. Davis MP on the 12<sup>th</sup> of May 2003. I will attend to each inaccuracy in turn.

1. *Para 2 - Mr Buckman makes serious allegations against the bank amounting to "theft" of funds belonging to Basstech Pty Ltd by a former employee of Basstech Pty Ltd.*

The Melbourne County Court has dealt with the matter of theft by a former employee on the 1<sup>st</sup> of October 2001. The fellow was convicted and sentenced to two years & nine months in prison, that issue has been resolved - successfully.

The issue of theft, collusion & fraud by the bank & its staff has not been addressed in any form. Refer to Explanatory Note #5 for an outline of the issues that exist.

2. *Para 2 – The bank has attempted to discuss these matters with Mr Buckman.*

The National Australia Bank at no time has attempted to discuss or address these issues noted in the attached Explanatory Note #5, and at this point in time refuse to acknowledge my existence let alone correspondence. James B Litt (no less) expressed this in writing on the 23<sup>rd</sup> of January 2003 – refer page 7 of the attached Explanatory Note.

3. *Para 3 – Legal recourse and the other nonsense noted.*

You & I both know the basis of your strategies when it comes to legal action against the National Australia Bank. They are there for all to see in the case of IDOPORT Pty Ltd (John MaConochie) in the NSW Supreme Court before Justice Einstein.

I expect that you will also choose to ignore this correspondence as well.

Yours in the forlorn quest for ethics, equity, fairness, honesty, integrity and justice in the banking system.



Paul Buckman

Cc The Hon Philip R Davis MP

**Letter from the Hon Philip Davis MP to Buckman**

ELECTORATE OFFICE  
CUNNINGHAME STREET  
BOX 9210  
SALE VIC. 3850  
TELEPHONE: (03) 5143 1038  
FACSIMILE: (03) 5143 1057



LEGISLATIVE COUNCIL  
PARLIAMENT HOUSE  
MELBOURNE VIC. 3002  
TELEPHONE (03) 9651 8917  
FACSIMILE: 9651 8808  
Email: philip.davis@parliament.vic.gov.au

**THE HON. PHILIP R. DAVIS M.P.**  
LEADER OF THE OPPOSITION IN THE LEGISLATIVE COUNCIL  
LEADER OF THE LIBERAL PARTY IN THE LEGISLATIVE COUNCIL  
SHADOW MINISTER FOR AGRICULTURE AND RESOURCES  
MEMBER FOR GIPPSLAND PROVINCE

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

Dear Mr Buckman

*Paul*

**Re: National Australia Bank and Basstech Pty Ltd**

Reference is made to your visit to my electorate office on 24 April 2003, where you raised further concerns relating to the conduct of the National Australia Bank in relation to Basstech Pty Ltd.

Representation was made on your behalf to the Chief Executive Officer of the National Australia Bank, Mr Frank Cicutto, and the response, from the Executive of Credit Restructuring for Victoria and Tasmania, Mr Rick Drury, is enclosed.

It is evident from this correspondence that the National Australia Bank contends any claims made in relation to Basstech should be made by the appropriate party due to the company's de-registration status. Furthermore, as a bankrupt, any claims you may have in relation to your personal estate should be made by the Trustee in Bankruptcy.

As a Member of Parliament I believe I have exhausted any means of making representation on your behalf. I can only recommend that there is no other course to determine this matter other than to take civil action through the courts.

I regret that this matter has concluded this way.

Yours sincerely

*Philip R. Davis*

**PHILIP R. DAVIS M.P.**

*16 / 6* /2003

enc

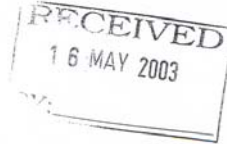


**Rick Drury National Australia Bank to Philip Davis MP**



**COPY**

National Australia  
Bank Limited  
ABN 12 004 044 937



Credit Restructuring  
3/271 Collins Street  
Melbourne 3000

12 May, 2003

Leader of the Opposition in the Legislative Council  
Electorate Office  
PO Box 9210  
Sale Vic 3850

Attention: The Hon. Philip R. Davis MP

Dear Sir,

**Basstech Pty Ltd (In liquidation) (deregistered)**

I refer to your letters dated 3 March and 4 May 2003 and the claims made by Paul Buckman against National Australia Bank Limited.

Mr Buckman makes serious allegations against the bank amounting to "theft" of funds belonging to Basstech Pty Ltd by a former employee of Basstech Pty Ltd. The bank has attempted to discuss these matters with Mr Buckman.

We note that Basstech Pty Ltd has been deregistered and any claims made in relation to it should be made by the appropriate party. In the same manner, Mr Buckman is a bankrupt and any claims that he may have in relation to his personal estate should be made by the Trustee in Bankruptcy.

We would recommend that Mr Buckman seek independent legal advice on the claims made.

Yours faithfully,

**Rick Drury**  
Executive – Credit Restructuring  
Victoria & Tasmania

*12.18/5.*

**Acknowledgement to Buckman of letter from Hon Philip Davis MP 2Apr2003**



National Australia  
Bank Limited  
ABN 12 004 044 937

**Credit Restructuring**  
**Level 3**  
**271 Collins Street, Melbourne VIC 3001**  
**Phone: 03 9659 7594**  
**Fax: 03 9659 6021**

2 April 2003

Paul Buckman  
PO BOX 120  
Tinamba Vic 3859

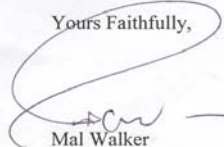
**Re: Basstech Pty Ltd ("Basstech") and the National Australia Bank ("the National")**

With reference to the above, we advise that we are still looking into your complaint against the National.

Unfortunately we will not be in a position to respond before 4 April 2003, but would expect to do so within the next 21 days or so.

Thank you for your patience in this matter.

Yours Faithfully,

  
Mal Walker  
Executive  
Credit Restructuring Vic & Tas

Cc The Hon.Philip R.Davis M.P  
Cc Ray Pridmore – General Manager, Credit Restructuring, Credit Risk Management



January 2003

**Email from PAB – Acknowledging James B Litt**

**Paul Buckman**

---

**From:** Paul Buckman [paul.buckman@bigpond.com]  
**Sent:** Wednesday, 29 January 2003 12:46 PM  
**To:** james\_b\_litt@national.com.au  
**Subject:** Do not mis-understand me

I am in receipt of your letter dated 23rd of Jan 2003. At the end of the day the National Australia Bank are going to explain why you clear false documents (forged cheques) through depositors accounts.

Your choice here is not whether or not you do this, it is when you choose to do this.

This is not a threat or idle talk, it is a sincere promise.

Yours in the forlorn quest for ethics, equity, fairness, honesty & integrity in the banking system

Paul Buckman

*Reply*  
**ENTERED**  
29 Jan 2003

**NAB Response to Campaign #1**



National Australia  
Bank Limited  
ABN 12 004 044 937

**Customer Resolutions**

GPO Box 2870  
Melbourne Vic 8060  
(ph) 03 8641-2326  
(fax) 03 8641-0665

(email) James\_B\_Litt@national.com.au

23rd January 2003

Mr Paul Buckman  
PO Box 120  
Tinamba Vic 3859

Dear Mr Buckman,

I refer to your letter dated 5th January 2002 addressed to the Managing Director, who has asked that I respond on his behalf. Please accept my apology for the delay in this response.

I have had a chance to review the lending file for Basstech Pty Ltd. I note that in a letter from ITSA dated 30/6/2000, they indicate that contained within your Statement of Affairs was an expectation of compensation from the Bank in relation to "fraudulent acts committed in respect of the Basstech companies of which [you were] formerly a director".

In response to this letter, the Bank advised that it had, and would cooperate with any sanctioned and legitimate criminal investigation undertaken by the Victorian Police Force.

The Bank's file of Basstech Pty Ltd has been closed and accordingly no further correspondence will be forthcoming.

Yours faithfully,

**James Litt**  
**Head of Customer Resolutions**

29 JAN 2003

June 2000

NAB letter from "Legal Services"



TAILORED FINANCIAL SOLUTIONS

National Australia Bank Limited  
A C N 004044937

**Legal Services**  
**Southern and Central**

Postal Address:  
GPO Box 1451N  
Melbourne Vic 3001

29 June 2000

Mr P A Buckman  
P O Box 120  
Tinamba 3859

Dear Sir

**ACN 006 035 301 Pty Ltd (Receiver and Manager Appointed)**

We have been handed a copy of your letter addressed to "The Manager, Litigation Group Collections Centre".

The bank has been entirely co-operative with the police in relation to the investigation referred to in your letter, and will continue to be so if any further assistance is sought by them.

Given the seriousness of the subject matter of the investigation, the bank believes that it is in the interests of all parties concerned not to be communicating directly with each other about it.

Yours faithfully

A handwritten signature in blue ink that reads "Legal Services". The signature is written in a cursive, flowing style.

Legal Services

A member of the National group of companies

362 625 (5/99)



## Refusal of PAB to honour Guarantee

**FAKED**  
5 JUN 2000  
11:45 AM

P. A. Buckman  
P.O. Box 120  
Tinamba 3859

Sunday the 4<sup>th</sup> of June 2000

The Manager  
Litigation Group Collections Centre  
National Australia Bank  
G.P.O. Box 4963 WW  
Melbourne Vic. 3001

RE: Basstech Pty Ltd a.c.n. 006 035 301 (Stolen & renamed A.C.N.006035301 Pty Ltd  
a.c.n 006 035 301 (receiver & manager appointed))

Dear Sir/ Madam,

I am in receipt of your letter dated the 29<sup>th</sup> of May 2000, received yesterday the 3<sup>rd</sup> of June. Am I to understand that you (the National Australia Bank) are not confined by notions as "Duty of Care", "Due Diligence" or other such ethical or legal niceties.

The above company monies (**held in trust by you**) were transferred to other entities without any displayed duty of care or reference to any notion of due diligence.

As a consequence of your ineptitude & incompetence, I consider that I am no longer bound to honor any indemnities or guarantee's given by me in your favor. Should you have another opinion, then I am sure you will advise me of that. If that includes legal action, then I expect you to advise me of the date, Court location and grounds for that legal action.

Once again I make this offer, should you wish to preview the evidence referred to by me in previous correspondence with a view to reasonable negotiation taking place between us, I would be pleased to approach the Victoria Police Investigating Officer for approval to do this, subject to his conditions. You may contact me directly on **0407 853 448**.

Yours in the forlorn quest for ethics, integrity & honesty in the banking industry.




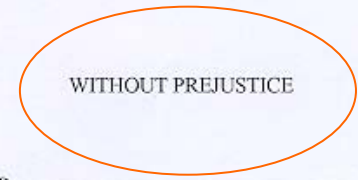

**Do not misunderstand me.**

Circulation List:

Alan John Sampson  
Elke Sampson  
Craig Hunter, National Australia Bank, Asset Structuring Unit.

May 2000

NAB Threat re: Lease No 470888163 29<sup>th</sup> of May 2000

 TAILORED FINANCIAL SOLUTIONS	National Australia Bank Limited <b>Collections Australia</b> A.C.N. 00404937 GPO Box 4963 WW Melbourne Victoria 3001 Telephone: (03) 9322 7711 Facsimile: (03) 9322 7931
29 May, 2000	
Mr Paul Buckman P.O. BOX 120 TINAMBA VIC 3859	
Dear Mr Buckman	
REFERENCE: <b>BASSTECH PTY LTD</b> LEASE PURCHASE 70888163	
We reply to your fax dated 20 <sup>th</sup> May 2000 and note your comments.	
As you have given the bank a personal guarantee and indemnity for this outstanding lease account the bank expect a satisfactory repayment arrangement. Unless we receive your proposal for repayment within 14 days the bank will proceed with legal action to recover this debt.	
We look forward to your positive response.	
Yours faithfully,	
 CHRIS SLATTERY Litigation Collections Australia	
LEGALLET	
A member of the National group of companies	
362-025 (3/99)	

Without Prejudice – I can confirm that.

**The Response of Buckman to the NAB Demand #2 Lease No 470888163**

**FAXED**

P. A. Buckman  
P.O. Box 120  
Tinamba 3859

Saturday, 20<sup>th</sup> of May 2000

The Manager  
Litigation Group Collections Centre  
National Australia Bank  
G.P.O. Box 4963 WW  
Melbourne Vic. 3001

**RE: Basstech Pty Ltd a.c.n. 006 035 301(Stolen & renamed A.C.N.006035301 Pty Ltd  
a.c.n 006 035 301(receiver & manager appointed))**

Dear Sir/ Madam,

As you well know, the failure of the above company was caused by the fraudulent activity of an employee (our accountant) in that he is accused of stealing considerable sums of money. I have been working closely with the Victoria Police Investigating Officer and my evidence is near complete. The expectation is that numerous charges will soon be laid.

This evidence strongly suggests that had the National Australia Bank performed any semblance of "Due Diligence" in the clearance of cheques & funds through the Basstech account, this fraudulent activity would have become known to both of us as early as April 1998.

*The effect of the NAB's negligence was to aid & abet this fraud.*

An explanation as to the Banks conduct & clearance processes in this matter is demanded again. (Previously requested in my letter of the 9<sup>th</sup> of November 1999 to "The Manager NAB, Bairnsdale Branch & replied to by Ross Blakeley of your office on the 23<sup>rd</sup> of November 1999. Requested again on the 18<sup>th</sup> of March 2000 in a letter to Craig Hunter, and now to you on the 20<sup>th</sup> of May 2000.)

At this point, I have a large body of evidence to substantiate my statements, however, I am not in a position to make use of it. Should I do so: -

1. It would provide grounds for the accused in this fraud to go free on the grounds "he could not get a fair trial", or, due to the inadmissibility of evidence due to the contamination of that evidence.
2. I would also be in the position of being in contempt of court.
3. I could then face the ire of the Victoria Police for wasting their valuable time, which is in itself an offence.

So, at this point you have me at an extreme disadvantage – I cannot defend myself in this action.

I am also aware of your view that my correspondence about this evidence with you (the Bank) & Paul A. Burness (Receiver Manager) to date is considered "Pure conjecture", "Innuendo" and "Unsubstantiated rumor". At this point you may in legal terms be correct (not ethical or moral).

My Conjecture, Innuendo & rumor form the "core evidence" in the criminal case against the accused. On the conviction & sentencing of this person, "**MY Conjecture, Innuendo & rumor**"

1. Become "**Fact**" proven in a "Criminal Court of Australia".
2. Accepted in Court as **undeniable**, after all there will be a fellow sentenced as a direct result of these **Facts**.

At this point I will also be released from all legal & evidentiary restrictions. Furthermore, I will be in a position to use this evidence – these facts, as, when & in whatever forum I deem appropriate.

I also wish to advise that I am seeking the advice of a QC as to whether there is sufficient evidence to request the laying of charges against the National Australia Bank, it's officers at South Melbourne and Bairnsdale (including Matthew Johnson) for criminal negligence, aiding, abetting &/or other misconduct.

Should you wish to preview this evidence with a view to reasonable negotiation taking place between us, I would be pleased to approach the Victoria Police Investigating Officer for approval to do this, subject to his conditions. You may contact me directly on **0407 853 448**.

Yours in the forlorn quest for ethics, integrity & honesty in the banking industry.



**Do not misunderstand me.**

**Circulation List:**

Alan John Sampson  
Elke Sampson

Actg. Det. Sgt Bruce Sharp, Station Commander, Victoria Police, Criminal Investigation Unit,  
Bairnsdale.

Craig Hunter, National Australia Bank, Asset Structuring Unit.

Matthew Johnson, Account Manager, National Australia Bank, Bairnsdale.

Paul A Burness, c/o Scott Partners.

The Managing Partner, Scott Partners, Malvern.

Robyn Bond, Australian Taxation Office, Box Hill.

**NAB Demand #2 Lease No 470888163 12<sup>th</sup> of May 2000**



National Australia Bank Limited  
A.C.N. 004044937

**Demand**

National Australia Bank Limited  
ACN. 004044937

*FAX 9322 7371*

TO:  
MR PAUL ALAN BUCKMAN  
FAIRCHILLDS ROAD  
TINAMBA VIC 3859

National Australia Bank Limited hereby demands payment from you of each sum referred to below together with so much interest as has accrued thereon as at the date of payment thereof at the usual and prevalent rate charged by the Bank from time to time in similar transactions on the type of facility indicated and notice is hereby given that unless each sum so due be immediately paid the Bank will take such action for recovery as it may be advised.

Any communication in respect to this demand is to be directed to the Manager, Litigation Group Collections Centre. G.P.O. Box 4963WW, Melbourne, Victoria 3001  
Phone (03) 9322 6742 **CHRIS SLATTERY**

Account	Sum Due as at Date Hereof
AS GUARANTOR FOR BASSTECH PTY LTD LEASE NO 470888163	\$8,783.90

Dated at MELBOURNE this 12 MAY 2000

For and on behalf of  
National Australia Bank Limited

LEGAL DEMAND

A member of the National group of companies

302-825 (3/99)



March 2000

Response of Buckman to Nab Demand 14<sup>th</sup> of March 2000

P. A. Buckman  
P.O. Box 120  
Tinamba 3859

Saturday, 18<sup>th</sup> March 2000

Mr. Craig Hunter  
National Australia Bank  
Asset Structuring Unit  
3<sup>rd</sup> Floor South,  
271 Collins Street  
Melbourne Vic. 3000

RE: Basstech Pty Ltd a.c.n. 006 035 301 (renamed A.C.N.006035301 Pty Ltd  
a.c.n 006 035 301(receiver & manager appointed))

Dear Sir,

As a courtesy I promptly advise receipt of your letter dated the 14<sup>th</sup> of March, I received it this morning (Saturday the 18<sup>th</sup> of March 2000). I confirm receipt of

1. A "Statutory Declaration".
2. A statement of sorts relating to general income & expenditure categories from the receiver manager.
3. "Name" identification of the account numbers and sums you are demanding repayment of.

Sir, to date you are demanding reparation for an amount of \$382,117.56 (according to your above mentioned letter), yet you refuse to provide me with any meaningful information upon which to base an adequate response in resolution of this matter. Sir you have not

1. With reference to the income & expenditure listing from the receiver & manager. This spurious list in no way satisfies the requirement for adequate information, however there are questions that do arise here
  - Where does the \$40,000 distribution reflect in the sums you are demanding from me?
  - What is the resultant value of the "Theft" of Basstech? Where are these sums reflected in your claim against me?
  - What sums has the receiver manager kept for his purposes?
  - When am I to receive a proper set of accounts for this process?
2. You will be aware that this event was caused by the fraudulent activity of an employee. I have nearly completed my investigations into this matter and I expect to present the evidence to the Victoria Police so charges can be laid.
3. This evidence strongly suggests that had the National Australia Bank performed any semblance of "Due Diligence" in the clearance of cheques & funds through the Basstech account, then this fraudulent activity would have become known to both of us as early as April

1998. An explanation as to the banks conduct & clearance processes in this matter is now demanded (as previously requested in my letter of the 9<sup>th</sup> of November 1999 to "The Manager NAB, Bairnsdale Branch & replied to by Ross Blakeley of your office on the 23<sup>rd</sup> of November 1999).

At our meeting at your office on the 1<sup>st</sup> of February, we agreed that I would respond with a considered proposal within 14 days of receipt of the necessary information my advisers & I need to formulate such a response. **The bank, sir, to date has not provided the necessary information.** Should you wish to rectify this oversight, then I should be pleased to comply with the agreement I made with you.

Yours in the forlorn quest for ethics, integrity & honesty in the banking industry

A handwritten signature in dark ink, appearing to be 'P. Smith', is written on the left side of the page. To the left of the signature are two circular punch holes.



National Australia Bank Limited  
A.C.N. 004044937

Asset Structuring Unit  
3rd Floor Sth, 271 Collins Street  
MELBOURNE VIC 3000  
Phone: 03 9659-7376  
Fax: 03 9659-6021

14 March 2000

Mr Paul Buckman  
P O Box 120  
TINAMBA VIC 3859

Dear Sir,

**Re: Basstech Pty Ltd A.C.N. 006 035 301 (Receiver & Manager Appointed) ("Basstech")**

I refer to your letter dated the 26th February 2000 and reply to your statements as follows:

1. Statutory Declaration is enclosed for your completion.
2. I have enclosed a copy of the recent, Receipts and Payments from the Receiver and Manager.
3. The account details as referred in our previous letter are as follows:

Basstech Pty Ltd A.C.N. 006 035 301

Fixed Rate Interest Only Loan	Account No. 47 036 8272	\$296,486.44
Business Combination Loan	Account No. 45 155 7406	\$38,948.59
Business Cheque Account	Account No. 47 619 0305	\$4,935.52
Lease Purchase	Account No. 47 088 8163	\$8,824.71
Lease Purchase	Account No. 47 118 4571	\$32,922.30

\*Note - The amounts outstanding on the above facilities are as at 18/2/2000.

4. The above balances have arrived in accordance with Letters of Offer together with cheques drawn, interest and fees charged less receipts from the Receiver and Manager.

I trust that the above will allow you to respond with a proposal by 28/3/2000, failing which, the Bank will review its position.

Craig Hunter  
Manager

## Appendix B

**A.C.N.: 006 035 301 PTY LTD (RECEIVER & MANAGER APPOINTED)**  
**[FORMERLY BASSTECH PTY LTD (RECEIVER & MANAGER APPOINTED)]**  
**A.C.N.: 006 035 301**

**Receipts**

Sale of Plant & Equipment	\$60,000.00
Sale of Motor Vehicle	\$12,750.00
Less Amt Secured be charge	-\$9,204.75
Auctioneers Charges	-\$787.50
Trade on Sales	\$37,695.04
Interest	\$597.04
Sundry Receipts	\$926.38
Cash at Bank on appointment	\$612.16
Collection of Debtors	\$76,745.54
Sale of Work in Progress	\$2,345.00
	\$181,678.91

**Payment**

Trade on purchases	\$4,956.27
Freight Outwards	\$417.05
Fuel & Oil	\$60.85
Motor Vehicle Expenses	\$1,129.50
Postage Redirection	\$30.00
Hire & Leasing costs	\$4,967.96
Rent & Rates	\$1,563.77
Sundry Expenses	\$789.06
Removal of waste	\$22.50
Workcover	\$124.20
Telephone & Fax	\$1,668.94
Wages & Salaries	\$26,908.36
Advertising	\$1,663.80
Valuation Fees	\$1,150.00
Bank Charges	\$180.24
Travel	\$494.01
Petty Cash	\$1,245.26
Search Fees	\$50.00
Solicitors Costs	\$6,974.50
Insurance	\$1,275.30
Light & Heat	\$395.09
Distribution to Appointor	\$30,000.00
Distribuion herewith	\$10,000.00
Total	\$96,066.66
Cash at Bank 21/12/99	\$85,612.25

February 2000

The Response of Buckman to the NAB Demand 21 Feb 2000

P. A. Buckman  
P.O. Box 120  
Tinamba 3859

Saturday, 26<sup>th</sup> of February 2000

Mr Craig Hunter  
National Australia Bank  
Asset Structuring Unit  
3<sup>rd</sup> Floor South,  
271 Collins Street  
Melbourne Vic 3000

RE: Basstech Pty Ltd a.c.n. 006 035 301 (renamed A.C.N.006035301 Pty Ltd a.c.n 006 035 301 (receiver & manager appointed))

Dear Sir,

As a courtesy I advise prompt receipt of your letter dated the 21<sup>st</sup> of February, I received it this morning (26<sup>th</sup> of February 2000).

1. Your statement referring to a "Statutory Declaration" being enclosed is false. No such document exists.
2. With reference to the income & expenditure listing from the receiver & manager. The receiver & manager has informed me in writing that he is acting as your agent, therefore I demand from you the information previously referred to in support of your claim against me.
3. The account numbers referred to in point 1 of your letter have no meaning or correlation to any bank reference in my possession.
4. The corresponding dollar values to these account numbers have been plucked from somewhere without justification or identity provided as to what the account is, how the values were arrived at etc etc etc.

At our meeting at your office on the 1<sup>st</sup> of February, we agreed that I would respond with a considered proposal within 14 days of receipt of the necessary information my advisers & I need to formulate such a response. **The bank, sir, to date have not provided the necessary information.** Should you wish to rectify this oversight, then I should be pleased to comply with the agreement I made with you.

Yours in the quest for ethics, integrity & honesty in the banking industry







National Australia Bank Limited  
A.C.N. 004044937

Asset Structuring Unit  
3rd Floor Sth, 271 Collins Street  
MELBOURNE VIC 3000  
Phone: 03 9659-7376  
Fax: 03 9659-6021

Ref: Basstech1

21 February 2000

Mr Paul Buckman  
P O Box 120  
TINAMBA VIC 3859

Dear Sir,

**Re: Basstech Pty Ltd A.C.N. 006 035 301 (Receiver & Manager Appointed) ("Basstech")**

I refer to your letter dated the 11th February 2000 and advise the following:

1. The amounts outstanding on Basstech's facilities as at the 18/2/2000 are as follows:

a) Account No. 47 036 8272	\$296,486.44
b) Account No. 45 155 7406	\$ 38,948.59
c) Account No. 47 619 0305	\$ 4,935.52
d) Account No. 47 088 8163	\$ 8,824.71
e) Account No. 47 118 4571	\$ 32,922.30

**Total** **\$382,117.56**

As previously advised, your repayment proposal to be forwarded within 14 days from date of this letter, for payment of the outstanding monies owed to the National Australia Bank Ltd.

2. With reference to income and expenditure listing from Basstech's Receiver & Manager, you are to make your own arrangements to obtain same.

\* Statutory Declaration is enclosed for your completion.

Craig Hunter  
Manager

*Received Sat 26<sup>th</sup> Feb 00.*

**PAB – Confirmation of points of agreement 1 Feb 2000 meeting**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

11<sup>th</sup> of February 2000.

Mr. Craig Hunter  
Manager Asset Structuring Unit  
National Australia Bank  
3<sup>rd</sup> Floor South,  
271 Collins Street  
Melbourne Vic. 3000

Dear Sir,

**RE: your letter "Guarantee & Indemnity in favor of Basstech Pty Ltd".**

I refer to our meeting at your premises on the 1<sup>st</sup> of February 2000. At this meeting it was agreed that you would provide details of certain sums you wish me to accept responsibility for. It was agreed that you would provide:

- ❖ The amounts assessed by you as amounts owing.
- ❖ Details of how those amounts were arrived at.
- ❖ Justification for those amounts.
- ❖ An income & expenditure listing for the former "Basstech Pty Ltd Receiver & Manager Appointed, a.c.n. 006 035 301".

This information is required so that suitable advice may be sought and was to be forwarded to me by the 4<sup>th</sup> of February 2000, to enable me to reply with a suitable offer by the 21<sup>st</sup> of February 2000.

As I have not received any information or correspondence from you to date, I formally ask that the above information be provided as a matter of urgency.

As a matter of courtesy, a prompt reply to this letter would be appreciated.

My direct number is **0407 853 448** if I am un-contactable this number will revert to message bank.

Yours in ethical business



Paul Buckman

**January 2000**

**Response of Buckman Guarantee & Indemnity**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

29<sup>th</sup> of January 2000.

Mr. Craig Hunter  
Manager Asset Structuring Unit  
National Australia Bank  
3<sup>rd</sup> Floor South,  
271 Collins Street  
Melbourne Vic. 3000

Dear Sir,

**RE: your letter "Guarantee & Indemnity in favor of Basstech Pty Ltd".**

I acknowledge receipt of the above letter on the 28<sup>th</sup> of January 2000, & was therefore unable to comply with your ultimatum.

The detail in your letter is "considered general & vague" (circa NAB 23 Nov 1999).

It would appear that there are things to discuss & I therefore advise that I will be in Melbourne on Tuesday or Wednesday (the 1<sup>st</sup> or 2<sup>nd</sup> of February 2000). Should you wish to meet with my to discuss these matters I would be please to arrange a suitable time at your office.

My direct number is **0407 853 448** if I am uncontactable this number will revert to messagebank.

Yours in ethical business



Paul Buckman

**Letter from NAB – Guarantee & Indemnity**



Asset Structuring Unit  
3rd Floor Sth, 271 Collins Street  
MELBOURNE VIC 3000  
Phone: 03 9659-7376  
Fax: 03 9659-6021

National Australia Bank Limited  
A.C.N. 004044937

Ref: cnh

19 January 2000

Mr PA Buckman  
PO Box 120  
TINAMBA VIC 3860

Dear Mr Buckman,

**RE: GUARANTEE & INDEMNITY IN FAVOUR OF BASSTECH PTY LTD**

We refer to the above Guarantee & Indemnity that has been executed by yourself. Please contact the writer on the above number urgently to discuss repayment of debts remaining in the name of Basstech Pty Ltd held with the National Australia Bank Ltd.

Please contact this unit by 27 January 2000 or the Bank will consider its options available.

Yours faithfully

**Craig Hunter**  
Manager Asset Structuring Unit

November 1999

NAB Response 23<sup>rd</sup> November 1999



National Australia Bank Limited  
A.C.N. 004044937  
Asset Structuring Unit - Vic/Tas  
3/271 Collins Street  
MELBOURNE 3000  
Phone: 03 9659 7376  
Fax: 03 9659 6021

Ref: s:rb:gen/bassdir2.doc

23 November 1999

Mr P Buckman  
P.O. Box 120  
TINAMBA 3860

Dear Sir

**Re: A.C.N. 006.035.301 Pty Ltd (Formerly Basstech Pty Ltd)  
(Receiver and Manager Appointed)**

I refer to your letter dated 9 November, 1999.

Your queries regarding the Bank's processes and examples of transactions which have occurred are considered general and vague.

The Bank is willing to co-operate with any sanctioned and legitimate criminal investigation by the appropriate authorities, in this case the Victoria Police.

In this regard, I have spoken directly to Detective Senior Constable Bruce Sharp of the Bairnsdale CIB, whom has confirmed that the Bank has been entirely co-operative and compliant in this matter.

Further, should you be aware of any error or impropriety by the Bank in negotiating any specific transaction, please advise.

With respect to your query regarding penalty interest rates, the Bank's position in this matter has been adequately detailed in my facsimile dated 14 September, 1999 to Alan Sampson.

Please note that responsibility for this matter rests with the Asset Structuring Unit. Accordingly, any queries or requests for information should be directed to me.

Yours faithfully

**Ross Blakeley  
Manager**

Client	Account	Date	Reference	Amount	Party	Signature
11111111	11111111	11/11/99	11111111	11111111	11111111	11111111
11111111	11111111	11/11/99	11111111	11111111	11111111	11111111
11111111	11111111	11/11/99	11111111	11111111	11111111	11111111



**Letter to NAB 9<sup>th</sup> of November 1999**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3860

9<sup>th</sup> of November 1999.

The Manager,  
National Australia Bank  
Main Street  
Bairnsdale Vic. 3875

**Re: The company previously known as "Basstech Pty Ltd A.C.N. 006 035 301"**  
Now known as A.C.N. 006 035 301 Pty. Ltd A.C.N. 006 035 301

Herein called "the company"

Account BSB                      083 519  
Account Number                51564 8121

Dear Sir or Madam:

Further to our advice of the 21<sup>st</sup> of May 1999, to your account manager Mr Matthew Johnson, that "the company" had suffered an incidence of alleged fraud perpetrated by our accountant Mr. Brendan J Harty. We advised that we had requested the Victoria Police investigate this event. We confirm that this investigation is continuing, and the investigating officer is Detective Senior Constable Bruce Sharp of the Bairnsdale CIB.

You will be aware that as part of the investigation, a warrant was issued for the return of cheques written against the above account. We note that the Bank has not surrendered all of the cheques sought. As directors of "the company" we have been assisting the Police with their enquiries &, in particular, verifying the cheque payees' destination, clearance of funds & other issues including obvious fraudulent signatures & other irregularities.

As a director of "the company" I request your response to the following:

1. What process does the National Australia Bank employ to validate that legal authority does exist to conduct a funds transfer from a "customer account"?
2. If a clearance process exists, please detail what that process entails.
3. If there is a particular process required to transfer funds as "cash",  
What is that process?  
What checks & balances are in place to ascertain the integrity of the transaction?
4. Under what circumstances are duplicate "cheque number ranges" issued?

Cheques in the range 6900's have been cleared through our account in Jun to Aug 1997 & again in Mar 1999 for differing amounts. Refer the table below as an example of two instances.

Cheque number	Amount	Date Cleared	Statement number	Amount	Date Cleared	Statement number
6969	\$ 85.55	2 Jul 97	774	\$ 160	21 Mar 99	916
6979	\$ 1,725	2 Jul 97	774	\$ 2,096	10 Mar 99	917

5. Please refer attached:

5.1. Fax from Alan Sampson (Managing Director of "the company") to Ross Blakeley (National Australia Bank) re: the retention of liquid assets of "the company".

5.2. The reply from Ross Blakeley.

5.3. The letter from Matthew Johnson re interest rate increases.

Question. If the NAB have been removing repayment funds from the liquid assets in the above account, how then is the rate increase justified?

If repayments are being deducted as you claim is your right, then surely the account is not in arrears & therefore it is not appropriate to move the interest rate to "penalty rates".

The Directors of "the company" are eager to resolve its legal position in relation to the above matters as soon as possible. We request a written response within seven (7) days of the date of this letter. I may be contacted for further information on 0419 307 954.

Yours faithfully



Paul Buckman

September 1999

**NAB Advice of Rate Increase**



BAIRNSDALE BBC 3-676  
145-149 Main Street  
BAIRNSDALE 3875  
Phone: 03 5152 6974  
Fax: 03 5152 2764

National Australia Bank Limited  
A.C.N. 004014937

Ref: MDJ:CDB

24 September 1999

Mr & Mrs A Sampson  
Basstech Pty Ltd  
31 Payne Street  
BAIRNSDALE Vic 3875

Dear Mr & Mrs Sampson

Re: Basstech Pty Ltd (Receiver & Manager Appointed)

We refer to the above and advise that effective from the 27th August, 1999 the following accounts are now attracting the appropriate default interest rates. Details are as follows:

Fixed Rate Interest Only Loan account no. 47.036.8272  
variable interest rate (Base rate plus customer margin 2.75% plus default margin 4.00%) current effective rate of 15.25%

Business Combination Loan account no. 45.155.7406  
variable interest rate (Term Base rate plus default margin 4.50%) current effective rate of 12.75%

A & E Sampson  
Home Loan account no. 96.549.1619  
variable interest rate currently 6.55%.

Yours faithfully

Matthew Johnson  
Business Banking Manager



FACSIMILE TRANSMISSION

Sender : Ross Blakeley

Date : 14 September, 1999

Attention : Alan Sampson

Fax Number : 5152 6081

Total Pages (including Header) : 1

RE: BASSTECH PTY LTD  
(RECEIVER AND MANAGER APPOINTED)

I refer to your facsimile dated 9 September, 1999 and respond on a "Without Prejudice" basis.

I confirm that pursuant to the terms of the Registered Mortgage Debenture held by the Bank over the assets and undertaking of Basstech Pty Ltd, together with the Bank's right of set off/amalgamation of accounts, the Bank is able to:-

1. set off credit funds held at the date of appointment of the Receiver against other outstanding facilities. This right of set off is in priority to other claims on floating charge assets; and
2. continue to charge interest on monies outstanding in accordance with the terms of the facility agreements executed between the Bank and Basstech Pty Ltd. The priority afforded to the Bank would be in accordance with the existing Registered Mortgage Debenture and Corporations Law.

From information provided by the Receiver and Manager, the above issues would appear to be academic as it is expected (however not guaranteed) that sufficient funds will be realised from floating charge assets (debtors and stock) to discharge in full the estimated employee entitlements. This will in particular depend on the revocability of debtors.

Should you dispute the above, you should seek your own independent legal advice.

A handwritten signature in dark ink, appearing to read "Ross Blakeley".

Ross Blakeley  
Manager

National Australia Bank Ltd  
Asset Structuring, Victoria and Tasmania  
Phone 03 9659 7376 Fax 03 9659 7906

P.01/01

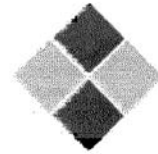
10051526081

14 SEP 1999 11:57FROM NAB ASSET STRUCTURING

Alan Sampson to NAB RE: Funds Withheld

**FACSIMILE**

To : Ross Blakeley  
Company : National Australia Bank  
Phone :  
Fax :  
From : Alan Sampson  
Phone : 03 5152 5500  
Fax : 03 5152 6081  
Date : 9/9/99



**Basstech**

Pty Ltd  
A.C.N. 006 035 091

Receiver &  
Manager  
Appointed

Pages including this cover page: 1

**CC : Paul Burness – Scott Partners**

Dear Ross,

I wish to express my concern regarding the NAB's action in refusing to transfer Basstech's credit balance to the Receiver & Manager at the time of his appointment. These were our trading funds, received from debtor payments, and as such should be deemed as liquid assets of the Company.

I would be particularly interested in the legal position should these funds not become available for the payment of staff entitlements.

Equally interesting is the fact that the NAB is withdrawing interest payments from these accounts post appointment of the Receiver. Does the NAB have priority over other creditors? Is this legal?

I look forward to your response.

Kind Regards  
Alan Sampson.



PO Box 1321, 236 Forbes Street, South Melbourne, Victoria 3205 Telephone +61 3 9690 3922 Facsimile +61 3 9690 3922  
31 Fyvie Street, Burnside, Victoria 3875 Telephone +61 3 5152 5500 Facsimile +61 3 5152 6081  
Email: quality@basstech.com.au



Quality  
Endorsed  
Company



**May 1999**

**Dismissal of Harty**

21<sup>st</sup> May, 1999

Mr Matthew Johnson  
Business Banking Manager  
National Australia Bank  
Main Street  
Bairnsdale Vic 3875

Dear Matthew,

Further to our conversation this morning, as of 20<sup>th</sup> May 1999, Mr Brendan J. Harty is no longer a Director, nor is he employed by Basstech Pty Ltd. Effective immediately, Brendan is to be removed as Signatory for our account and is not entitled to any banking information regarding our Company.

Yours sincerely,

**Alan Sampson**

Managing Director

Refer the National Australia Banks "Authority to Transact Business" which confirms Harty's removal as a signatory dated the 20<sup>th</sup> of May 1999.

NAB Dishonour Notice 18 May 1999 & dishonoured Cheque



TAILORED FINANCIAL SOLUTIONS

**Dishonour Notice - Inward**

National Australia Bank Limited  
A.C.N. 004044937

Account Management Centre  
Melbourne

Telephone 13-2265

MAY 18 1999

THE SECRETARY  
BASSTECH PTY LTD  
31 PAYNE STREET  
BAIRNSDALE VIC 3876

Dear Customer,

The following cheque has been returned unpaid:

Drawer	<b>MR BRENDAN JAMES HARTY &amp; MRS MARY JOSEPHINE HART</b>
Account Number	<b>582360</b>
Bank	<b>Westpac Banking Corporation</b>
Branch	<b>733-203</b>
Answer	<b>Refer to drawer</b>
Amount of Dishonoured Cheque	<b>\$ 10,350.00</b>

The cheque was included in your deposit as follows:

Date Deposited	14-MAY-99
Deposit Amount	\$ 10,350.00
BSB	083-519
Account Number	51-564-8121
Agent No. (if applicable)	0

Your account numbered **51-564-8121** has been debited and w

- ☒ enclose the cheque.  
☐ enclose a copy of the cheque.  
☐ will forward the cheque when to hand.  
☐ (other) \_\_\_\_\_

A Fee of \$9.00 has been debited to your account number 51-564

Team Leader  
Dishonour Team

Use envelope 264-388  
153117278288

100999 733 203 58 2360

0001035000

B. J. & M. J. HARTY

The sum of Ten Thousand Three Hundred & Fifty Dollars  
 Pay BASSTECH Pty Ltd  
 or bearer

\$ 10,350.00

Bank of Melbourne  
360 Collins Street Melbourne Vic

A Division of Westpac Banking Corporation

14.5.99

## NAB's Authority to Transact Business

**Notice of Authority to Transact Banking Business**  
National Australia Bank Limited

Date: 25/8/13

☒ We advise you regarding banking account/s as titled on the face hereof, and where applicable  
☐ hand you copy of the written constitution rules and by-laws.  
☐ advise we have no written constitution, rules or by-laws but operate on resolutions passed from time to time, this notice of authority confirming thereto  
☐ hand you extracts from probate of Will.  
☐ and in accordance with the Memorandum and Articles of Association of the Company, that

Authority has been given to any ☐ of the authorising parties or of the persons whose specimen signatures appear below **OR**  
 Alternate signing authority or name/s of authorised third party/ies (Delete if not required at original signing of this card)

ANN SIMS TO SIGN SOLELY. ANNIE-MARIE RANDALL

To: sign, draw, make, accept, endorse, discount or make arrangements with you regarding cheques, withdrawals, bills of exchange, bank cheques, periodical payment (debit) authorities and electronic banking services, orders and other instruments, and to overdraw the account/s to any extent permitted by the Bank. The Bank will treat casual overdrafts as an application for credit.

endorse, assign or give you security over bills of lading, warehouse certificates and other documents conferring a right to or insuring goods and receive such documents  
 and if required give trust receipts for same, and receive boxes, packets, deeds or documents  
 purchase Negotiable Certificates of Deposit, Convertible Deposit Certificates and place money on term deposit and receive repayment and interest  
 sign or execute guarantees, indemnities or declarations protecting you in relation to (1) missing bills of lading or other documents conferring a right to or insuring goods (2) guarantees or undertakings by you in our favour or on our behalf (3) letters of credit (4) repurchase by you of bank/international cheques and other instruments apply for encashment/negotiation facilities and letters of credit upon terms acceptable to you including the giving and enforcing of security and relieving you from liability and enter into contracts with you for the sale or purchase of foreign currencies by you or your correspondents

The bank is authorised to deduct from the account/s any applicable bank charges or government charges or taxes payable by the Bank relating to the use of the account/s, accept deposits, credit and attend to collection of proceeds, provide opinions for commercial enquiries where required, and where an account is overdrawn or cheques of at least \$100 have been dishonoured more than once report same to a credit reporting agency

**First/last customers only.** You are requested to accept for credit of the said account/s, cheques, bills of exchange or other instruments made payable to any one or more of us. In the event of the Bank in its discretion permitting the said account/s to become overdrawn, our liability to the Bank in respect thereof shall be joint and several. Any one of us may authorise you to open joint accounts pursuant to and in accordance with this authority and approve the addition of any authorised third party. Balances in joint account/s or jointly held term deposits are repayable and locked boxes, sealed packets and double custody items are deliverable to surviving parties. We will give you immediate notice in writing of any change in membership of our firm

**All customers.** Should this authority be terminated you will be notified in writing.

Signatures and titles of all authorising parties (Company: Director & Secretary or Two Directors to sign) (Partners: Managing/President & Secretary to sign) (Estates: All executors to sign)

Signature: <u>A. Sampson</u>	CTRA Initials & surname: <u>A. SAMPSON</u>	Title: <u>DIRECTOR/SEC.</u>	Signature: <u>B. J. Harty</u>	CTRA Initials & surname: <u>B. J. HARTY</u>	Title: <u>FINANCIAL CONTROLLER</u>
Signature: <u>E. Sampson</u>	CTRA Initials & surname: <u>E. SAMPSON</u>	Title: <u>SEC/DIRECTOR</u>			
Signature: <u>A. Randall</u>	CTRA Initials & surname: <u>A. RANDALL</u>	Title: <u>ADMIN. OFFICER</u>			
Signature: <u>B. J. Harty</u>	CTRA Initials & surname: <u>B. J. HARTY</u>	Title: <u>DIRECTOR</u>	Signature: <u>B. J. Harty</u>	CTRA Initials & surname: <u>B. J. HARTY</u>	Title: <u>DIRECTOR</u>

1800 631445

The banks Authority to Transact Business is not an original document. Points of interest are 1 through 6.

- Point 1                      The specimen signatures of Alan & Elke Sampson appear to be affixed to the card "Proper". The printed structure is similar to Point 5.
- Point 2                      The specimen signature of A Randall has a differing vertical alignment to Point 1, it also appears to overlap somewhat with point 5 obscuring the word "signature".
- Point 3                      is a similar printed format to point 2 but has a vertical misalignment with Points 1 & 2.
- Points 2, 3, 4 & 6        Appear to be a stickers applied over previous specimen signatures and applied at differing times
- Point 5                      lies between point 4 & 6 and is a manifestly different format indicating that both points 4 & 6 have been applied at a later time.
- Point 4                      Being further modified by National Australia Bank staff indicate that the specimen signature of Brendan James Harty (Financial Controller) was cancelled on the 20<sup>th</sup> May 1999.

## The Receiver & Manager (Burness of Scott Partners Malvern Vic)

October 1999

ASIC Form 429



**SCOTT PARTNERS**

**CHARTERED ACCOUNTANTS**

Ground Floor 77 Station Street Malvern 3144 Victoria Australia  
Telephone: (03) 9500 0511 Facsimile: (03) 9509 2379  
P.O. Box 73 Malvern 3144 E-mail: info@scottp.com.au

PB:3214:BC

28 October 1999

The Directors  
Basstech Pty Ltd  
(Receiver & Manager Appointed)  
31 Payne Street  
Bairnsdale Vic 3875

Dear Sirs/Madams

**RE: BASSTECH PTY LTD (RECEIVER & MANAGER APPOINTED)**  
**ACN 006 035 301**

I enclose a copy of my comments on the Report as to Affairs of the company pursuant to Section 429(2)(c)(ii) of the Corporations Law.

The comments have been lodged with the Australian Securities and Investments Commission.

Yours faithfully

**PAUL A. BURNES**  
**RECEIVER & MANAGER**

Encl

RM-I-144

BASSTECH PTY LTD  
(RECEIVER & MANAGER APPOINTED)  
ACN 006 035 301

COMMENTS OF RECEIVER & MANAGER ON REPORT AS TO AFFAIRS  
PURSUANT TO SECTION 429(2)(c) OF THE CORPORATIONS LAW

I was appointed Receiver & Manager of the above company on 20 August 1999 pursuant to the provisions contained in a registered debenture charge created by the company in favour of National Australia Bank.

I make the following comments in relation to the Report as to Affairs of the company as at 20 August 1999 and submitted to me by Alan Sampson on 11 October 1999.

1. The directors have failed to provide details of Plant & Equipment on the annexure inventory.
2. The directors have included as assets subject to specific charges various creditors that should be disclosed as Balances owing to partly secured creditors and detailed in Schedule G.
3. The directors have included amounts owing to themselves in Schedule E, which have no priority and should be included as unsecured creditors.
4. The directors have included amounts owing for tax instalment deductions as priority creditors, which should be included as unsecured creditors.

I have no further comments to make at this stage, but reserve the right to make further comments in the future should the need arise.

DATED this 28th day of October 1999.



PAUL A. BURNES  
RECEIVER & MANAGER

Scott Partners  
Chartered Accountants  
Ground Floor  
77 Station Street  
MALVERN VIC 3144



## Refusal to Investigate the Bank



## SCOTT PARTNERS

CHARTERED ACCOUNTANTS

Ground Floor 77 Station Street Malvern 3144 Victoria Australia  
Telephone: (03) 9500 0511 Facsimile: (03) 9509 2379  
P.O. Box 73 Malvern 3144 E-mail: info@scottp.com.au

PB:3214:BC/A-F

27 October, 1999

Mr Paul Buckman  
Basstech Pty Ltd (Receiver & Manager Appointed)  
31 Payne Street  
BAIRNSDALE VIC 3875

Dear Sirs,

**RE: BASSTECH PTY LTD (RECEIVER & MANAGER APPOINTED)**  
**ACN: 006 035 301**

I refer to previous communications in relation to this matter and particularly your advice that the company has an action against the National Australia Bank.

I have now sought legal advice in relation to this matter and have been advised:

1. That I cannot take an action against the Bank as they are my appointor.
2. That you as Directors should obtain your own independent advice in relation to this matter and particularly whether you have the capacity to institute such an action, should one exist.

In relation to any action against Mr Harty or his insurer, I am currently investigating the commercial benefits of pursuing same and will advise you of the outcome in due course.

Any information you are able to provide me in relation to:

1. The action itself.
2. The financial position of Mr Harty or any insurance policies he holds would be appreciated.

Yours faithfully,

**PAUL A. BURNES**  
**RECEIVER & MANAGER**

2610e

September 1999

**R&M Acknowledgement of Sampson & Buckmans refusal to be party to Sale**

sent By: Scott Partners;

03 9509 2379;

29-Sep-99 16:12;

Page 1/1



**SCOTT PARTNERS**

CHARTERED ACCOUNTANTS

Ground Floor 77 Station Street Malvern 3144 Victoria Australia

Telephone: (03) 9500 0511

Facsimile: (03) 9509 2379

P.O. Box 73 Malvern 3144

E-mail: scottpar@ozemail.com.au

KH:3214/SB

29<sup>th</sup> September 1999

Messrs Alan Sampson and Paul Buckman  
31 Payne Street  
BAIRNSDALE VIC 3875

**BY FACSIMILE : 5152 6081**  
**TOTAL NO. OF PAGES : 1**

Dear Alan and Paul,

**RE : BASSTECH PTY LTD (RECEIVER AND MANAGER APPOINTED)**  
**A.C.N. 006 035 301**

I refer to my facsimiles to you and Elke dated 27<sup>th</sup> September 1999 and 28<sup>th</sup> September 1999 regarding the sale of the business and assets of the abovementioned company and the Sale Agreement.


I also note your advices on 28<sup>th</sup> September 1999 that you will not consent to be a party in the Sale Agreement and accordingly, I have re-schedule the settlement date to 30<sup>th</sup> September 1999.

The Purchaser's representative, Ken Hue and myself will be in Bairnsdale on 30<sup>th</sup> September 1999 for the settlement. Would both of you please be present on that day.

Can you please ensure that the leased Notebook Computer and all the accessories are available to us when we are in Bairnsdale on the 30<sup>th</sup> September 1999, so that it could be returned to the Leasing Company, as I have disclaimed the lease.

Please contact Ken Hue of my office if you have any queries.

Yours faithfully,

  
**PAUL A BURNES**  
**RECEIVER AND MANAGER**

Enc.

**Alan & Elke Sampson - refusal to consent to the Sale of Basstech**

**FAXED**

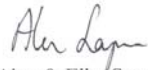
28<sup>th</sup> September 1999

Mr Ken Hue  
Scott Partners  
77 Station Street  
Malvern, Vic 3144

Dear Ken,

After careful consideration of your request to be signatories to the Basstech sale agreement as presented to us, both Elke and myself must decline the opportunity to be a part of the deal. The sale price is an insult to our 18 years of involvement with Basstech and does nothing to alleviate our financial burden. We certainly do not agree with or concur with these sale conditions.

Yours sincerely



Alan & Elke Sampson  
PO Box 807  
Bairnsdale, Vic 3875

**Buckman - refusal to consent to the Sale of Basstech**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

28<sup>th</sup> of September 1999

Ken Hue  
Scott Partners  
Ground Floor, 77 Station Street  
Malvern 3144

Re: Sale of Basstech Pty Ltd (Receiver & Manager Appointed)

As a director and shareholder of the above company, I cannot agree to the conditions of sale as advised by fax of the 28<sup>th</sup> of September 1999 @ 13:08 hours.

My reasons for this refusal are that I believe the stated price under values the company, & more importantly the issues identified in my fax to you last Friday re the retrieval of funds & compensation issues still unaddressed.

Yours faithfully



Paul Buckman

**Formal Request that R&M take action on behalf of Basstech**

24<sup>th</sup> of September 1999,

Attention: Mr Paul A Burness

C/- Scott Partners  
Chartered Accountants  
P.O. Box 73  
Malvern Vic 3144

Fax: 9509 2379

Dear Sir,

Basstech Pty Ltd (Receiver & Manager appointed) A.C.N. 006 035 301 ("The Company")

Further to our fax from Alan Sampson of the 9<sup>th</sup> of September 1999, and your reply of the 23<sup>rd</sup> of September 1999.

As you are aware, on the 19<sup>th</sup> of August 1999 the directors of the company requested that the National Australia Bank appoint a Receiver and Manager to the company because of the financial position of the company. This was done after seeking advice from you (on a sample letter as provided by Scott Partners). You were appointed receiver manager of the company on the 20<sup>th</sup> of August 1999.

The financial position of the company is directly attributable to the misappropriation of company funds by the company's accountant, Brendan Harty. We have referred the matter to the Victoria Police for investigation into the activities of Mr. Harty and we understand that he is expected to be charged with criminal offences in relation to this misappropriation. We are aware that the National Australia Bank has processed company cheques without proper authorisation from the company as the cheques contain forged signatures & other irregularities.

It appears that the company is in a position to recover its losses by immediately commencing civil legal action against Mr Harty, his professional indemnity insurer and/or the National Australia Bank.

As we are not in a position to instruct solicitors on behalf of the company to investigate the liability of Mr. Harty and/or the National Australia Bank we ask that you appoint solicitors for such purpose. Alternatively we ask that you authorise us to engage solicitors on behalf of the company to investigate and advise the company in relation to the matter and make funds available for that purpose.

Yours faithfully

  
Alan Sampson

  
Elke Sampson

  
Paul Buckman

The directors of Basstech Pty Ltd. (Receiver & Manager Appointed)



**Acknowledgement of "Notice that Grounds for an Action exists"**



**SCOTT PARTNERS**  
**CHARTERED ACCOUNTANTS**

Ground Floor 77 Station Street Malvern 3144 Victoria Australia  
Telephone: (03) 9500 0511 Facsimile: (03) 9509 2379  
P.O. Box 73 Malvern 3144 E-mail: scotptnr@ozemail.com.au

**FAXED**  
23/9/99

KH:3214:BC/C

23<sup>rd</sup> September, 1999

Mr Alan Sampson  
Basstech Pty Ltd  
(Receiver & Manager Appointed)  
31 Payne Street  
BAIRNSDALE VIC 3875

BY FACSIMILE: 5152-6081  
TOTAL NO. OF PAGES: 1

Dear Alan,

**RE: BASSTECH PTY LTD(RECEIVER & MANAGER APPOINTED)**  
**ACN: 006 035 301**

I refer to your facsimile of 9<sup>th</sup> September 1999 regarding the directors of Basstech Pty Ltd intention to bring action against the National Australia Bank, and whether that 'duty' rests with the Receiver & Manager Appointed.

I am currently looking into the matter and will advise you in due course.

Yours faithfully

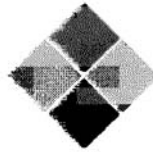
A handwritten signature in dark ink, appearing to read "Paul A. Burness".

**PAUL A. BURNES**  
**RECEIVER & MANAGER**

**Notice to R&M that an Action Exists against the NAB**

**FACSIMILE**

9/9/99



**Basstech**

**Pty Ltd**  
A.C.N. 006 035 301

Receiver &  
Manager  
Appointed

To : Paul Burness  
Company : Scott Partners  
Phone :  
Fax :  
From : Alan Sampson  
Phone :  
Fax :  
Date : 9/9/99

Pages including this cover page: 1

**Message:**

Hi Paul,

The Directors of Basstech Pty Ltd wish to bring an action against the National Australia Bank for loss of funds and business damage. Would you please advise me if that duty now rests with you as the Receiver & Manager Appointed.

Given the urgency of our situation your early response would be appreciated.

Kind Regards  
Alan Sampson



Quality Management  
System # 2723

PO Box 1321, 236 Ferrars Street, South Melbourne, Victoria 3205 Telephone +61 3 9690 3622 Facsimile +61 3 9690 3822  
31 Payne Street, Bairnedale, Victoria 3875 Telephone +61 3 5152 5500 Facsimile +61 3 5152 6081  
Email: [quality@basstech.com.au](mailto:quality@basstech.com.au)



Quality  
Endorsed  
Company

# Australian Securities & Investments Commission

October 2007.

Response to Buckmans letter of the 4<sup>th</sup> of October 2007.



**ASIC**

Australian Securities & Investments Commission

Level 24, 120 Collins Street  
Melbourne VIC 3000  
GPO Box 9827 Melbourne VIC 3001

Telephone: (03) 9280 3200  
Facsimile: (03) 9280 3444

Our Reference: 37301/07

24 October 2007

Mr Paul Buckman  
PO BOX 120  
TINAMBA VIC 3859

Dear Mr Buckman

**NATIONAL AUSTRALIA BANK LIMITED (ACN 004 044 937)**

I refer to your most recent correspondence of 4 October 2007 and to your previous correspondence to ASIC.

As you have been advised previously, ASIC has considered the information carefully provided by you and confirmed that we do not intend to take any further action about your complaint. The matter has been dealt with fully in prior correspondence and does not require further response.

If you have any questions in relation to this letter please contact me on 03 9280 3459.

Yours sincerely,

**Chiarina Pesutto**  
**National Assessment & Action**

*Rec'd  
30 Oct 2007*

## Buckmans letter of the 4<sup>th</sup> of October 2007

A copy of that letter to the National Australia Bank "A reminder to the National Australia Bank of the fraud they have engaged in" accompanied this letter.

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406

Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

4<sup>th</sup> of October 2007.

The Chief Executive Officer  
Australian Securities & Investments Commission  
Lvl 17, 485 Latrobe Street,  
MELBOURNE 3000

Re: Basstech Pty Ltd acn 006 035 301

Dear Sir,

I decided long ago that whilst I must accept the reality of the fraudulent events conducted against Basstech and previously raised with you, I cannot and will never accept that one section of society ("a person") has a legitimate, legal & unfettered right to defraud another section of society ("another person"). Given that a corporation is a "person" before the law in precisely the same way and to the same extent as I am a person before the law.

The fundamental issues of this case are greater than what has happened to Basstech, my partners & I; we are but one unfortunate story amongst others. The fundamental issues here directly confront the safety & security of depositors' funds (your money in your bank account) & should rightfully question this bank's fitness, competence, ethical capacity & right to hold the privilege of ASIC Company registration in this country, let alone to hold a banking licence.

Therefore, it is my express intention to visit your Melbourne offices in the very near future to personally demand answers as to why you refuse to investigate these incidents of fraud. Should you prove to me where & how my stand is so wrong then I will be exceptionally grateful for that, because then I can put everything to rest with ease. This is not a polite request; I demand to know why you persistently refuse to investigate these most serious incidents of fraud.

My stand, as inconvenient or unwelcome as that may be, is non-negotiable. You have a choice, you can either provide those answers personally, or on the other hand you could have me arrested for trespass and answer those questions in a public arena; but answer them you will.

At the end of the day your inaction & refusal to investigate and prosecute has had the effect of transforming what is criminal conduct by a major corporation into "a right of passage". Find attached a copy of my recent correspondence with the National Australia Bank.

Yours in the forlorn quest for ethics, equity, honesty & integrity in the banking system.



Paul Buckman

I am reminded of a quotation (origin unknown by me)

**"For evil to triumph it takes good men to do nothing".**

Page 1 of 2

## Previous references to correspondence

A brief selection.

### *Australian Securities & Investments Commission*

Reference	Date
Personal attendance Australian Securities & Investments Commission Melbourne	November 2005
29839/03	2 <sup>nd</sup> of Oct 2003.
1488/03	17 <sup>th</sup> of January 2003.

### *Australian Prudential Regulatory Authority*

Reference	Date
Benjamin Stefanou – email	24 <sup>th</sup> of February 2005.
Paul Kennedy	7 <sup>th</sup> of October 2004.

### *Australian Competition & Consumer Commission*

Reference	Date
M2005/5	1 <sup>st</sup> of December 2005.
C2004/101-02	8 <sup>th</sup> of April 2005.
M2003/23	21 <sup>st</sup> of January 2003 & other dates subsequent

## Distribution

### *Australian Securities & Investments Commission*

The Chief Executive Officer, Lvl 17, 485 Latrobe Street, MELBOURNE 3000

### *Australian Prudential Regulatory Authority*

Mr Benjamin Stefanou, GPO Box 9836, SYDNEY 2001

### *Australian Competition & Consumer Commission*

The Commissioner, Mr John Martin, P.O. Box 1199, Dixon, ACT 2602

Regional Director, GPO Box 520J, Melbourne Vic 3000



**October 2003**

**Another Refusal to Investigate**



**ASIC**

Australian Securities & Investments Commission

Level 13, CGU Tower  
485 LaTrobe Street  
GPO Box 9827, Melbourne VIC 3001,  
DX 423 Melbourne

Telephone: (03) 9280 3200  
Facsimile: (03) 9280 3444

Our Reference: 29839/03

2 October 2003

Mr Paul Buckman  
P.O. Box 120  
TINAMBA VIC 3859

Dear Mr Buckman

**NATIONAL AUSTRALIA BANK LIMITED (ACN 004 044 937) (NAB)**

I refer to your letter of 29 September 2003, in relation to the above.

During your lengthy correspondence with ASIC, you have expressed the view that NAB contributed to the collapse of Basstech Pty Ltd (ACN 006 035 301) (Basstech) a now deregistered company of which you were director.

As discussed previously, ASIC is not able to take further action in respect of your concerns in relation to NAB. Although NAB's involvement in Basstech's demise may cause you considerable offence, it does not appear to offend any legislation administered by ASIC. As a result, there is no basis for any regulatory intervention by ASIC here.

Please be aware that although ASIC is not able to investigate your concerns in this instance, this does not prevent you from pursuing civil remedies otherwise available to you. Your legal adviser can provide you with more information about other options that may be open to you, should you wish to pursue this matter privately.

Additionally, should you feel dissatisfied with ASIC's decision in relation to your complaint, you may choose to raise your concerns with the Commonwealth Ombudsman. The Ombudsman's role is to investigate complaints in relation to the actions of Commonwealth departments and authorities such as ASIC. The Ombudsman may be contacted at:

Level 10, Casselden Place  
2 Lonsdale Street  
Melbourne 3000

-2-

02 October 2003

---

(03) 9654 7355 (ph)  
(03) 9654 7949 (fax)

Yours sincerely,



**Catherine Whitby**  
**Complaints Management Program**

**April 2003**

**Response to ASIC's refusal to investigate**

**Paul Buckman**  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

13 April 2003

Australian Securities & Investments Commission  
Mr Jessy Khera  
Senior Analyst  
Lvl 17,  
485 Latrobe Street  
MELBOURNE 3000

**Reference: 1488/03**

Dear Sir,

Given our phone discussion of the 26<sup>th</sup> of March 2003 you will understand my total disappointment with your letter of the 31<sup>st</sup> of March 2003. This disappointment is compounded by the fact that ASIC investigators have made no attempt to quantify &/or obtain additional evidence from others or myself.

I note that there are difficulties here, & that I am in effect challenging the National Australia Bank's "right & fitness" to hold a Banking &/or financial institutions licence in Australia or anywhere else in the world for that matter. I fully comprehend what I am asking for.

What the National Australia Bank has done here is in contravention of the law. I draw your attention to further correspondence from me on the subject in a letter of the 2<sup>nd</sup> of March 2003, this letter asked specific questions regarding the National Australia Bank's conduct in light of specific Acts of Parliament. Included with this letter were Explanatory notes 1 to 5 inclusive. Make no mistake, in distribution set #1 I have effectively charged the National Australia Bank with:

- Duplicity in Fraud, being an accessory before, during and after the fact in that they first detected signature anomalies on the 1<sup>st</sup> of May 1998. They chose to ignore those criminal acts and clear those funds without reference to us their depositor. One cannot obtain "value" from your bank account without the **explicit collaboration of your bank** through their clearance process.
- Illegally withholding funds obtained by fraudulent means in contravention of the Cheques Act 1986 in the form of "not negotiable cheques" made payable to cash.
- Charging for services not provided whilst knowing that they had no capacity to provide those services, to wit basic signature authentication and due diligence.
- Theft and conversion.
- **"They conspired to pervert the course of justice"** by using that imposed insolvent condition (that they knowingly facilitated) as the trigger to enact the provisions of the Debenture they held over our company to appoint a receiver & manager, to liquidate our business and assets. In addition they conspired to pervert the course of justice by forcing my partners & I to bankruptcy to remove from us any possible capacity to mount a challenge, and to mask their incompetence, ineptitude and liability in these matters

There are real issues of concern to every bank customer here particularly small business customers. If you operate a "Cheque Facility" then you are using precisely the same banking product as we did. What has happened to us can happen to every other account holder.



I beg your Indulgence to consider the following as I attempt to answer some of the points at issue from your letter.

1. I was afforded the courtesy of an interview with the Banking Ombudsman's Office & I was shown every courtesy. The Officer was very keen to extol the virtues of his office. However this issue is larger than their imposed limitation (\$100,000) so too bad so sad I will have to take it to court – they are unable to assist. To pay my companies' unsecured creditors & walk away with \$0.30 in my pocket, I would need a settlement of around \$1,000,000 plus \$1.
2. I at least thank you for not referring to my statements as "allegations", because this is very much a matter of criminal conduct and perverting the course of justice by the National Australia Bank. I allege nothing. What I have said is fact, accepted by the County Court Melbourne in the fraud trial – the Queen vs Brendan James Harty on the 1<sup>st</sup> of October 2001. Harty was convicted & sentenced to 2 years & 9 months imprisonment for the theft of \$231,400 and for the forging ("Making False Documents") of 152 cheques totalling \$238,750. This represented approximately 25% of our cash flow.
3. As far as private legal action is concerned, my partners & I are undischarged bankrupts as a direct result of these events; we therefore have no capacity to fund any such nicety as legal action. We have had offers of "no win no fee" style representation, however when you look at various legal precedents you have to ask what is the likely outcome. If one analyses the "MaConochie" case (Explanatory Note #2), one is left with the belief that justice is a commodity to be bought by the entity with the most money. The National Australia Bank could not afford to lose a court challenge such as ours. Given that their income is greater than the Commonwealth of Australia, & that they can announce the loss of \$4bn then in the very next breath announce a \$2bn record profit, one must accept that they have the financial capacity & muscle to buy whatever "justice" they require.

What the National Australia Bank has done here is ILLEGAL. My absolute frustration stems from the fact that if I behaved in the same manner I would be charged & in gaol for being an accessory to fraud and conversion at the very least. The Regulatory agencies are silent, or if they have written back, say these matters are outside their jurisdiction. When both legislators and regulators rely on this corrupt industry to regulate & police themselves, then couple this with the Bank's capacity to "buy justice" one must conclude that the National Australia Bank by their size are immune from the law, these people are (according to the Fortune.com International list) the 303<sup>rd</sup> largest corporation in the world.

All I have ever expected of any entity (including the thief, the National Australia Bank, APRA, the ACCC, and ASIC) is that they do no more – no less than their job according to the law, their statutory responsibilities, and behave according to a community acceptable standard of ethics. You (ASIC) advised that you were investigating the matter. When you had had Information set #1 for nearly three months & not responded; I assumed that the decision had already been made to proceed no further & that a "respectful time" would elapse before I received a letter confirming that belief – no further action to be taken. I recall making that statement to you, and my fears it seems were well founded. So I have some questions for you:-

1. If it is not the province of the various Legislative jurisdictions to protect their citizens from predatory, unconscionable & illegal conduct by major international corporations –
  - ❖ Whose province is it?
2. If it is not the charter of Regulatory Agencies such as yours to uphold the law that created these Agencies, then:
  - ❖ Who will uphold the law?
3. If it is possible for an enterprise to operate above the law
  - ❖ How does one achieve that position?
  - ❖ How do I apply?
  - ❖ To whom do I apply? ASIC, APRA, ACCC or all three?

One of the real issues for Government here is that it is the Public Purse that picks up the final and exaggerated cost of these events. These costs are imposed upon the Commonwealth & State

finances (the taxpayers) for the loss of taxation revenues, the costs of investigation, prosecution, incarceration, victim support (a poor attempt at humour here), & the rehabilitation of the offender. Not to mention the losses from the negative impacts upon regional employment & confidence, and the immense waste of resources & money that many good officers expend every year on employment & regional initiatives to develop these regions. I estimate that 99% of cheque fraud could be stopped in its infancy if Banking Institutions did no more than the job we pay them so handsomely to do. That is basic signature verification and to act in accordance with their statutory responsibilities. Particularly where that bank having detected fraudulent activity (forged signatures) in the operation of their customers' account, to then act upon that information according to those same statutory responsibilities.

I also believe that there must be an alternative to the wholesale foreclosure & liquidation of small businesses by banking institutions. Banks pursue this policy to protect their liabilities in case of legal repercussions. Once a person is bankrupted (eg my partners & I), that effectively cancels all current, pending & future legal action & this knowledge underpins the bank's tactics in this area. From a National economic perspective, how much better would it have been if an "Administration" facility were available to us and others, this includes the Ansetts, OneTels, HHH's & to the legions of others; particularly in regard to the employees, creditors, shareholders, associated businesses, and the other flow-on repercussions. The way these matters were handled, everyone lost – there was no alternative.

In respect of this "Administration" facility, I am currently looking at the US "Chapter 11" system. I believe that a similar process should be invoked in this country under Federal Court or regulatory supervision. To quote the US Federal Court "The theory behind this chapter is that an ongoing business is of greater value than if it is foreclosed on and assets liquidated". Some major US Corporations have survived that process to continue & prosper for the benefit of creditors, shareholders & their National economy alike.

If we sit back & accept the illegal conduct that is exemplified by the National Australia Bank in this instance, then we really do deserve the banking industry that we have today. I also firmly believe that this conduct and their rampant profiteering will continue until regulatory authorities begin to uphold their statutory responsibilities and prosecute these corporations for their criminal conduct and breaches of law.

As far as their rampant profiteering is concerned, I am also of the opinion that a publicly owned Savings & Development Bank needs to be established. I understand that the New Zealand Government has recently come to this same realisation & established the Post Office Bank; surprisingly, fees and charges have uniformly decreased across the sector. A bank established over here though must have at its heart an ethical charter and act with the interests of the Nation & the regional communities they serve. This as a Nation we desperately need but we do not have.

I ask that you please review, consider and act upon this additional and all other information provided previously particularly the questions that are raised in Explanatory Note #3 and elsewhere.

Understand that I intend to force public debate upon this issue until it is resolved in such a way as that it can never happen to anyone else again. Please also note that I have not yet focused upon the conduct of the banks receiver & manager in this criminal matter.

**There has to be a better way.**

Yours in the forlorn quest for ethics, equity, fairness, honesty, integrity and justice in the banking system.



Paul Buckman



**March 2003**

**ASIC's Response – Refusal to investigate**



**ASIC**

Australian Securities & Investments Commission

Level 13, CGU Tower  
485 La Trobe Street  
GPO Box 9827 Melbourne VIC 3001  
DX 423 Melbourne

Telephone: (03) 9280 3200  
Facsimile: (03) 9280 3444

Our Reference: 1488/03  
Your Reference:

31 March 2003

Mr Paul Buckman  
P O Box 120  
Tinamba VIC 3859

Dear Mr Buckman

**NATIONAL AUSTRALIA BANK LIMITED (NAB) (ACN 004 044 937)**

I refer to our recent discussion in relation to this matter.

I understand that your complaint consists of your concern that the NAB does not have in place procedures for the verification of cheque signatures. You state that this resulted in an accountant stealing funds belonging to your company. I note that the accountant has since been sentenced to a jail term of over two years.

After careful consideration ASIC has decided that we will not commence an investigation into the issues you have raised at this time.

ASIC conducts an assessment of every complaint we receive. In determining which matters we will select for further action consideration is given to a range of factors, including the likely regulatory effect of any available action.

The matters you raise in your complaint appear to concern to the bank in question, and the banking industry as a whole. The issue is, however, not a matter ASIC is able to effectively pursue as securities and financial product regulator. You may wish to raise the matter with the Banking Industry Ombudsman, who can be reached at:

GPO Box 3A  
MELBOURNE VIC 3001

Tel: 1300 78 08 08  
Fax: (03) 9613 7345



-2-

01 April 2003

Internet: [www.abio.org.au](http://www.abio.org.au)

You may also wish to bring your concerns to the attention of your local member of parliament.

We have recorded the information you have provided in our confidential internal database. This information will assist us if we receive further similar complaints.

Although we have decided not to investigate your complaint at this time, this does not prevent you from pursuing any civil remedies otherwise available to you. Your legal adviser can provide you with more information about what other options may be open to you to pursue this matter privately. Once again, I apologise for the delay in our contacting you in relation to this matter.

If you have any questions in relation to this matter please contact me by email at [jessy.khera@asic.gov.au](mailto:jessy.khera@asic.gov.au) or on 92803461.

Yours sincerely,



**Jessy Khera**  
**Senior Analyst**  
**Complaints Management Program**

## 2 March 2003 - No Meaningful Response yet from AISC

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

2 March 2003

Australian Securities & Investments Commission  
The Chief Executive Officer  
Lvl 17,  
485 Latrobe Street  
MELBOURNE 3000

**Reference: 1488/03 - Response from Kim Sloley**

Dear Sir/ Madam,

I refer to my Distribution Set #1 sent recently and additional evidence provided. As the responsible authority under various Commonwealth Acts could you please respond to the following questions in respect to those Acts:

### **The Cheques & Payments System**

I expect that the National Australia Bank are a part of the "Cheques & Payments" System.

1. What Acts, licences and/or Regulations govern **membership** of the National Australia Bank within the Cheques & Payments System?
2. What Acts, licences and/or Regulations govern the **conduct** of the National Australia Bank within the Cheques & Payments System?
3. What are the responsibilities of member Institutions of the Cheques & Payments System in respect of the integrity of the system, each other, and their depositors & account holders?
4. What responsibility does a member Institution have in respect of the protection of their depositors' funds when that institution acts as the facilitator of that "clearance" between itself and their depositor? (For example but not limited to: the removal of depositors funds from that depositors account, money held in trust by that institution; particularly the conversion to "Cash" of a depositors' cheque).

### **In relation to the Financial Services Reform Act 2001**

1. Is the National Australia Bank the holder of an Australian market licence?
2. In which market/markets are the National Australia Bank licensed to operate?
3. What are the conditions under which the National Australia Bank must operate?
4. What are the rules and procedures governing the markets operation?
5. Does this licence permit the National Australia Bank to operate a "clearing and settlement facility" under the Financial Services Act?
6. If so, then what are the rules and procedures governing the operation of the clearing and settlement facility?
7. What products are registered by the National Australia Bank for provision to customers (retail & wholesale) under the licences above?

Page 1 of 3

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

8. Is the National Australia Bank's "Cheque product" a "product" under the Financial Services Act?
9. What are the rules and procedures governing the operation of these products?
10. Should a Licence exist, what circumstances would constitute such a sever "breach of licence" that would cause that licence to be cancelled, suspended or placed under administration?

**In relation to the National Australia Bank's "Cheque Product":**

1. Are deposited funds that a customer deposits into their account with their "Financial Institution" legally defined as "moneys held in trust" by that Banking and /or Financial Institution?
2. What Acts and Licences govern the conduct of the Bank in relation to:
  - The management and Security of depositors' funds that they hold in trust?
  - What are the duties and responsibilities placed upon a Banking and /or Financial Institution in the removal of depositors moneys from their account held by that Institution?
  - Does "Division 9—Enforcement failing to pay client money into an account" of the Financial Services Act apply?
3. Is a "Cheque Facility" a "custodial or depository service" in regard to the provisions of the Financial Services Act sections "12BAA Definition of financial product" and "12BAB Meaning of financial service"

**In Reference to the Trade Practices Act 1974 and the National Australia Banks' Cheque Product:**

1. Does any part of this Act apply to Banking & Financial Institutions and their products eg Cheque Facility or savings account?
2. Does Part IVA—Unconscionable conduct – sections 51AAB through 51AC apply?
3. Does Part V – Consumer Protection – sections 51AF through 65A apply?
4. Does Part VA—Liability of manufacturers and importers for defective goods apply?
5. Are Cheques considered as "Securities" under this Act?

**In Reference to the Corporations Act as amended in respect of the conduct of the receiver & manager (Mr Paul Burness & Scott Partners) In respect of Part 5.5—Voluntary winding up; and of the Act generally**

The Directors of Basstech Pty Ltd (acn 006 035 301) on advice from our (then advisor Mr Paul Burness) requested that the National Australia Bank appoint a receiver & manager to the company. At this time the Bank's conduct was unknown to us. The bank duly appointed our advisor as their Receiver & Manager.

1. Does any part of this Act apply to the conduct of a Receiver & Manager?
2. What are the duties & responsibilities of the Receiver & Manager?
3. Do the duties of a receiver & manager include the calling and holding of a creditors meeting?
4. Is an appointed Receiver & Manager appointed to "protect the interests & act for all creditors" of a company; or, appointed "to protect the interests & act on behalf of the sole entity that appointed them"?



Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

**In Reference to the Crimes Act**

Does this Act apply to the conduct of the National Australia Bank in relation to the dealing of/in specific stolen property & with the explicit knowledge that those cheques were the subject of fraud and forged signatures were involved?

**In respect of the Criminal Code Act 1995 in particular,**  
**Part 2.4—Extensions of criminal responsibility and**  
**Section 11.2 Complicity and common purpose**  
**Section 11.5 Conspiracy**  
**Also Part 2.5—Corporate criminal responsibility**

The National Australia Bank first detected forged signatures on cheques on the 1<sup>st</sup> of May 1998. They processed and cleared that forged cheque on that occasion and other forged cheques on a further 151 separate occasions.

1. Does this Act apply in relation to the conduct of the National Australia Bank and its officers?
2. If not – then why not?

I remain as always, ready and willing to assist your Commission to investigate this matter and return some semblance of JUSTICE to this & other events. I would welcome an appointment with your investigators to provide copies of and review additional evidence in my possession.

**There has to be a better way.**

Yours in the forlorn quest for Ethics, Equity, Fairness, Honesty, Integrity and Justice in the banking system.



Paul Buckman

Attachments: Explanatory Note – Index  
Explanatory Note #1 through 5 inclusive

January 2003

ASIC to Response "Campaign #1"



**ASIC**

Australian Securities & Investments Commission

Level 13, CGU Tower  
485 LaTrobe Street  
GPO Box 9827, Melbourne VIC 3001,  
DX 423 Melbourne

Telephone: (03) 9280 3200  
Facsimile: (03) 9280 3444

Our Reference: 1488/03

17 January 2003

Mr Paul Buckman  
P O Box 120  
Tinamba VIC 3859

Dear Mr Buckman

**NATIONAL AUSTRALIA BANK LIMITED (ACN 004 044 937)**

I refer to your correspondence dated 5 January 2003.

ASIC is considering the issues you have raised. A reply will be sent as soon as possible.

Thank you for bringing the matter to ASIC's attention.

If you have any questions in relation to this matter please contact Jessy Khera by email at [jessy.khera@asic.gov.au](mailto:jessy.khera@asic.gov.au) or on 92803461.

Yours sincerely,

**Kim Sloiey**  
**Complaints Management Program**

21 JAN 03. R.





# Australian Competition & Consumer Commission

October 2007.

Response to 4<sup>th</sup> October 2007 letter



Australian  
Competition &  
Consumer  
Commission

Our Ref: M2007/41-4

12 October 2007

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

GPO Box 520  
Melbourne Vic 3001

Level 35, The Tower  
360 Elizabeth Street  
Melbourne Vic 3000

tel: (03) 9290 1800

fax: (03) 9663 3699

[www.accc.gov.au](http://www.accc.gov.au)

Dear Mr Buckman

I refer to your letters dated 4 October 2007 addressed to Commissioner John Martin and the Regional Director, Melbourne.

I note your reference to earlier correspondence with the Australian Competition and Consumer Commission (ACCC) in 2003 and 2005 and your correspondence with the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA). I also note your current letter has been sent to ASIC and APRA.

In your letter you again raise issues concerning the role of the National Australia Bank (NAB) and in a more general sense, you question the bank's fitness, competence and ethical capacity to be registered as a corporation and hold a banking licence.

As indicated in previous letters from the ACCC (to which you refer), the specific issues you raised in respect of the alleged conduct of the NAB were considered in terms of sections 51AC and 52 of the *Trade Practices Act 1974* (the Act). You were also advised in our letter dated 1 December 2005 that the ACCC has no authority to launch proceedings to recover damages for the conduct about which you complain, even if a contravention of the Act could be established. As noted, the law imposes time limitations on when actions may be taken under sections 52 and 51AC of the Act and your complaint relates to alleged conduct that occurred outside these limitations.

I stress the wider issues you have raised in respect of the NAB are not within the jurisdiction of the ACCC, and are properly considered by ASIC and APRA. You have already corresponded with these organisations and I am unable to comment in respect of any action they consider appropriate.

The ACCC has clearly explained its position to you in writing and verbally on at least three occasions. Under the circumstances, I do not intend corresponding further on this matter.

Yours sincerely

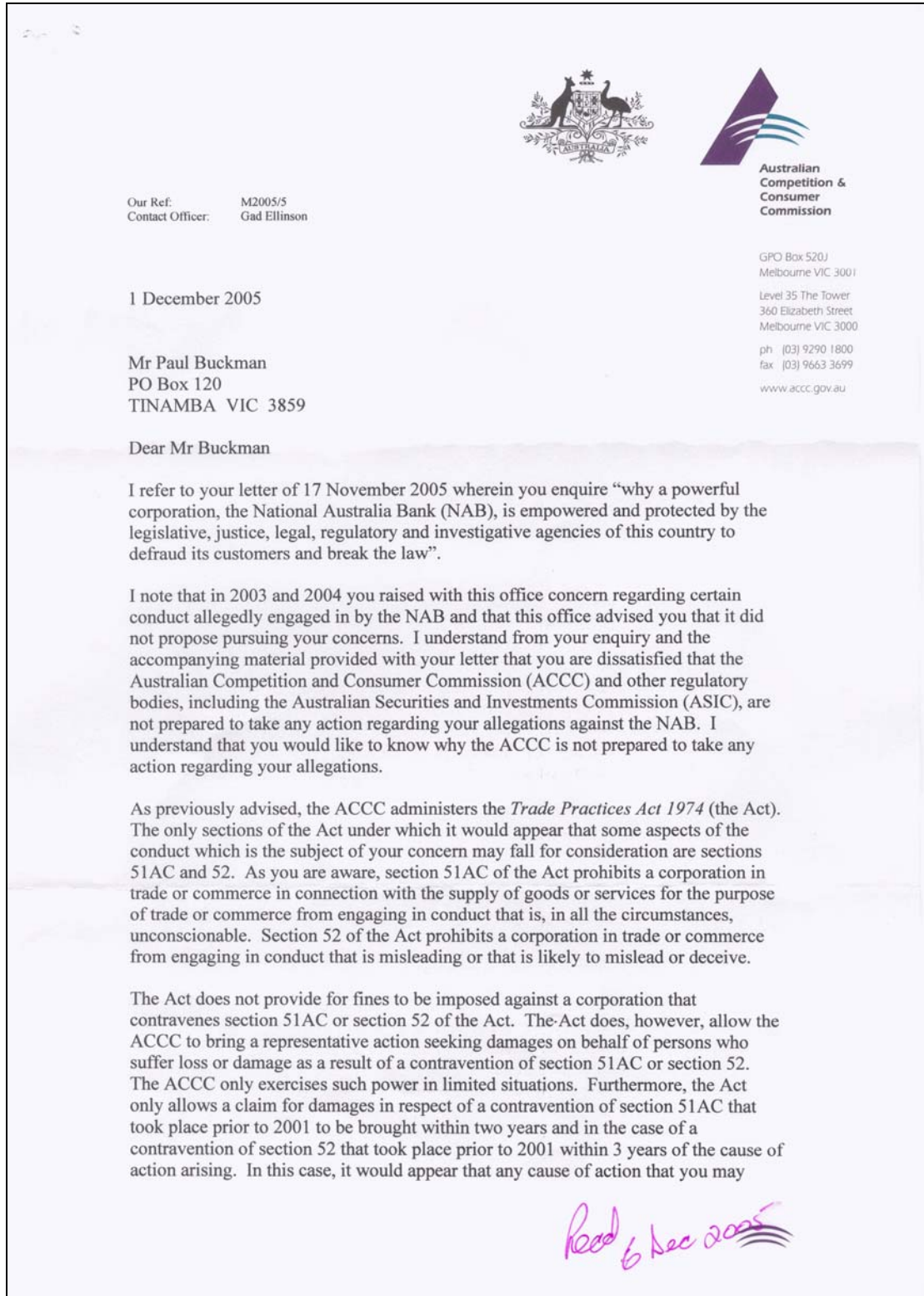
Bob Weymouth  
Regional Director - Victoria

Rec'd  
16 Oct 2007

**December 2005**

**Response to Buckman re: letter of 17<sup>th</sup> of November 2005**

This letter is in response to a copy of that letter addressed to the National Australia Bank (John Stewart) – Campaign #7 letter.



have under the Act in respect of any contravention of section 51AC or section 52 of the Act by the NAB arising from your allegations arose more than three years ago. As such, even if the NAB contravened section 51AC or section 52 of the Act (and in this respect I wish to point out that it is not clear from the information provided that there has been a contravention), it would appear that the ACCC would be statute barred from seeking damages on your behalf.


As previously advised, ASIC administers consumer protection legislation which specifically applies in relation to the provision of financial services. You may wish to note that ASIC's jurisdiction also extends to certain conduct engaged in prior to ASIC assuming its current responsibility for consumer protection in the financial services sector. Accordingly, as previously advised, even if the ACCC had jurisdiction in respect of this matter, ASIC would appear to be the most appropriate authority to consider your concerns. I understand from the material that you have provided that you have raised your concerns with ASIC and that it has advised you that it does not have jurisdiction to pursue them.

In order to try to seek redress for any loss or damage that you may have suffered as a result of the alleged conduct by the NAB, you may wish to consider raising this matter with the Banking and Financial Services Ombudsman. The Banking and Financial Services Ombudsman Scheme is a free and independent dispute resolution service. The Scheme considers complaints from individuals and small businesses about financial service providers operating in Australia. The Scheme's members include banks and their affiliates and other providers of financial services. The Ombudsman is able to investigate disputes and make decisions that are binding on members. The Ombudsman's contact details are as follows:

Level 5  
31 Queen Street  
MELBOURNE VIC 3000  
Tel: 1300 780 808

In the circumstances, I confirm that this office does not propose taking any action regarding your concerns.

Yours sincerely

*for*   
Patrick Crouche  
Deputy Regional Director

July 2005

**Response to Buckman's letter of the 23<sup>rd</sup> of May 2005.**



Australian Competition & Consumer Commission

Our Ref: C2004/101-02; M2003/23  
Contact Officer: Elizabeth Lamb  
Contact Phone: (02) 62431250

PO Box 1199  
Dickson ACT 2602  
470 Northbourne Ave  
Dickson ACT 2602  
Australia  
Ph (02) 6243 1111  
Fax (02) 6243 1199

15 July 2005

Mr Paul Buckman  
PO Box 120  
Tinamba VIC 3859

Dear Mr Buckman

I am writing in relation to your most recent letter to the Australian Competition and Consumer Commission (ACCC) dated 23 May 2005 addressed to Commissioner John Martin concerning the National Australia Bank ("NAB") conduct towards your company Basstech Pty Ltd in 1999. Commissioner Martin has asked me to respond to your letter on his behalf.

Our records indicate that you have previously contacted the ACCC regarding this matter on 11 November 2002, 5 January 2003, 22 January 2003, 9 February 2003, 29 September 2003 and 1 October 2004. The Commission has responded on each occasion advising that jurisdiction of your matter rests with the Australian Securities and Investment Commission (ASIC).

In your most recent letter you attached an Addendum, apparently available on the University of Sydney web site, to your 23 May 2005 letter stating 'at no time has any member or investigator from the ACCC ever interviewed me to discuss the evidence, let alone to request copies of relevant evidence'. It is the case that you have both spoken to and corresponded with a number of ACCC investigators concerning NAB's conduct towards Basstech. You have also supplied the Commission with a considerable amount of information which has been considered and assessed on more than one occasion and found to be outside the ACCC's jurisdiction.


In my view your 23 May 2005 letter does not contain any new information or raise any relevant issues that have not been raised in your previous correspondence with the ACCC. Our assessment remains that the conduct you have described is not within the ACCC's jurisdiction and consequently will not be pursued further.





Based on the information you have provided to the ACCC, it is apparent that you have been the victim of fraudulent conduct that led to the demise of your business. That you or anyone else finds themselves in these circumstances is a matter of great regret. However, it remains the case that neither the Trade Practices Act nor the ACCC is able to provide a remedy for your circumstances.

Yours sincerely,



Nigel Ridgway  
General Manager  
Compliance Strategies Branch



May 2005

**Buckman to John Martin (Australian Competition & Consumer Commission)  
correcting statements made by him in response to Prof. Evan Jones of the 8<sup>th</sup> of  
April 2005.**

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

23<sup>rd</sup> of May 2005.

The Commissioner,  
Mr John Martin  
Australian Competition & Consumer Commission  
P.O. Box 1199  
Dixon, ACT 2602

**Re: Your ref C2004/101-02: The Commissions response to Professor Evan Jones (University of  
Sydney) regarding the National Australia Bank & Basstech Pty Ltd (& others)**

Dear Sir,

I write to highlight certain anomalies & errors in your perception of reality particularly as it applies to the case of Basstech Pty Ltd acn 006 035 301 as related in the letter to Professor Evan Jones from your Mr Nigel Ridgeway.

I bring to your attention page 3, "Paul Buckman & Basstech 1999". Paragraph 2 states "*At issue here was who was culpable for the loss of the money; Basstech for hiring a fraudster, or the bank for lack of diligence when clearing cheques? If the bank was found to have been culpable then it is arguable that its subsequent actions may have been considered unfair tactics by a stronger party and fall under the provisions of 51AC. The determination of culpability by the bank in this matter is a threshold issue that relies on legislation other than the Trades Practices Act. How fortunate?*"

Firstly, the first sentence, the facts are that three things went wrong here:

1. Yes, we did hire a "professional person", Harty - a chartered accountant to run our financial section. **Unknown** to us was that he was a chronic gambling addict.
2. Our appointed financial advisors & Public Accountants (Phillipson Fletcher of Sale, the thief's former employer) had explicit knowledge of his (Harty's) chronic gambling addiction & were patently aware that his addiction had re-activated. Phillipson's chose not to advise us of his addiction when they were informed that Harty was to join our company. They as our "professional Financial Advisors & Accountants" had an ethical & legal duty of care to us - to us as their client.
3. The National Australia Bank as our "Diligent & Prudent" bankers have a legal duty of care to their customer and depositor to protect the interests of that customer & to manage those customer accounts & deposited moneys in an ethical, diligent & prudent manner according to law.

It is three above that you & the regulatory industry choose not to recognise. **The issue here is not** Basstech's conduct in hiring Harty, or in their general conduct, the fact is that we have been congratulated by Detectives & Forensic Accountants for uncovering the fraud so quickly - our policies, practices & procedures were praised on that basis & deemed to have been very efficient.

**The real issue here is one you choose to ignore, I know its inconvenient but it directly drives to the core of the safety & security of depositor funds held by the National Australia Bank on behalf**

Authorised for public release

Page 1 of 12

of their customer, their diligence in the management of those customer accounts, and their predatory & criminal conduct in their endeavours to protect the banks' liabilities to their customer. Given the recent conduct of this bank around the world & here in Australia; the real issue here should rightfully be a question of the right, fitness & competence of the National Australia Bank to hold a banking licence in this country.

It is interesting to note from your "Basstech" para #2 comments noted above, that you have effectively accepted that legal issues exist in this case, however your agencies view seems to be "its too hard so its not our problem". I have in former times laboured under the misconception that the ACCC was there to protect the community interest, & to prosecute the predatory corporation over unconscionable conduct & criminal practices. It is clear that contrary to the public spin, no such will to execute such a mandate exists; for if it did then you would have clearly seen the issues of this case in very clear & precise terms. Or is it that you only target the easy mark, the celebrity cases, those without the finances & will to defend their criminal conduct in all cases to the end regardless of cost?

I request that the ACCC formally acknowledge in writing that each of the "points of conduct" noted below is behaviour that is totally acceptable to the ACCC and is considered to be conduct that is neither unconscionable nor criminal.

The National Australia Bank has:

- ❖ Detected forged signatures on customer cheques, that is detected FRAUD IN PROGRESS, the bank then knowingly assisted a thief to access their customer's bank account.
  - ❖ Detected forged signatures on customer cheques, that is detected FRAUD IN PROGRESS, the bank then declined to advise their customer of that detection, nor did they seek the authority & direction from their customer to authenticate those transactions.
  - ❖ Having detected criminal activity, knowingly surrender the banks money to a thief then re-assign responsibility for the banks conduct to Basstech in the form of "Overdraft money" the value of which ultimately represented 25% of our annual receipts as shown by the banks monthly statement of account (1998/ 1999);
  - ❖ From cheques referred to their account manager by other bankers, the bank detected on at least 35 separate occasions, cheques bearing forged signatures yet that bank continued to honour forged cheques without question
  - ❖ Then, in addition, charged Basstech in excess of \$21,000 in overdraft interest & fees on that money removed illegally without our legal mandate. These represent fees & charges for services not provided or worse, of the bank having no intention of providing.
  - ❖ The compound effect of these actions placed Basstech in an insolvent condition.
  - ❖ Whilst "knowing" that the bank had substantial liability in the underlying events. The National Australia Bank attempted to create a more favourable position for itself by formalising an "unofficial" overdraft into a formal loan under guarantee and the "Registered Debenture" held over Basstech by that bank, thereby ensuring their priority over assets. I believe that these and all other guarantees given to the National Australia Bank became void at that time by reason of the principles expressed by the High Court of Australia in COMMERCIAL BANK OF AUSTRALIA LTD. v. AMADIO (1983) 151 CLR 447; & reinforced in the National Australia Bank v Voloshin ([2000] NSWSC 84 (25 Feb 2000)).
- The National Australia Bank made an express misrepresentation that induced the Directors of Basstech to enter into those guarantees. That misrepresentation includes but is not limited to the National Australia Bank's withholding of substantial & relevant information pertaining to facts surrounding that fraud and the National Australia Bank's collusion in that fraud.
- ❖ Whilst "knowing" that the National Australia Bank had substantial liability in the antecedent events, that bank then used that insolvent condition as the justification to appoint the receiver & manager to liquidate our business & assets,
  - ❖ Whilst "knowing" that the National Australia Bank had substantial liability in the antecedent events; that bank then forced us the directors & shareholders to personal

bankruptcy, in order to remove from us all financial & legal capacity to challenge the banks dishonest, unconscionable and criminal conduct, thereby cancelling any proposed litigation and removing our legal capacity to act on behalf of Basstech. Surely this is in itself predatory & unconscionable.

- ❖ This was done before the Police investigation was concluded and while the evidence collected was still under investigation and “sub judice” thereby restricting/ removing our capacity to legally defend ourselves.
- ❖ That bank knowingly used this “legal” strategy to remove our capacity to hold the bank to account thereby protecting the banks interest; and is a conspiracy to defraud their customer, their customers creditors & perverting the course of justice.

It also needs to be said that the banks receiver & manager (Paul Burness of Scott Partners, Malvern Victoria) conspired with the National Australia Bank in that he Burness:-

- ❖ In defiance of settled law, refused to hold a creditors meeting or consider any other creditors interest save that of “his appointor” – the National Australia Bank.
- ❖ Refused to comply with Corporations Law, The ASIC Act and the statutory obligations of a Receiver & Manager by protecting the interests of one creditor (the National Australia Bank) in preference to all others including the interest of the Commonwealth.
- ❖ Refused to investigate the banks conduct and collusion with a thief in the fraud against Basstech particularly as the National Australia Bank “were his appointor”.
- ❖ Conspired with the bank to act against the interests of Basstech and acting contrary to law and legal precedent – in *Freeman v National Australia Bank Ltd* [2002] FCA 427 (9 April 2002); SPENDER J said at [5] “it has been said that the receiver & manager is the agent of the mortgagor (Basstech), not the agent of the bank” (whether or not he was appointed by the bank). It is obvious from correspondence between Burness & myself that reality and commercial custom differs from judicial and legal perception.
- ❖ Conspired with the National Australia Bank in negotiating with that bank to act as their Receiver & Manager whilst still acting in the capacity of Basstech’s professional financial adviser; in that he attended meetings between the National Australia Bank and Basstech’s Managing Director, where he participated in negotiations on Basstech’s behalf. At the final meeting he commenced direct negotiations on his own behalf to act as the banks Receiver & Manager in the presence of the Basstech Managing Director.

In your evaluation of & response to the points above you may wish to consider the following points in settled law.

	The Conduct, Circumstance or Authority	The Issues & Ramifications
1.	<b>Fraud is NOT ALLEGED – it is PROVEN FACT</b>	Brendan James Harty was convicted in the Melbourne County Court on the 1 <sup>st</sup> of October 2001 & sentenced on the 5 <sup>th</sup> of October 2001 to 2 years & 9 months gaol.  He was convicted on 413 charges of Theft, Making & Using false documents including the forging of signatures on 152 cheques.
2.	<b>The banker customer relationship.</b> References & settled law: <i>Tai Hing Cotton Mill Ltd v Liu Chong Hing Bank Ltd</i> [1986] AC80; [1985] 2 All ER 947; 2 Lloyd’s Rep 313	In <i>Tai Hing</i> , the Privy Council determined that a mutual duty of care exists between a bank and its customer to protect the interests & liabilities of the other. On the part of the bank this “Duty of Care” is analogous to that which exists between Solicitor & Client, Doctor & Patient etc. Many other precedents & case law support this.



	The Conduct, Circumstance or Authority	The Issues & Ramifications
	<p>Further authorities for this duty may be found in <i>Tai Hing Cotton Mill Ltd v Liu Chong Hing Bank Ltd</i> [103 of 1983];</p> <p><i>Selangor United Rubber Estates Ltd v Craddock</i> [1968] 1 W.L.R. 1555;</p> <p><i>Dutton v. Bognor Regis</i> [1972] 1 Q.B. 373 at 374</p> <p><i>Hedley Byrne &amp; Co. Ltd. v. Heller &amp; Partners Ltd.</i> [1964] A. C. 465</p> <p><i>Esso Petroleum v. Marden</i> [1976] Q.B. 801</p>	<p>In <i>Hedley Byrne</i> Lord Devlin likened the position of banker and customer to that of solicitor and client p. 530. Lord Denning M.R. did the same in <i>Dutton v. Bognor Regis</i>, treating them both as professional men. Again in relation to professional men and after referring to the solicitor cases Lord Denning M.R. had this to say in <i>Esso Petroleum v. Marden</i> at 819 :</p> <p><i>"In the case of a professional man, the duty to use reasonable care arises not only in contract, but is also imposed by the law, apart from the contract, and is therefore actionable in tort. .... A professional man may give advice under a contract for reward; or without a contract in pursuance of a voluntary assumption of responsibility gratuitously without reward. In either case he is under one and the same duty to use reasonable care. .... In the one case it is by reason of a term implied by law. In the other it is by reason of a duty imposed by law. "</i> (my emphasis)"</p> <p>Duties &amp; responsibilities are also imposed upon the banker by various Acts of Parliament, including but not limited to: The Cheques Act (1986), The Financial Services Act, The Fair Trading Acts (of the various States &amp; Commonwealth), The ASIC Act, The Trade Practices Act &amp; others.</p>
3.	<p>The conduct of my partners &amp; I is consistent with a duty &amp; responsibility to protect the financial interests of all related parties. Those parties being our creditors, bankers, employees and shareholders.</p>	<p>Our company was a small business with an annual revenue base (1996) in the order of \$400,000 per annum but with strong forecast growth (turnover 1998/1999 was on target for \$1.6 million). Despite the capital base we, the owners &amp; Directors, saw &amp; committed to the need to establish solid business practices and standards to underpin that growth and to protect the interests of all parties to this relationship.</p> <p>To this end Basstech &amp; its Directors:</p> <ol style="list-style-type: none"> <li>1. Ensured that all chequebooks, financial instruments &amp; company seals were at all times secured in the direct custody of a Director of Basstech.</li> <li>2. Undertook &amp; achieved ISO9002 certification &amp; applied that to all business aspects, practices &amp; procedures.</li> <li>3. Employed the services of a "Chartered Accountant" as the Basstech financial controller, to re-enforce our commitment to proper financial accountability, standards &amp; controls.</li> </ol> <p>I do not accept that we as a small business with</p>

	The Conduct, Circumstance or Authority	The Issues & Ramifications
		<p>limited income &amp; resources at our disposal, could have reasonably done any more than that which we did to protect the interests of all other parties.</p> <p>As we had the vital knowledge of Harty's addiction &amp; dishonesty withheld from us by other parties with a duty of care to us, specifically our Public Accountants &amp; the National Australia Bank, we can hardly be held to have been negligent or contributed in anyway to our demise.</p>
4.	<p>The <b>National Australia Bank</b> has specific &amp; reciprocal legal responsibilities &amp; "duty of care" obligations to their customer.</p> <p>References &amp; settled law:</p> <p>Tai Hing Cotton Mill Ltd v Liu Chong Hing Bank Ltd [1986] AC80; [1985] 2 All ER 947; 2 Lloyd's Rep 313</p> <p>Selangor United Rubber Estates Ltd v Craddock [1968] 1 W.L.R. 1555;</p>	<p>National Australia Bank staff had on at least 35 separate occasions cheques bearing forged signatures referred to them for explicit clearance by other bankers.</p> <p>The National Australia Bank has in the Basstech case, detected forged signatures on "CASH" not-negotiable cheques, that is the National Australia Bank:</p> <ol style="list-style-type: none"> <li>1. Detected Fraud in Progress on at least 35 separate occasions – that is criminal activity in the operation of their customers account</li> <li>2. Knowingly colluded with the thief to gain access to their customers account thereby defrauding THEIR customer</li> </ol> <p>The National Australia Bank is therefore guilty of Conversion &amp; Conspiring to Defraud their customer</p>
5.	<p><b>"Not Negotiable" Cheques</b></p> <p>The <b>Commissioners of the State Savings Bank of Victoria v Permewan Wright &amp; Co Ltd</b> (1914) 19 CLR 457; Griffith CJ said [at 467];</p> <p>"In my opinion the words 'Not Negotiable' on a crossed cheque are a danger signal held out before every person invited to deal with it, and are equivalent to saying 'Take care: this cheque may be stolen'.</p> <p><b>National Westminster Bank Ltd v Barclays Bank International Ltd</b> [1975] QB 645 at 666:</p> <p>Kerr J said "<i>The principle is simply that a banker cannot debit his customers account on the basis of a forged signature, since he has in that event no mandate from the customer for doing so</i>"</p>	<p>All cheques in this dispute were indelibly marked "Non Negotiable" in accordance with the relevant sections of the Cheques Act 1986</p> <p>From settled law, noted at left, it is clear that the bank has a duty of care to its customer &amp; that they have <b>no legal authority</b> to remove moneys from their customers account based upon forged signatures. Moneys illegally removed from the Basstech account due to forged signatures total \$238,750.</p> <p>In addition to this theft by the National Australia Bank, they charged Basstech (their customer) in excess of \$21,000 in interest fees &amp; other charges on that money illegally removed.</p> <p>It is clear that the continued retention of those moneys by the National Australia Bank is theft in its own right.</p> <p>It is clear that fees &amp; charges imposed by the National Australia Bank are costs imposed for services either not provided or having no intention</p>

The Conduct, Circumstance or Authority	The Issues & Ramifications
<p>Kerr on the Law of Fraud and Mistake 7<sup>th</sup> ed (1952);</p> <p><i>"If a transaction has been originally founded on fraud, the original vice will continue to taint it, however long the negotiations may continue, or into whatever ramifications it may extend: Reynell v Sprye (1852) 1 DM G 660 at 697; Smith v Kay (1859) 7 HLC 750 at 775. Not only is the person who has committed the fraud precluded from deriving any benefit under it, but an innocent person is so likewise, unless there has been some consideration moving from himself: Scholefield v Templer (1859); Johns 155; 4 D &amp; J 429; Topham v Duke of Portland (1863) 1 DJ &amp; S 517 at 569 per Turner LJ; Morley v Lougham [1893] 1 Ch 736 at 757</i></p> <p><i>Tai Hing Cotton Mill Ltd v Liu Chong Hing Bank Ltd [103 of 1983], in the Hong Kong Court of Appeal, Cons JJA said on page 8</i></p> <p><i>"In Selangor United Rubber Estates Ltd. v. Cradock<sup>(10)</sup>, the directors of a company abused their position as signatories of the company's bank account. Their dealings with the company's monies ought to have put the bank on enquiry. It was submitted however on behalf of the bank, that even so the bank's duty extended no further than to see that the signatories on the particular cheques concerned were those of the authorized signatories. Ungood-Thomas J. rejected that submission (at page 1608)</i></p> <p><i>"If this were so then it seems to follow that, even if the bank actually knew that the authorised signatories were misapplying the company's funds, it could nevertheless rely on the signatures. This could be so outrageous as to lie outside the intention and true construction of the mandate. .... As between the company and the bank, the mandate, in my view, operates within the normal contractual relationships of customer and banker and does not exclude them. These relationships include the normal obligation of using reasonable skill and care. And that duty, on the part of the bank, of using reasonable skill and care, is a duty owed to the other party to the contract, the customer, who in this case is</i></p>	<p>to provide.</p> <p>Attention should be given to the legal precedents shown in the column at left, particularly Kerr, Tai Hing &amp; Selangor particularly the bank's duty to their customer, in this case Basstech – their duty is not to the signatories. This duty goes further than checking signatures; it drives to the true mandate of the customer – Basstech Pty Ltd.</p> <p>The some of the ramifications of this bank conduct are:</p> <ul style="list-style-type: none"> <li>• The liquidation of the company (Basstech) with its resultant loss of regional employment etc</li> <li>• The repossession of my partners home &amp; its resultant sale at a mortgagees auction</li> <li>• Our loss of employment, income &amp; assets</li> <li>• The bankruptcy of us, the former shareholders &amp; Directors of Basstech &amp; the resulting ramifications upon professional &amp; personal standing within the community.</li> <li>• The stress &amp; trauma of the processes involved in one's status as a victim of criminal activity.</li> </ul> <p>At the very least the National Australia Bank's conduct is unconscionable &amp; predatory.</p>



	The Conduct, Circumstance or Authority	The Issues & Ramifications
	<i>the plaintiff, and not to the authorised signatories. And it extends over the whole range of banking business within that contract. So the duty of skill and care applies to interpreting, ascertaining, and acting in accordance with the instructions of a customer; and that must mean his really intended instructions as contrasted with the instructions to act on signatures misused to defeat the customer's real intentions. Of course, omnia praesumuntur rite esse acta, and a bank should normally act in accordance with the mandate"</i>	
6.	<b>The National Australia Bank - an Accessory to Fraud Before, During &amp; After the fact.</b>	<p>This conduct places the National Australia Bank &amp; its staff in the position of being an accessory to theft and fraud,</p> <ol style="list-style-type: none"> <li>1. <b>Before</b> (by detecting therefore knowing that forged signatures were in regular use and therefore in each instance <b>fraud is in progress</b>),</li> <li>2. <b>During</b> (by delivering value to the thief and in each instance debiting their customers account) and</li> <li>3. <b>After the fact</b> (in each instance by debiting their customers account without making the inquiry of that customer);</li> </ol> <p>Each subsequent act becomes in fact "collusion, conversion and an active conspiracy" with the thief to defraud Basstech, their CUSTOMER</p>
7.	<b>Collusion &amp; Conversion</b> Brightman J. in Karak Rubber Co. Ltd v Burden[1972] 1 W.L.R. 602 said, page 628: <i>"In my view the Achilles heel of the bank's argument, both in the Selangor case (1968) 1 W.L.R. 1555, and in the case before me, is that it is not, and never reasonably could be, asserted that a paying bank with certain knowledge that the authorised signatories are misapplying the company's funds may nonetheless rely on their signatures. If that is axiomatic, and it was conceded so to be in the case before me, it seems utterly irrational to suppose that a bank has an absolute unqualified duty to pay and no duty to inquire despite a deep suspicion, approaching but falling short of a certainty, that the funds are being misapplied. Once a bank disclaims the untenable position of being in all cases an automatic cash dispenser, whatever the</i>	<p>The <b>National Australia Bank</b> cleared cheques bearing forged signatures from the Basstech (their customers) trading account.</p> <p>Other bankers referred cheques bearing forged signatures to their National Australia Bank Manager for explicit signature verification and clearance on at least 35 known occasions.</p> <p>One such cheque has the "bankers" inscription (on the reverse of the cheque) "cheque faxed – signature not on system." See the reverse of the YELLOW brochure attached.</p> <p>This cheque was made payable to "Cash" for the amount of \$10,173.00 on a "Non-Negotiable" Cheque, an amount also clearly above the mandatory reporting limit.</p> <p>"Non Negotiable Cash cheques" presented for conversion at the National Australia Bank in one month alone (November 1998), rose from the normal historic level (15 years) of \$200 per month</p>

	The Conduct, Circumstance or Authority	The Issues & Ramifications
	<p>circumstances, there is no rational stopping place short of a contractual duty to exercise such care and skill as would be exercised by a reasonable banker in similar circumstances."</p> <p>The Cheques Act (Commonwealth of Australia) Section 55 – <i>Where a cheque that bears a crossing of the kind referred to in paragraph 53(1)(b) is transferred by negotiation to a person, the person does not receive, and is not capable of giving, a better title to the cheque than the person from whom the first-mentioned person took the cheque had.</i>"</p>	<p>to \$37,223 without question or enquiry from the National Australia Bank.</p> <p>The National Australia Bank well knows that under the cheques Act 1986, that they have no title to those moneys as "Not negotiable" cheques have implications upon title. The banks in the case of "cash" cheques are the "holders in due course" as defined by the Cheques Act 1986.</p> <p>The National Australia Bank to this day retain in excess of \$133,000 being "not negotiable" cheques bearing forged signatures made payable to CASH.</p> <p>Further retention of those moneys illegally removed without the mandate of their customer, is nothing short of <b>theft by that bank</b>.</p>
8.	<p><b>Scott Partners of Malvern Vic (Public Accountants)</b></p> <p>The National Australia Bank's appointed receiver &amp; manager.</p> <p>In breach of company law they set about to favour the interests of the National Australia Bank ahead of all other creditors.</p> <p>Indeed no creditor meeting was ever called.</p> <p>In <i>Freeman v National Australia Bank Ltd</i> [2002] FCA 427 (9 April 2002); SPENDER J said at [5] "Whether in fact any default by the Receiver in the sale of the property of Mr Freeman can be sheeted home to the National Australia Bank, the petitioning creditor, notwithstanding the contractual provision which asserts that the Receiver is the agent of the mortgagor, .... is a matter of quite considerable practical importance."</p>	<p>At the end of May early June 1999, Basstech retained Paul Burness of Scott Partners Malvern Vic as our financial advisor to assist us with trade-on &amp; other negotiations between the National Australia Bank &amp; us.</p> <p>Burness ultimately became the appointed Receiver &amp; Manager.</p> <p>I have reference from various judgements where the receiver &amp; manager are deemed by a Court to be responsible to &amp; act on behalf of the mortgagors – that is, the customer.</p> <p>Mr Paul Burness of Scott Partners failed in his duty as Basstech's Receiver &amp; Manager (legally a position of Trust – see Selangor):</p> <ol style="list-style-type: none"> <li>1. By not considering any other creditors interests except those of the National Australia Bank.</li> <li>2. Refused to investigate serious breaches of law &amp; other issues concerning the National Australia Bank on the grounds that "they are his appointor".</li> <li>3. Acted against the advice of the Directors of Basstech in completing the sale, &amp; acting against the interests of all other parties.</li> </ol> <p>Further, Burness as a "Professional Man" failed his "Duty of Care" obligations in law and:</p> <ol style="list-style-type: none"> <li>1. Knowingly colluded with the National Australia Bank in that he conspired with the bank in negotiating with them to act as their Receiver &amp; Manager while still acting in the capacity of Basstech's professional financial adviser. He attended meetings between the National Australia Bank and Basstech's Managing Director,</li> </ol>

	The Conduct, Circumstance or Authority	The Issues & Ramifications
		<p>where he participated in negotiations on our behalf.</p> <p>At the final meeting he commenced direct negotiations on his own behalf to act as the banks Receiver &amp; Manager in the presence of the Basstech Managing Director.</p> <p>2. By refusing to investigate, Burness is guilty of Conspiring with the National Australia Bank to defraud their mutual customer by knowing that serious breaches of law were involved in the conduct of the Bank in the execution of fraud.</p> <p>He also conspired with that bank to defraud THEIR customer by selling the business &amp; assets of the company to remove Basstech's capacity to take legal redress. He is therefore guilty of Conversion.</p>
9.	<p><b>Conspiracy to Defraud THEIR Customer</b></p> <p>When <u>we</u> (not the bank) <u>detected criminal activity</u> on or around the 17<sup>th</sup> of May 1999 the National Australia Bank contrived to conceal their extended knowledge of the facts from us during discussions &amp; negotiations (including loan &amp; trade-on negotiations) during May &amp; June of 1999.</p> <p>The focus of these negotiations in our view was to enable Basstech to trade on &amp; trade its way out of the difficulties <b>known to us</b> at that time.</p> <p>The bank sought to add my name to the agreements, guarantees and securities available to them for call. At that point in time I was neither a guarantor nor signatory to any business document, other than as an account signatory, with the National Australia Bank in support of Basstech debt to that bank.</p> <p>High Court of Australia in COMMERCIAL BANK OF AUSTRALIA LTD. v. AMADIO (1983) 151 CLR 447</p> <p>National Australia Bank v Voloshin ([2000] NSWSC 84 (25 Feb 2000)).</p>	<p>Whilst "knowing" that the bank held substantial liability in the underlying events. The National Australia Bank attempted to create a more favourable position for itself by formalising an "unofficial" overdraft into a formal loan under guarantee and the "Registered Debenture" held over Basstech by that bank. This act was designed to ensure their priority over assets &amp; to provide the bank with the means to force the bankruptcy of both my partners &amp; I.</p> <p>I believe that these and all other guarantees given to the National Australia Bank by all guarantors became void at that time by reason of the principles expressed in Amadio and reinforced in Voloshin</p> <p>During these negotiations, the National Australia Bank withheld vital information from us the signatories &amp; providers of that security; information regarding the conduct of the fraud and the existence at that time of forged signatures in the operation of our cheque account including the banks misconduct which involved the clearance of forged signatures, &amp; other acts.</p> <p>At this time we remained ignorant of both the conduct of the National Australia Bank, and the exact methods employed by the thief in the execution of that fraud.</p> <p>We were made aware for the first time of the misconduct of the bank &amp; its staff on the 1<sup>st</sup> of September 1999 from documents surrendered by that bank under Victoria Police search warrant.</p> <p>That is 10 days after the appointment of Burness</p>

	The Conduct, Circumstance or Authority	The Issues & Ramifications
		their receiver & manager.
10.	On the 20 <sup>th</sup> of August 1999 the <b>National Australia Bank</b> appointed the <b>Receiver &amp; Manager</b> to our company with instructions to liquidate the business and assets of Basstech.  Paul Burness of Scott Partners Malvern Vic, at that point ceased to act as our financial advisor.	The liquidation process took 5 weeks, from the 20 <sup>th</sup> of August to the 30 <sup>th</sup> of September 1999.  Contracts for the sale of the business & assets being signed by the receiver & manager on the 30 <sup>th</sup> of September 1999 despite a written request on him from the Basstech Directors to investigate the banks conduct & liability.  The owners & Directors of Basstech refused to be a party to that outrageous, unconscionable & criminal act of sale.
11.	The National Australia Bank pursued us to bankruptcy with extreme haste and whilst, due to the fraud trial of Harty, the evidence was sub judice.  The National Australia Bank did this knowing that they held significant & continuing liability in these matters	My partners were declared bankrupts around the end of March 2000, whilst my bankruptcy was declared on the 20 <sup>th</sup> of June 2000.
12.	Fraud is proven in the County Court Melbourne trial of Brendan James Harty.	Harty was convicted on the 1 <sup>st</sup> of October 2001 & sentenced on the 9 <sup>th</sup> of October 2001.

This is a not a trivial matter and direct breaches of law are involved. Those breaches involve on the part of the National Australia Bank, its staff and their appointed receiver & manager:

1. Theft;
2. Collusion;
3. Conversion
4. Conspiracy to defraud;
5. Being an accessory to theft & fraud before, during & after the fact.
6. The potential for Tax evasion

At the very least the actions of the National Australia Bank passing forged cheques then enforcing subsequent penalties upon Basstech is "Unconscionable conduct" as validated in National Australia Bank v Voloshin in the NSW Supreme Court mentioned earlier; ie subsequent to the National Australia Bank passing forged cheques they proceeded to repossess Voloshin's home due to the loan falling into arrears. The court found that the loan fell into arrears because **the bank cleared forged cheques**; their attempt to force their "rights" over Voloshin's home was deemed **UNCONSHIONABLE**. In Voloshin it was an attempt – in Basstech it went far beyond that. I think I read somewhere that unconscionable conduct fell well within your mandate.



I also point out that this is not an isolated incident, it is not an aberration; please refer the attached article from the Melbourne Herald Sun "\$3.1m siphoned off". In essence "company employs accountant, accountant steals cheques, accountant forges signatures, bank clears forged cheques" (Basstech, Voloshin & now Griffiths of Northwood Park Stud – who's next – your family - maybe?)

Sir, during my blissful days of ignorance I firmly believed the public spin & hype that the regulatory agencies (the ACCC, ASIC & APRA) were about the protection both of Small Business and the public interest. It is obvious by your continued refusals & inaction that you are solely engaged in the active protection of the privileged & powerful.

Question - Who will protect Small Business & consumers generally from these criminal corporations? I am reminded of a quote (origin unknown) "For evil to triumph, it takes good men to do nothing". Whilst you do nothing, I intend to force each & every player in this charade to publicly justify their conduct or lack of it – that is an absolute promise.

Fraud at this level, to this scope & scale can only live with the indifference, collusion &/or active protection of the regulatory & legal industries & the court system. Whether the survival of this fraud is by way of indifference, collusion or active protection is irrelevant as the end result is precisely the same. As I stated earlier, **the real issue here should rightfully be a question of the right, fitness & competence of the National Australia Bank to hold a banking licence in this country & in any ethical society.**

We may have a system of law in this country; but under no circumstances can it ever be considered a system of justice; what we have in fact is a system of actively managed corruption, actively managed by the regulatory & judicial systems that are supposed to protect the public & the public interest.

Yours in the forlorn quest for ethics, equity, honesty & integrity in the banking system.



Paul Buckman

CC: Professor Evan Jones, School of Economics & the Political Economy, Merewether Building,  
University of Sydney NSW 2006

## Makybe Diva trainer among accountant's victims \$3.2m siphoned off

**HIGHLY PROFITABLE** horse trainer Leo Freedman is among the victims of a bookkeeper who stole more than \$3.2 million.

Chartered accountant Robert Andrew Kirsopp, 35, pleaded guilty to the offences in Magistrates Court on Friday to 22 charges of stealing money after several years from his employer.

A summary tendered to the court alleged Kirsopp looked after the accounts for the opera-

**Eileen Hunt**  
chief court reporter

tion of Seymour's Northwood Park Stud, Barts and Marquest Orbits, and used 216 stolen and forged cheques to divert \$3.187 million into his own account between 1997 and 2002. While working for the Freedman brothers, Lee, Richard and Michael, in 2001 and 2002, Kirsopp stole six cheques worth \$55,499.15.

Leo Freedman, whose cham-

second consecutive Melbourne Cup last year, told police his signature had been forged on cheques cashed by Kirsopp.

Kirsopp told police in his record of interview that he used the siphoned funds to prop up his own ailing businesses, including restaurants and racehorses.

"It would have been a combination of... I guess an excessive lifestyle, things like that," he said.

"If something went right in my life, I was always going

hopefully to pay them back. I still think that."

Kirsopp told police some of his businesses were not doing well at the time, including restaurants 'Cafe Cafe', 'Amir Lounge' and 'Tonic Cafe' all of which have since been sold.

He also raced horses under his own name and through his company, 'Awesome Racing', but admitted he bought the animals with stolen money.

Kirsopp also used some of the money on veterinary bills for the horses. When interviewed in

January 2005, Kirsopp admitted stealing a cheque and forging Mr Freedman's signature, but the full extent of his crimes was not exposed until audits were completed in June and December that year.

He has now declared himself bankrupt. Of the \$3.2m million missing, only \$4510.70 has been reimbursed.

Kirsopp, who is on bail, was ordered to face a plea hearing at the County Court in April. He also faces federal charges.




Leo Freedman



**April 2005**

**Response to Dr Evan Jones of the University of Sydney.**

On the 13 January 2005 Dr Jones submitted to the Australian Competition & Consumer Commission "working papers" and other documents questioning their lack of action and protection of small business with regard to predatory bank behaviour towards that sector.



Australian Competition & Consumer Commission

PO Box 1199  
Dickson ACT 2602  
470 Northbourne Ave  
Dickson ACT 2602  
Australia  
Ph (02) 6243 1111  
Fax (02) 6243 1199

Our Ref: C2004/101-02  
Contact Officer: Elizabeth Lamb  
Contact Phone: (02) 62431250

8 April 2005

(Dr) Evan Jones  
Political Economy  
School of Economics and Political Science  
Merewether Building  
The University of Sydney NSW 2006


Dear Dr Evans

I am writing in response to your letter of 13 January 2005 to Commissioner John Martin concerning the status of the regulation of unconscionable conduct towards small businesses by corporate businesses. You attached Working Papers subtitled 'The Banks and Small Business Borrowers: case studies of adversity' detailing eight instances, from 1984 to 2001, where small businesses had allegedly been the recipient of unconscionable conduct by the National Australia bank.

In earlier correspondence to Graeme Samuel dated 6 May 2004 you suggested that treating the cases presented in the Working Papers collectively might enable an interpretation of the circumstances to be that sources of the conflicts were the result of a systemic problem, rather than the failings of a particular small business. You further commented that an "implication of the impression arising from these cases is that the Trade Practices Act and its administration have failed to provide a secure environment for small business viability". You also stated that section 51AC appeared to be formally robust, but ineffective in practice because of the lack of resources devoted to its workability, and that the ACCC had declined to assist some of the principals in the case studies.

Each of the eight matters you have raised in the Working Papers has been examined and addressed individually below. Please note however that as an independent statutory authority the ACCC is unable to give private legal advice, and that none of the information supplied in this letter should be construed as legal advice. In addition I make the following general observations:

- The eight case studies presented in the Working Papers span a period of 17 years. In all but three of those matters the conduct giving rise to allegations of



unconscionable occurred before section 51AC (which created broader protection for small businesses in their dealings with larger businesses) came into effect on 1 July 1998. Of the remaining three, the Goonans and the Walter Family were unlikely to have contained allegations that may have made out the elements of unconscionable conduct under scrutiny from the courts. The Walter Family case was also disqualified as the sum in dispute exceeded the \$1 million limit then imposed by the new section 51AC.

- On the facts available it is our assessment that, of the eight case studies, only two are likely to have contained allegations that, had they been proven, may have made out the elements of unconscionable conduct under scrutiny from the courts. The possible 51AC unconscionable conduct case, Ross Delahunty, occurred before the advent of the section in 1998. The possible 51AA unconscionable case, Keith Smith, occurred before the advent of that section in 1992.
- In each case where the ACCC declined to pursue an unconscionable conduct action it did so because it was assessed that the conduct did not amount to unconscionable conduct.
- I am unable to agree that a collection of eight case studies over a period of 17 years where small businesses have experienced difficulties with a particular bank amount to a failure of the Act and its administration to provide a secure environment for small businesses. While the small business failures detailed in the Working Papers are a cause for deep regret it seems that other factors such as fraud, lack of liquidity, drought and below expected sales were often critical events that made the businesses more vulnerable to failure.
- As to whether unconscionable conduct can be considered in relation to cumulative conduct by one party, e.g. a bank, towards a number of small businesses, I should note that as a procedural matter, each party to an action should generally be capable of sustaining the cause of action independently of other parties to those proceedings. Further, there are certain requirements regarding the commonality of interest of parties to such a matter, and it is not clear whether such a group of unrelated parties, who have had dealings with a bank over a course of some years, would have the requisite commonality. I should also note that, in general, actions for breaches of the TPA must be commenced within six years after the day on which the cause of action that relates to the conduct accrues.
- I would also note that, in general, the factors in section 51AC allow the court to consider whether the conduct of the stronger party was necessary to protect that party's legitimate business interests (refer to section 51AC (3) and (4) (b)). So, for example, certain conduct, or a course of conduct, might be detrimental to the interests of the small business concerned, however if it is referable to the stronger party's legitimate business interests, this may indicate that the conduct is less likely to contravene section 51AC. For example, a court may find that it would be in the legitimate business interests of a bank to implement and review its procedures to manage its lending risk.

### *Working Paper Case Studies*

#### **The Goonans 2001**

There is an implication in the Goonan case study that their application to extend their overdraft may have been refused as part of a wider strategy of the bank at the time to shed marginal borrowers, and perhaps this was the case. As non defaulters it may be unfair that the Goonans were not offered further finance to get them through what was perceived as a short term cash flow problem, however conduct which is unfair will generally not be sufficient to establish that unconscionable conduct has occurred.

#### **Paul Buckman and Basstech 1999**

Basstech was a small business run by Paul Buckman and his partners. A financial controller hired by Basstech committed significant cheque fraud on the company for which he was convicted. The case study asserts that the bank cleared all 184 cheques bearing forged signatures including 35 referred to the bank for explicit signature verification, when the Cheques Act 1986 meant that they had no legitimate authority to do so. Basstech lost 25% of its annual receipts through the fraud and was forced into insolvency. The bank charged Basstech \$21,348 in interest fees and charges on the stolen money and used that insolvent condition as a trigger to appoint a receiver.

At issue here was who was culpable for the loss of the money; Basstech for hiring the fraudster, or the bank for lack of diligence when clearing cheques? If the bank was found to have been culpable then it is arguable that its subsequent actions may have been considered unfair tactics by the stronger party and fall under the provisions of 51AC. The determination of culpability by the bank in this matter is a threshold issue that relies on legislation other than the Trade Practices Act.

#### **The Walter family and Palatinat 1998**

The Walters new business experienced lower than expected initial sales. In December 1998 they requested a restructure of their loan facilities to reduce monthly payments and accepted a principal and interest combination loan of \$380,000 and a one year fixed interest loan of \$1 million. The Walters alleged that they were induced to execute the loans because of a verbal assurance that the one year fixed term loan would be unconditionally and automatically renewed, although these terms were not present in the formal loan documents. In April 2000 the bank expressed concern with the Walters profit and loss position (paper loss but apparently breaking even) and demanded the sale of the business and the home by 30 June 2000. A bank appointed receiver took possession of the business in December.



Like the Goonans, the Walters had not defaulted on their repayments. The Walters were experienced business people who entered into business contracts whose terms and conditions they were well equipped to understand. Withdrawal of support of a marginal business by the bank was harsh but is unlikely to have been unconscionable in breach of 51AC. Also in 1998 the loans totalling \$1.38 million exceeded the 51AC threshold (which has since increased to \$3 million).

Allegations that discovery documents were delivered in dribs and drabs and left on doorsteps, and that bank statements were withheld, are procedural issues and, as such, not conduct that would give rise to the setting aside of the contracts at issue.

The Walters represented themselves in court in an attempt to have the agreements set aside for unconscionable conduct alleging a position of special disadvantage. In *National Australia Bank Limited v Fritz Walter And Ingrid Walter* 16 February 2004 the court found that 'They were, and are, intelligent, resourceful and experienced business people who had access to independent professional legal, financial and business advice in entering transactions designed to advance their own interests. The allegation of unconscionable conduct based on the unconscientious exploitation of special disability or special disadvantage, or any other basis, is not made out.'

#### **The McMinns 1997**

The McMinns reached a crucial point where their business expansion required commencement of work on a new child care building and they went ahead on verbal assurances from the new bank manager. Due to turmoil within the bank and/or mismanagement of the account the bank stopped building work in December and did not grant approval to restart until March 1997. The new development missed the critical beginning of school year enrolment period and as a consequence the McMinns experienced difficulty servicing their loans and the bank foreclosed.

In this case financial services supplied by the bank appear to have been of less than optimal quality and the McMinns were vulnerable due to the critical timing requirements of their business plan and shallow liquidity within the business which did not allow for unforeseen loss of income. However there is nothing in the relationship between the McMinns and the bank that put them at a special disadvantage within the meaning of section 51AA. In *Samton* the court held that 'At least in the case of the experienced business person there must, in our opinion, be something more than commercial vulnerability (however extreme) to elevate disadvantage into special disadvantage.'

Notwithstanding that 51AC did not come into effect until 1 July 1998, the described conduct of the bank would nevertheless be unlikely to be construed as going beyond tough business practices or hard bargaining to breach section 51AC

#### **Lynton Freeman 1997**

In July 1996 Freeman's new bank manager required that he reduce his overdraft by \$30,000 by November. In April 1997 a drought subsidy of \$54,550 from the Queensland Rural Adjustment Authority that had been awaiting a bank certification that the business was viable, was approved pending the bank's formal review. The bank never completed the review. The subsidy would have enabled Freeman to comply with the bank's request for debt reduction.

Mediation proceeded on 4 December 1997. The mediation lasted a full day at the end of which a Deed of Mediation was produced which Mr Freeman and the Bank executed. Freeman agreed to attempt to sell his property and to exchange contracts of sale no later than 4 March 1998 in exchange for an offer from the Bank to forebear from enforcing the mortgages immediately. Clause 9.1 'immediately, absolutely and unconditionally releases the Bank, its officers and agents, from all claims which Freeman now has or, but for this Deed might have had against the Bank'.

When Freeman could not refinance the bank foreclosed. Freeman subsequently lost a series of court cases fighting bankruptcy including claiming unconscionable conduct due to special disability brought about by a medical condition that caused mental incapacity during mediation.

The accuracy of the bank's budget forecasts and valuations regarding Freeman's financial position, and the adequacy of its decision not to supply a certification of solvency to the Queensland Rural Adjustment Authority, cannot be assessed from the facts at hand. It is, however, assessed that a court would not find that Clause 9.1 went beyond what was necessary for the bank to protect its legitimate business interests and that a case of unconscionability was unlikely to succeed on the facts presented.

#### **Ross Delahunty 1993**

The alleged conduct by the bank in this matter could be of concern and may have amounted to unconscionable conduct in breach of section 51AC had the conduct concerned the Delahunty's business transactions and had the allegations been proven and the conduct occurred after the introduction of the section in 1998.

#### **Keith Smith 1984**

The alleged conduct by the bank in this matter could be of concern and may have amounted to unconscionable conduct in breach of section 51AA had the allegations been proven and the conduct occurred after the introduction of the section in 1992.

#### **The Somersets and Kabwand 1984**

The Somersets were the victims of a fraud by the vendor of Gunnadoo, a property they purchased. By the time they won proceedings against the vendor in the Supreme Court the vendor had disposed of all his assets. The Somersets received



legal advice that they should sue the bank in the Federal Court for misleading and deceptive conduct under section 52 of the Act. They did so but were unsuccessful. Even if the Somersets had been successful in proving that the bank had engaged in misleading and deceptive conduct while providing financial services to the Somersets to assist in their purchase of Gunnadoo or Glenhaven, the unconscionable conduct provisions of the Act did not exist at the time of the conduct.

*The division of responsibility between the ACCC and ASIC in the financial services industry*

The Financial Services Reform Act 2001 gave ASIC jurisdiction in relation to unconscionable conduct arising from the supply of financial services under section 12CC of the ASIC Act.

In 2004 ASIC and the ACCC signed a Memorandum of Understanding setting out a framework for co-operation between the agencies, including arrangements for referrals, regular liaison and demarcation of roles. The Memorandum of Understanding clarifies that the regulation of unconscionable conduct arising from the supply of financial services will be the role of ASIC, as intended by the financial services reforms.

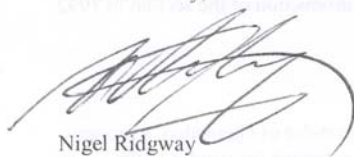
The ACCC and ASIC also have overlapping jurisdiction in the area of debt collection and in February 2005 jointly issued a draft debt collection guideline for public consultation.

*The ACCC and unconscionable conduct matters*

The ACCC has vigorously defended the rights of small businesses using the unconscionable conduct provisions of the Act, and details of some of these outcomes are available in the ACCC's recently updated *Guide to Unconscionable Conduct* which I have enclosed for your information.

I trust the information provided in this letter has allayed some of your concerns regarding the administration of the unconscionable conduct provisions of the Act as it concerns unconscionable conduct arising from the supply of financial services to small businesses.

Yours sincerely,



Nigel Ridgway  
General Manager  
Compliance Strategies

Memorandum of Understanding  
between the ASIC & ACCC 15 Dec 2004

APPENDIX B

**EXCHANGE OF INFORMATION UNDER PARAGRAPH 7.1**

**Matters of interest to ASIC**

Listed below are the types of matters which are relevant to ASIC for the purposes of paragraph 7.1. This list is not exhaustive, and if the ACCC is in doubt as to whether a matter is likely to be of interest to ASIC, the ACCC should contact an ASIC liaison contact officer.

- companies:
  - registration of companies
  - conduct of company directors and officers
  - financial reporting
  - company mergers and acquisitions
- registration and conduct of company auditors, registered liquidators and official liquidators;
- financial markets (including the Australian Stock Exchange Ltd and Sydney Futures Exchange Ltd) and conduct of listed companies, brokers and traders;
- licensing, standards and conduct of financial services businesses, including fund managers, stockbrokers, financial advisers and insurance brokers;
- registration and records of, and conduct in relation to, managed investment schemes;
- APRA-regulated financial services businesses, including banks, superannuation funds and insurance companies:
  - how they comply with codes of practice
  - approval of consumer complaint resolution schemes
  - misconduct affecting consumers or misconduct as corporations
- misleading and deceptive, and unconscionable conduct, and undue harassment and coercion in relation to financial services including credit.

**Matters of interest to ACCC**

Listed below are the types of matters which are relevant to the ACCC for the purposes of paragraph 7.1. This list is not exhaustive, and if ASIC is in doubt as to whether a matter is likely to be of interest to the ACCC, ASIC should contact the ACCC contact officers referred to below.

- Business conduct:
  - Agreements, arrangements and/or understandings between competitors in a market which appear to involve:
    - Price fixing
    - Sharing/allocation of markets (customers/tenders etc)

➤ Bid or tender rigging

- Unfair, unconscionable and/or unilateral conduct which significantly damages/impacts small businesses;
- Product safety issues, particularly where consumers are at risk of injury;

(Contact: *Executive General Manager, Enforcement & Compliance Division*)

• Business conduct:

- Proposed mergers/takeovers between companies competing in the same or similar markets;

(Contact: *General Manager, Mergers & Asset Sales Branch*)

**October 2004**

**Response from my letter of the 1<sup>st</sup> of October 2004 raising further issues.**



**Australian  
Competition &  
Consumer  
Commission**

Our Ref: M2003/23  
Contact Officer: John Doyle

GPO Box 520J  
Melbourne VIC 3001

Level 35 The Tower  
360 Elizabeth Street  
Melbourne VIC 3000

ph (03) 9290 1800  
fax (03) 9663 3699

[www.accc.gov.au](http://www.accc.gov.au)

15 October 2004

Mr Paul Buckman  
PO Box 120  
Tinamba VIC 3859

Dear Mr Buckman

Thank you for your letter of 1 October 2004 and attachments whereby you raise concerns regarding the National Australia Bank. I refer also to your previous correspondence addressed to this office of 5 and 22 January, 9 February and 29 September 2003 regarding your concerns and this office's replies of 20 January, 10 February and 2 October 2003.

You claim the conduct of the National Australian Bank in respect of the conduct you allege to be "unconscionable at the very least".

In my view your latest correspondence does not appear to raise any issues that were not raised previously by your former correspondence with this office.

As already advised, the Australian Competition and Consumer Commission ("ACCC") is responsible for administering the Trade Practices Act 1974 ("the Act"). While the Act prohibits a range of unfair and anti-competitive trade practices, the Financial Sector Reform (Amendments and Transitional Provisions) Act 1998, which commenced on 1 July 1998, implemented a new consumer protection regime for the financial services sector. Under this legislation, the Australian Securities and Investments Commission ("ASIC") was given primary responsibility for consumer protection and market integrity in the financial sector. The Financial Services Reform Act 2001, which commenced on 11 March 2002, gave ASIC further responsibility for consumer protection matters involving foreign exchange contracts, credit and unconscionable conduct under sections 51AA and 51AB of the Trade Practices Act 1974 in relation to financial services.

While the ACCC and ASIC continue to share responsibility for unconscionable conduct arising under section 51AC of the Trade Practices Act 1974, the ASIC Act 2001 makes specific provision for unconscionable conduct in the context of the provision of financial services in business transactions. As such, and in the first instance, ASIC would appear to be the more appropriate agency with whom to raise your concerns, not the ACCC. ASIC can be contacted on 1300 300 630.

*led*  
*21 Oct 2004*



As such, while your concerns have been recorded, I regret to advise this office is unable to pursue this matter further.

Thank you for your concern in this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Doyle', is positioned above the printed name.

John Doyle  
Senior Investigation Officer



October 2003

Response 2 October 2003



Australian Competition & Consumer Commission

GPO Box 5201  
Melbourne VIC 3001

Level 35 The Tower  
Melbourne Central  
360 Elizabeth Street  
Melbourne VIC 3000

Ph (03) 9290 1800  
Fax (03) 9663 3699

Our Ref: M2003/23  
Contact Officer: John Doyle

2 October 2003

Mr Paul Buckman  
P.O. Box 120  
Tinamba VIC 3859

Dear Mr Buckman

I refer to your recent visit to this office whereby you submitted a binder titled, "The assassination of regional economies for the profit of the banking industry". I note that the binder contains various documents relating to the issue you originally raised with this office in your letter of 5 January 2003.

A review of the material contained in the binder you have submitted indicates no basis for this office to change its earlier decision as communicated to you in its letter of 21 January 2003. Accordingly, while the binder has been placed on file, this office is unable to pursue the matter further.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'John Doyle'.

John Doyle  
Senior Investigation Officer



**February 2003**

**Still refuse to investigate**



**Australian Competition & Consumer Commission**

GPO Box 520J  
Melbourne VIC 3001

Level 35 The Tower  
Melbourne Central  
360 Elizabeth Street  
Melbourne VIC 3000

Ph (03) 9290 1800  
Fax (03) 9663 3699

Our Ref: M2003/23  
Contact Officer: Nick Atkins

10 February 2003

Mr Paul Buckman  
PO Box 120  
Tinamba VIC 3859

Dear Mr Buckman

Thank you for your letter of 22 January 2003. As previously advised in the letter from this office of 20 January 2003, the concerns you have raised in relation to the National Australia Bank are more appropriate for consideration by the Australian Securities and Investment Commission or the Banking Industry Ombudsman.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Atkins'.

Nick Atkins  
Project Officer



ENTERED  
13 Feb 2003

January 2003

ACCC Response to Campaign #1



Australian Competition & Consumer Commission

GPO Box 520J  
Melbourne VIC 3001

Level 35 The Tower  
Melbourne Central  
360 Elizabeth Street  
Melbourne VIC 3000

Ph (03) 9290 1800  
Fax (03) 9663 3699

Our Ref: M2003/23  
Contact Officer: Nick Atkins

21 January 2003

Mr Paul Buckman  
PO Box 120  
Tinamba VIC 3859

Dear Mr Buckman

Thank you for your letter of 5 January 2002 regarding your complaint against the National Australia Bank ("NAB").

I note your claim that a Chartered Accountant stole your company funds by forging signatures on cheques. You claim that this was able to occur due to the NAB failing to enact due diligence processes in verifying the signature on the forged cheques. I further note your advice that the NAB has imposed upon you and your partners the entire responsibility for these events.

As you maybe aware, the Australia Competition and Consumer Commission ("the ACCC") is responsible for administering the Trade Practices Act 1974 ("the Act"). While the Act prohibits certain anti-competitive and unfair business practices, I am not convinced that the issues you raise are appropriate for consideration by this office. You should note that the Australian Securities and Investment Commission ("ASIC") is the Commonwealth body that regulates financial services and enforces laws that promote honesty and fairness in financial markets. ASIC can be contacted on 1300 300 630.

You may also wish to consider contacting the Australian Banking Industry Ombudsman ("the ABIO"). The ABIO's role is to help individuals and small businesses (including incorporated small businesses) resolve complaints, including all financial services provided by banks. The contact numbers for the ABIO are 1800 337 444 (free call) and 03 9613 7333.

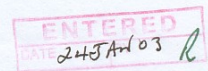
In view of the above, I regret to advise that I am unable to pursue this matter further.

Thank you for bringing this matter to my attention.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Nick Atkins', is written over a light blue circular stamp.

Nick Atkins  
Project Officer



# Insolvency & Trustee Service Australia

August 2003

Response of ITSA to my letter of 11 Aug 2003



# ITSA

INSOLVENCY AND TRUSTEE SERVICE AUSTRALIA

VICTORIA AND TASMANIA BRANCH

13 August 2003

Mr Paul Buckman  
PO Box 120  
Tinamba VIC 3859

Dear Mr Buckman

YOUR BANKRUPT ESTATE NO 2083 OF 2000/4 (A145)

I refer to your letter of 11 August 2003.

In response to your question, I refer to a conversation we had on 26 March 2003 in which we discussed the situation with respect to the National Bank.

I noted that the Official Trustee is unlikely to be able to do anything in the matter unless a realisation was possible for creditors - or clear indication of an offence under the Bankruptcy Act is seen.

It was mentioned that the trustee could write to creditors seeking funds to pursue matters and we agreed that this would be unlikely to be successful.

The trustee is still prepared to put the matter to creditors - but there is little hope that any would be prepared to allocate funds to this matter. As we have previously observed, the trustee does not have the funds to allow it to take this action itself.

Please contact me at the number below if you have any queries in this matter.

Yours sincerely

Philip Bezemer

Telephone: 03 9272 4938  
Facsimile: 03 9272 4900  
E-mail: [phil.bezemer@itsa.gov.au](mailto:phil.bezemer@itsa.gov.au)

OFFICE ADDRESS: Level 10, Melbourne Central, 360 Elizabeth Street, MELBOURNE VIC 3000  
Telephone (03) 9272 4800 • Facsimile (03) 9272 4900 • E-MAIL: [itsa.melbourne@itsa.gov.au](mailto:itsa.melbourne@itsa.gov.au) • INTERNET: [www.itsa.gov.au](http://www.itsa.gov.au)  
POSTAL ADDRESS: Level 10, Melbourne Central, 360 Elizabeth Street, MELBOURNE VIC 3000 • DX: DX 51, MELBOURNE, VIC  
OFFICES IN CANBERRA, SYDNEY, MELBOURNE, BRISBANE, PERTH, ADELAIDE, HOBART, TOWNSVILLE

## Does your failure to pursue recovery constitute "Collusion & Conspiracy"

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

11<sup>th</sup> of August 2003.

Insolvency and Trustee Service Australia  
Mr. Philip Bezemer  
Level 10, Melbourne Central,  
360 Elizabeth Street  
MELBOURNE 3000

**Reference: Letter of the 15 July 2003 - Philip Bezemer**

Dear Sir,

I note with interest your letter noted above in that you have conveniently ignored a major question put to you in my letter of the 9<sup>th</sup> of July 2003 accompanying a copy of my submission to the Banking Ombudsman. I will pose that question again in different terms.

Given the fact that the Insolvency and Trustee Service Australia is there to protect the interests of ALL my bankruptcy creditors, and that I have:

1. Expressly highlighted to you, the part my major creditor (the National Australia Bank) had in the execution of this fraud committed against us.
2. Expressly highlighted to you the fact, & provided evidence of, the unconscionable & criminal conduct engaged in by that bank culminating in my bankrupt status.
3. Expressly highlighted to you the criminal conduct & collusion by that bank with the thief enabling the execution of that fraud.
4. Expressly highlighted to you the bank's collusion with their appointed Receiver & Manager to hide & disguise the banks ineptitude & criminal conduct in this matter.
5. Further highlighted to you instances where the bank continue to withhold company money illegally ie in direct contravention of THE LAW – particularly the Cheques Act 1986.
6. Highlighted to you relevant sections of the Victorian Gaming Act where the proceeds of theft & fraud are directly recoverable from the gaming operators.

### **Question**

**Does your failure to pursue the recovery of these moneys & compensation constitute collusion & criminal conspiracy between you, ITSA and that creditor (the National Australia Bank) to the detriment of all other creditors including the Commonwealth, thereby effectively defrauding them of their rightful distribution of money & compensation?**

You have 28 days from the date of this letter to respond satisfactorily in writing to:

1. Why I should not prosecute you for collusion with the National Australia Bank to protect the interests of that bank above the interests of all other creditors including the Commonwealth?
2. Why your inaction does not constitute an active conspiracy with the National Australia Bank to protect their interest against all other parties including the shareholders of Basstech Pty Ltd acn 006 035 301, it's creditors & myself (the bankrupt)?



Given your frequent written advice such that you will not pursue these matters (in concert with the views of ASIC, the ACCC, APRA, & the Reserve Bank of Australia) – then, I will perform your duties for you. If I am successful in doing “your job”, then I will be retaining “costs” as **I deem appropriate**. Should you wish to sue me to recover those sums, then please do so. I look forward to all parties concerned in this charade justifying their actions &/or inaction as the case may be.

You, in particular, would rather recover money’s directly from me, again the easy target; rather than pursue the reasonable & legal recourse available to you from the National Australia Bank & others. You do so in the knowledge that the recovery of moneys directly from me further dilutes my capacity to pursue recourse & justice from the National Australia Bank in this matter for my creditors, others and myself.

Make no mistake, I intend to force the ITSA & regulators to actually regulate and enforce the law to protect small business people, bank depositors, the citizens of this country, and the victims of this unethical & criminal conduct. In particular, to cause these agencies to enforce the law when it concerns major international corporations & particularly the banking industry; that is, not just litigation & enforcement by these agencies against the easy targets - us - the people that have no funds or resources to reasonably or adequately defend ourselves. But also force these agencies to control the criminal & protected institutions that are active today.

**There has to be a better way.**

Yours in the forlorn quest for ethics, equity, fairness, honesty, integrity and justice in the banking system.



Paul Buckman

Cc

The Prime Minister the Hon John Howard

The Federal Member for Gippsland the Hon Peter M<sup>c</sup>Gauran

The Hon Peter Ryan – Leader of the Victorian National Party

The Hon Philip Davis – Leader of the Liberal Party in the Legislative Council (Victoria)

Senator the Hon Ian Campbell – Secretary to the Treasurer

July 2003

ITSA Response to the Ultimatum of Paul Alan Buckman



# ITSA

INSOLVENCY AND TRUSTEE SERVICE AUSTRALIA

VICTORIA AND TASMANIA BRANCH

15 July 2003

Mr Paul Buckman  
PO Box 120  
Tinamba VIC 3859

Dear Mr Buckman

YOUR BANKRUPT ESTATE NO 2083 OF 2000/4 (A145)

I refer to your letter of 9 July 2003, in which you outline your submission to the Banking Industry Ombudsman.

You have indicated that, in the event of any financial award by the Ombudsman, you would be claiming a sum of \$25,000 for your costs in this matter.

As you have previously been informed, any right to take action which rested with you at the date of your bankruptcy vested with the Official Trustee at that time. As the trustee has mentioned on more than one occasion, it has not proceeded to pursue the matter due to the lack of available funds to support the necessary action.

However, if an award is made in this matter – irrespective of the arena in which such award may be handed down – the trustee reserves its right to the proceeds. Moneys derived from any determination in this matter will be applied to the administration of the bankrupt estate in accord with the interests of the creditors of the estate, as provided for in the Bankruptcy Act.

18 Jul 2003

OFFICE ADDRESS: Level 10, Melbourne Central, 360 Elizabeth Street, MELBOURNE VIC 3000  
Telephone (03) 9272 4800 • Facsimile (03) 9272 4900 • E-MAIL: [itsa.melbourne@itsa.gov.au](mailto:itsa.melbourne@itsa.gov.au) • INTERNET: [www.itsa.gov.au](http://www.itsa.gov.au)  
POSTAL ADDRESS: Level 10, Melbourne Central, 360 Elizabeth Street, MELBOURNE VIC 3000 • DX: DX 51, MELBOURNE, VIC  
OFFICES IN CANBERRA, SYDNEY, MELBOURNE, BRISBANE, PERTH, ADELAIDE, HOBART, TOWNSVILLE

If funds remain after payment of related dividends and deduction of the trustee's fees and expenses those moneys will revert to you.

Please contact me at the number below if you have any queries in this matter.

Yours sincerely



Philip Bezemer

Telephone: 03 9272 4938

Facsimile: 03 9272 4900

E-mail: [phil.bezemer@itsa.gov.au](mailto:phil.bezemer@itsa.gov.au)

BANKRUPT ESTATE NO 2083 OF 2000/4

15/07/03

2

March 2003

Letter from ITSA accompanying the only "Admitted" correspondence (10Aug2000)  
with the NAB

31

09:00. 80/01

**National**  
FINANCIAL SOLUTIONS

Asset Structuring  
3/271 Collins Street  
Melbourne 3000  
Phone: 03 9659 7376  
Fax: 03 9659 6021

National Australia Bank Limited  
A.C.N. 004044937

Ref: bass2

10 August 2000

By facsimile: 9272 4900

Mr Philip Bezemer  
Insolvency and Trustee Service Australia  
10th Floor,  
360 Elizabeth Street  
MELBOURNE VIC 3000

Dear Sir

Re: **Bankrupt Estate of Paul Buckman**  
No. 2083 of 2000 / 4 (A145)

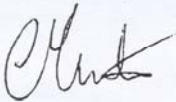
I refer to your letter dated 30 June 2000 and 21 July 2000.

In respect to the issues raised in your letter, I advise you of the following:

1. The Bankrupt is not due any compensation from the Bank.
2. In fact the Bank is owed an amount of approximately \$400,000 from the Bankrupt.
3. In respect to the alleged fraudulent acts committed, the Bank has and will co-operate with any sanctioned and legitimate criminal investigation by the Victorian Police Force. Previously the Bank has spoken to the Baimsdale CIB.

Should you require any further information, please contact me.

Yours faithfully



**Craig Hunter**  
Manager

10 AUG 2000 09:05 FROM NAB ASSET STRUCTURING  
T0092724900  
P.01/01

# Australian Banking Industry Ombudsman

August 2003

## Will not Investigate Complaint

### Australian Banking Industry Ombudsman Limited

A.B.N. 48 050 070 034

Level 5, 31 Queens Street, Melbourne 3000  
GPO Box 3A, Melbourne 3001. DX 221 MELBOURNE  
Telephone: 1300 78 08 08 • Facsimile: (03) 9613 7345

Please Quote Case No: 63680

6 August 2003

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

Dear Mr Buckman

**ACN 006 035 301 Pty Ltd (formerly Basstech Pty Ltd) & National  
Australia Bank Limited**

I refer to your letter dated 9 July 2003 and attachments concerning your dispute with National Australia Bank Limited ("the bank").

#### Power to Consider the Dispute

The Banking Ombudsman Scheme ("ABIO") was established in 1989 to consider disputes from individuals. The jurisdiction of the Scheme was extended in 1998 to give the Ombudsman the power to consider disputes from incorporated entities engaged in small business.

A company search conducted in July 2003 indicates that Basstech Pty Ltd is a deregistered company.

When a company is deregistered, all rights, including the right to bring a claim on behalf of that company vest in the Australian Securities and Investments Commission. We are not able to investigate a complaint from a former director.

#### Conclusion

Accordingly, this office is unable to assist you further.

I enclose two brochures about the Banking Ombudsman scheme for your information.

#### Return of Documents

The information you provided with your letter contains a significant amount of personal information about third parties.






2

As this office is unable to investigate your complaint, it is not appropriate for us to retain this information.

Therefore, I am returning your CD-ROM and the paper attachments to your letter.

Yours faithfully



Terry Boocock  
Case Officer

enc

July 2003

**Request for Investigation of Unconscionable Conduct and Theft**

Reprinted from file 26<sup>th</sup> January 2004. Copies also sent to Frank Cicutto (National Australia Bank) and ITSA. The original was signed by Paul Alan Buckman.

Paul Buckman  
P.O. Box 120  
Tinamba Vic. 3859

Mobile: 0417 451 406  
Home: 03 5145 1406  
Email: [paul.buckman@bigpond.com](mailto:paul.buckman@bigpond.com)

9<sup>th</sup> of July 2003.

Banking Industry Ombudsman  
Chief Executive Officer  
GPO Box 3A  
MELBOURNE 3000

Dear Sir/ Madam,

I hereby request that the Banking Ombudsman investigate the matter of the unconscionable & criminal conduct of the National Australia Bank in the fraud against Basstech Pty Ltd acn 006 035 301. I further request that the Banking Ombudsman cause the sum of \$44,527.15 to be returned to my custody for dispersal to the legitimate creditors of Basstech Pty Ltd.

This matter relates to "Cash" cheques between the 1<sup>st</sup> of May 1998 and the 30<sup>th</sup> of November 1998 on cheques made payable to cash on "Not Negotiable" crossed cheques as promulgated in the "Cheques Act 1986" as amended.

Please find attached:

**Distribution Set # 1**

- An Audio CD containing a 20-minute presentation detailing the criminal conduct of the National Australia Bank.
- An itemised Distribution List that details the people that have received this information. Distribution Set #1 has been sent to each & every entity on that list including two copies to the National Australia Bank – Mr Frank Cicutto and the Chairman of the Board of Directors.
- Explanatory Note # 1 Timeline of Events, also attached is the National Australia Bank's reply to this distribution set - An interesting document indeed.

**Additional Evidence provided here**

- Explanatory Note # 4 Encashment Issues.
- Explanatory Note # 5 The true Financial Position of Basstech Pty Ltd
- A Statutory Declaration – This is an extract from Appendix 7 of my evidence to the Melbourne County Court in the case of the Queen Vs Brendan James Harty on the 1<sup>st</sup> of October 2001. Harty was convicted on my evidence to 2 years & nine months imprisonment with a non-parole period of 20 months.

This extract pertains to those cheques that form this request only. An information page (foldout A3) prefaces this extract and describes how to read the Cheque report (33 pages). Each page depicts one cheque. The last page of this extract is also an A3 fold out page that shows the National Australia Bank's Customer Service Record (their Authority to Transact Business form) for our company Account.

- The Sentence handed down by Judge White in this case.

As can be clearly seen from the evidence attached and noted above, this event was criminal in nature. If one looks at this evidence it is clearly obvious that the National Australia Bank had full knowledge of these fraudulent events as early as the 1<sup>st</sup> of May 1998 and upon numerous subsequent occasions as seen and noted by tellers comments upon the reverse of these cheques. The National Australia Bank chose not to act upon that information nor did they advise us of that criminal conduct occurring. This is in clear breach of the Cheques Act 1986 as amended. In addition these "cash" cheques were written on cheques stamped "Not Negotiable". Not Negotiable has implications upon

both the holder in due course and the capacity to transfer title. This is clearly illustrated in Explanatory Note #4.

Explanatory Note # 1      The Timeline of Events

This details the events as they unfolded & the statements made are referenced to source documents, Police Evidence, transcripts of recorded interviews between the thief and the Police Investigating Officers, National Australia Bank documentation and my evidence to the County Court.

Explanatory Note # 4 Encashment Issues

This document references the National Australia Bank's criminal conduct and details their breaches of law in particular against the "Cheques Act" 1986.

Explanatory Note # 5 The true Financial Position of Basstech Pty Ltd

Details my companies finances as they should have been had the National Australia Bank done no more than their statutory obligations under a number of Acts of Parliament. In particular but not limited to:

- The Cheques Act 1986 as amended
- The Australian Securities & Investments Commission Act 1989
- Financial Services Reform Act 2001
- Trade Practices Act 1974
- Corporations Act
- Crimes Act
- Criminal Code Act 1995

The National Australia Bank in effect gave away 25% of our cash receipts based upon forged signatures which they had detected, then when it became obvious that this conduct was instrumental in placing our company in an insolvent condition, the National Australia Bank proceeded to appoint a Receiver & Manager to liquidate the companies assets and bankrupt the directors & shareholders.

I request that you acknowledge this submission & advise a date when this designated sum will be returned to my custody. This sum of \$44,527.15 is purely a part recovery of moneys that the National Australia Bank illegally withholds from us, and under no circumstances will the recovery of this sum be considered a "Settlement or reparations" for the criminal, unconscionable or predatory conduct of the National Australia Bank by that bank against us.

Yours in the forlorn quest for Ethics, Equity, Fairness, Honesty, Integrity & Justice in the Banking System

Paul Buckman

Cc    Mr Philip Bezemer - The Public Trustee of the estate of Mr Paul Alan Buckman

# Australian Prudential Regulatory Authority

November 2007

Response to letter of the 4<sup>th</sup> of October 2007.

**Australian Prudential Regulation Authority**

400 George Street (Level 26) T 02 9210 3000  
Sydney NSW 2000 F 02 9210 3411  
GPO Box 9836 W www.apra.gov.au  
Sydney NSW 2001



Ref No 07/10703

16 November 2007

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

Dear Mr Buckman

**Complaint against the National Australia Bank (NAB)**

I refer to your letter of 4 October 2007 received on 29 October 2007, in which you request the Australian Prudential Regulation Authority (APRA) investigate what you believe to be fraudulent conduct against Basstech by the National Australia Bank.

Responsibility for the regulation of superannuation funds, other than self managed superannuation funds, rests with the Australian Prudential Regulation Authority (APRA). APRA is also responsible for the prudential supervision of banks, life and general insurance companies.

I have reviewed your correspondence to APRA over the past four years concerning a number of issues, including those matters related to your former company, Basstech Pty Ltd. I understand that your company was defrauded by your then financial controller and that subsequently, your company went into receivership, which obviously had an enormous impact on your life.

While APRA assesses fraud risk as part of its supervision framework, this is aimed at ensuring that the fraud detection and management systems are adequate for the scale and type of activity undertaken by the regulated entity. As part of this process, APRA takes into account the number and type of incident in forming a view on the adequacy of fraud risk management and, where relevant, the fitness and propriety of management, it is not the role of a prudential regulator to resolve outcomes in individual cases. Hence, APRA is not able to assist you in investigating the conduct of the bank in taking the actions it did. These are matters it is able to undertake as an exercise of its commercial activities, but they are not unlawful or matters of prudential concern.

I regret that I am not able to assist you further with resolving your concerns.

Yours sincerely

Alice Mantel  
Compliance & Governance - Secretary Group

Tel: 02 9210 3532  
Fax: 02 9210 3430

*Recd.  
23 Nov 2007.*

*February 2005*

**Email from Benjamin Stefanou to Buckman**

From: Stefanou, Benjamin [Benjamin.Stefanou@apra.gov.au]  
Sent: Friday, 25 February 2005 12:05 PM  
To: paul.buckman@bigpond.com  
Subject: RE: Information regarding cheques honoured by NAB

Mr Buckman, you can send this information to me directly at GPO Box 9836 Sydney NSW 2001, or via our Melbourne offices at GPO Box 9836, Melbourne Vic 3001.

Regards, Ben

-----Original Message-----

From: Stefanou, Benjamin  
Sent: Thursday, 24 February 2005 6:24 PM  
To: 'paul.buckman@bigpond.com'  
Cc: Bradley, Mark  
Subject: Information regarding cheques honoured by NAB

Dear Mr Buckman,

As discussed on the telephone, would you please provide APRA with additional information in relation to the cheques that you state were detected by the National Australia Bank as bearing forged signatures and yet were still honoured by the Bank.

I will further look into the issues raised by you when I have received this additional information. However, I must note, that in carrying out our responsibilities, APRA is unable to disclose information to you regarding the outcome of any investigation. As such I will not be able to disclose to you any concerns, or lack there of, we may have with the National Australia Bank in relation to the information you provide; but I assure you, we will fully investigate any prudential concerns that arise out of the information presented to us.

Kind regards, Ben

Benjamin Stefanou

Senior Analyst



Email from Benjamin Stefanou to Buckman ...continued

Diversified Institutions Division

Australian Prudential Regulation Authority

ph: 02 9210 3216

fax: 02 9210 3020

e-mail: [benjamin.stefanou@apra.gov.au](mailto:benjamin.stefanou@apra.gov.au)

October 2004

Response to letter of the 1<sup>st</sup> of October 2004

Australian Prudential Regulation Authority

400 George Street (Level 26) T 02 9210 3000  
Sydney NSW 2000 F 02 9210 3411  
GPO Box 9836 W www.apra.gov.au  
Sydney NSW 2001



7 October 2004

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

Dear Mr Buckman

Thank you for your letter of 1 October 2004 regarding your concerns in relation to the National Australia Bank (NAB).

As the prudential regulator of financial institutions, APRA's responsibilities include ensuring, to the extent possible, that financial institutions we regulate meet the financial promises they make to depositors, policyholders and superannuation fund members. In carrying out that function, we value any information you give us about the entities that we regulate, particularly:

- the financial health of the institutions we regulate;
- the prudent management of those institutions; and
- the possible failure by those institutions to comply with the laws which APRA administers.

We treat the information you give us confidentially. We will not inform anyone outside APRA, unless you authorise us to do so, except to the extent that we are required to by law.

Even where you have provided us with information, the Australian Prudential Regulation Authority Act (APRA Act) restricts the information we can disclose to you or to the public about the entities we regulate and about the action we take. So while you can expect us to take seriously the information you provide, we will probably be unable to give you much information about what we do about it.

I have referred your letter to the relevant APRA manager for review and a response will be forwarded once an examination of the issues raised is completed.

Yours sincerely

Paul Kennedy  
Compliance and Complaints Coordinator

Tel: 02 9210 3532  
Fax: 02 9210 3430  
paul.kennedy@apra.gov.au

Recd.  
12 Oct 2004

***No Response to any correspondence or contact prior to 7<sup>th</sup> of Oct 2004***

Phone contact made and also Campaign Set #1 sent 5<sup>th</sup> January 2003 plus other documentation etc.

# Reserve Bank of Australia

October 2004

Response to letter of 1<sup>st</sup> Oct 2004



65 Martin Place  
GPO Box 3947  
SYDNEY NSW 2001

## RESERVE BANK OF AUSTRALIA

### Secretary's Department

<http://www.rba.gov.au>

Facsimile (02) 9551 8041

Email [emanueld@rba.gov.au](mailto:emanueld@rba.gov.au)

Telephone (02) 9551 9700

In reply please quote *SD*  
Filename g:\man\shrt\_trm\letter - buckman.doc

6 October 2004

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

Dear Mr Buckman

I refer to your letter of 1 October 2004 concerning your dealings with the National Australia Bank.

The Reserve Bank is not empowered to intervene in disputes between banks and their customers. There is nothing that we can do for you in this context.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'David Emanuel'.

DH Emanuel  
Secretary

Recd.  
12 Oct 2004

January 2003

Acknowledgement of Campaign Set #1



65 Martin Place  
GPO Box 3947  
SYDNEY NSW 2001

Telephone (02) 9551 9701

In reply please quote *SD*  
Filename g:\man\shrt\_trm\letter - buckman.doc

RESERVE BANK OF AUSTRALIA

*Secretary's Department*

Facsimile (02) 9551 8041  
Email [secretary@rba.gov.au](mailto:secretary@rba.gov.au)

20 January 2003

Mr Paul Buckman  
PO Box 120  
TINAMBA VIC 3859

Dear Mr Buckman

This is to acknowledge receipt by the Reserve Bank of your letter of 5 January 2003,  
and enclosures, addressed to the Bank and various others.

Yours sincerely

A handwritten signature in blue ink, appearing to read "JF Butlin".

JF Butlin  
Deputy Secretary

23 JAN 2003 R