

Issued on : Monday 22 March 1998



ASIC

Australian Securities &
Investments Commission

SUPERANNUATION AGENT GAOLED

John Robert Houghton, a former director of Houghton and Associates Pty Ltd, was today sentenced on 26 Australian Securities and Investments Commission (ASIC) charges in the District Court and was given two years gaol with a minimum term of 18 months to be served.

Mr Houghton had previously had pleaded guilty to all charges that he fraudulently applied funds from wholesale superannuation investment pools for his own benefit totalling \$1.3 million.

The superannuation funds, collected from dozens of superannuation policy holders, was collected by Houghton and Associates for investing with both Mercantile Mutual Life Insurance and Prudential Corporation Australia Limited.

Prompt action taken by ASIC, Prudential and Mercantile Mutual last year had restored the financial position of dozens of superannuation policyholders who stood to lose their money as a result of actions by Mr Houghton.

Mr Houghton's conduct came to the attention of ASIC in July this year, when ASIC applied to the Federal Court for a receiver to be appointed to Houghton & Associates.

The court appointed a trustee over Mr Houghton's affairs.

ASIC NSW Regional Commissioner Jane Diplock said ASIC has an important role to play in superannuation matters especially where there is a risk of substantial losses to consumers.

"To maintain consumer confidence in the superannuation industry, it is vital that consumers can have faith that their contributions are invested in accordance with their policies," Ms Diplock said.

Houghton will be eligible for parole on 21 September 2000.

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Issued by:
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ASIC 99/073

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