



ASIC

Australian Securities &
Investments Commission

SENTINEL DIRECTOR GAOLED FOLLOWING ASIC/AFP INVESTIGATION

Former Melbourne financial adviser Allan McDonald Healy was today gaoled for five years, to serve no less than three years, on Australian Securities and Investments Commission (ASIC) charges that he dishonestly obtained and applied approximately \$3 million that had been entrusted to him by clients of the failed Victorian financial services group of companies known as Sentinel.

The monies represented the life savings of many of these clients who had intended that these funds be invested through their personal superannuation accounts to secure their retirement.

The court received evidence concerning the devastating effect that these crimes had upon the lives of these clients pursuant to Victoria's victim impact legislation.

The court described this evidence as "*chilling reading*".

The charges arose from a joint investigation undertaken by ASIC and the Australian Federal Police (AFP) into Sentinel which collapsed over a four month period in June 1997 with debts totalling just under \$20 million.

In sentencing Judge Nixon said that he accepted that Mr Healy was "*truly remorseful*" as demonstrated, in part, by his early plea of guilty and his assistance to various Commonwealth Law Enforcement Agencies.

His Honour said, however, that while these facts had resulted in "*a meaningful discount*" to Mr Healy's sentence that his conduct had "*decimated, if not destroyed*" his victims financial position in their retirement.

ASIC Victorian Regional Commissioner, Sue Carter said that this case demonstrated ASIC's commitment to undertake criminal proceedings against financial advisers who abuse their position of trust.

She noted that these crimes have severe consequences on their victims and that it is important that the community see that the perpetrators of such crimes are punished appropriately.

Colin Frederick Quarrell, the co-founder of Sentinel, is to be arraigned in the County Court next month on similar charges as those against Healy. This matter represents the first of three joint investigations that were conducted by ASIC and the AFP in Victoria during 1998 to be concluded in the courts.

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