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ASIC

Australian Securities &
Investments Commission

LEON GREGORY KAINE GAOLED FOR EIGHT MONTHS

Leon Gregory Kaine has been sentenced to eight months gaol after being found guilty in the Tasmanian Supreme Court in Burnie of obtaining goods by false pretences and being knowingly concerned with a company acting for a fraudulent purpose.

Mr Kaine, who set up North West Computers Software Pty Ltd (North West Computers) soon after he became bankrupt in July 1994, was also ordered to make restitution of \$16 393 within 18 months of his release from gaol.

The Australian Securities and Investment Commission (ASIC) began inquiries into North West Computers after receiving complaints from suppliers.

The suppliers delivered computer equipment to North West Computers after receiving falsified bank deposit forms suggesting that the company had deposited funds to the supplier's bank account.

In handing down his decision, Justice Crawford said that Mr Kaine had embarked on a deliberate course... [of dishonesty] and that imprisonment was the only appropriate sentence.

This conviction follows the successful prosecution of Mr Kaine in 1997 on an ASIC charge of fraud relating to his time as an officer of North West Computers. At that time Mr Kaine was given a three month suspended sentence, a three year good behaviour bond and fined \$1500.

Mr Kaine is facing further fraud charges in relation to the affairs of another computer retailer - Tascom Holdings Pty Ltd (Tascom) which traded as Aware Technologies.

ASIC has charged Mr Kaine with being knowingly concerned in defrauding Tascom creditors and customers of more than \$80 000 between November 1997 and May 1998. Tascom, which operated on the north-west coast of Tasmania, was placed into liquidation last year following the commencement of ASIC's investigation.

ASIC Tasmanian Regional Commissioner, Ian Johnston, welcomed the decision handed down by Justice Crawford.

"ASIC will continue to pursue unscrupulous and dishonest business people who misuse companies and thereby cause loss to suppliers and customers," said Mr Johnston.

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