



Australian Government

Takeovers Panel

# MEDIA RELEASE

No: TP24/39

Monday, 1 July 2024

## Sequoia Financial Group Limited – Declaration of Unacceptable Circumstances

The Panel has made a declaration of unacceptable circumstances (Annexure A) in relation to an application dated 15 May 2024 by Sequoia Financial Group Limited (**Sequoia**) in relation to its affairs (see [TP24/23](#)).

### Background

Sequoia is an ASX-listed company (ASX code: SEQ).

Mr Anthony Jones and his controlled entities including Cojones Pty Ltd (**Cojones**) and Vonetta Pty Ltd (**Vonetta**) (together, **A. Jones Group**) have a relevant interest in 17,019,470 Sequoia shares (12.94% of the issued voting shares).

Mr Brent Jones is the son of Anthony Jones. Brent Jones and his controlled entity Unrandom Pty Ltd (**Unrandom**) have a relevant interest in 10,724,746 Sequoia shares (8.15% of the issued voting shares).

Mr Michael Glennon is the Chairman of Glennon Small Companies Limited (**GC1**), an ASX-listed investment company for which Glennon Capital Pty Ltd acts as investment manager (together, **Glennon Capital**). Glennon Capital has a relevant interest in 8,644,723 Sequoia shares (6.57% of the issued voting shares).

On 4 April 2024, the following documents (among others) were sent to Sequoia:

- a section 249D notice signed by Anthony Jones and other members of the A. Jones Group and Glennon Capital (together, the **Requisitioning Shareholders**), requesting a general meeting of Sequoia's members to consider resolutions to appoint Brent Jones and Mr Peter Brook as directors of Sequoia and to remove Mr Garry Crole and Mr Kevin Pattison as directors of Sequoia (**Section 249D Notice**)
- a consent to act as a director of Sequoia signed by Brent Jones and dated 31 March 2024.

On 10 April 2024, a notice of initial substantial holder was sent to Sequoia stating (among other things) that the Requisitioning Shareholders had voting power in

13,970,308 Sequoia shares (10.65% of the issued voting shares) and stating an association between them *"because all holders are acting in concert to seek to compel the directors of SEQ (under Section 203D [sic] of the Corporations Act) to convene a meeting of SEQ's members to consider resolutions to remove Mr Garry Crole and Mr Kevin Pattison as directors of SEQ"*. Brent Jones and Unrandom were not included in the list of associates.

On 24 April 2024, in response to the Section 249D Notice, Sequoia's directors called a general meeting of members to be held on 4 June 2024 (**Meeting**)<sup>1</sup>.

On 14 May 2024, a notice of change of interests of substantial holder was received by Sequoia given on behalf of the Requisitioning Shareholders stating that there was a change in interests on 10 May 2024. The notice stated that:

- the Requisitioning Shareholders had voting power in 21,236,424 Sequoia shares (16.15% of the issued voting shares)
- the following changes in relevant interests had occurred via on market purchases:
  - between 4 April 2014 and 10 May 2024, Glennon Capital Pty Ltd as investment manager for GC1 had acquired 5,210,041 Sequoia shares
  - on 13 May 2024, Cojones had acquired 1,056,075 Sequoia shares and
  - on 13 May 2024, Vonetta had acquired 1,000,000 Sequoia shares.

On 14 and 15 May 2024, Glennon Capital acquired 218,762 and 3,500 Sequoia shares respectively (together with the acquisition of Sequoia shares by Glennon Capital, Cojones and Vonetta referred to above, the **Relevant Shares**)<sup>2</sup>.

On 5 June 2024, the Meeting occurred at which none of the four resolutions were passed.<sup>3</sup> On 7 June 2024, A. Jones Group and Glennon Capital each lodged substantial holder notices noting that they had ceased to be associated with each other following the Meeting and disclosing voting power of 12.90% and 6.56% respectively.

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<sup>1</sup> The Meeting was subsequently rescheduled to 5 June 2024 at the request of the Panel in connection with undertakings accepted by the Panel: see [TP24/31](#) "Sequoia Financial Group Limited – Panel Accepts Undertakings"

<sup>2</sup> The Relevant Shares represent approximately 5.69% of the issued voting shares

<sup>3</sup> In accordance with undertakings accepted by the Panel (see footnote 1), Sequoia disregarded the exercise of voting rights attached to the Relevant Shares at the Meeting

## Association

Considering the whole of the material, and drawing appropriate inferences, the Panel considers that:

- the association between the Requisitioning Shareholders went beyond convening the Meeting and extended to their being associated also in relation to voting at the Meeting
- by no later than 31 March 2024,<sup>4</sup> for the purpose of controlling or influencing the composition of Sequoia's board and the conduct of Sequoia's affairs each of Brent Jones and Anthony Jones and Brent Jones and Glennon Capital:
  - had a relevant agreement and became associated under section 12(2)(b) or
  - were acting in concert in relation to Sequoia's affairs and became associated under section 12(2)(c).

## Declaration

The Panel considered that the circumstances were unacceptable because (among other things) there have been contraventions of s606 and the substantial holder provisions as a result of the acquisition of the Relevant Shares by Glennon Capital, Cojones and Vonetta in light of the associations referred to above.

The Panel did not consider it against the public interest to make the declaration, and in making it had regard to the matters in s657A(3).

## Orders

The Panel is still considering the application in relation to orders.

The sitting Panel is Con Boulougouris, Stephanie Charles and Denise McComish (sitting President).

The Panel will publish its reasons for the decision in due course on its website [www.takeovers.gov.au](http://www.takeovers.gov.au).

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<sup>4</sup> Being the date Brent Jones signed the consent to act as a director of Sequoia attached to the Section 249D Notice



**Australian Government**

**Takeovers Panel**

**ANNEXURE A**

**CORPORATIONS ACT**

**SECTION 657A**

**DECLARATION OF UNACCEPTABLE CIRCUMSTANCES**

**SEQUOIA FINANCIAL GROUP LIMITED**

**BACKGROUND**

1. Sequoia Financial Group Limited (**Sequoia**) is an ASX-listed company (ASX code: SEQ).
2. As at 15 May 2024, the directors of Sequoia are Mr Charles Sweeney (non-executive chairman), Mr John Larsen (non-executive director), Mr Kevin Pattison (non-executive director) and Mr Garry Crole (CEO and managing director).<sup>1</sup>
3. Sequoia has 131,507,791 voting shares on issue.<sup>2</sup>
4. Mr Anthony Jones and his controlled entities listed below (together, **A. Jones Group**) have a relevant interest in 17,019,470 Sequoia shares (12.94% of the issued voting shares), held as follows:
  - (a) 817,620 Sequoia shares (0.62% of the issued voting shares) held by Tarakita Pty Ltd <Jones Property A/C> (**Tarakita**)<sup>3</sup>
  - (b) 8,847,004 Sequoia shares (6.73% of the issued voting shares) held by Cojones Pty Ltd <Jones Family No 2 A/C> (**Cojones**)<sup>4</sup>
  - (c) 1,549,952 Sequoia shares (1.18% of the issued voting shares) held in his personal capacity
  - (d) 3,564,894 Sequoia shares (2.71% of the issued voting shares) held by Toclo Investments Pty Ltd <TLC Investment A/C> (**Toclo**)<sup>5</sup> and

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<sup>1</sup> On 16 May 2024 (being the day after the date of the application), Sequoia announced that John Larsen had resigned effective immediately

<sup>2</sup> All figures are as at 15 May 2024 unless otherwise stated

<sup>3</sup> Anthony Jones is the sole shareholder and sole director of Tarakita

<sup>4</sup> Anthony Jones is the sole shareholder and sole director of Cojones

<sup>5</sup> Anthony Jones is the sole shareholder and sole director of Toclo

- (e) 2,240,000 Sequoia shares (1.70% of the issued voting shares) held by Vonetta Pty Ltd <TRBC S/F A/C> (**Vonetta**).<sup>6</sup>
5. Mr Brent Jones is the son of Anthony Jones.
  6. Brent Jones and his controlled entity Unrandom Pty Ltd (**Unrandom**)<sup>7</sup> have a relevant interest in 10,724,746 Sequoia shares (8.15% of the issued voting shares).
  7. Anthony Jones and Brent Jones were the directors and shareholders of InterPrac Ltd (**InterPrac**). Sequoia acquired InterPrac in 2017. Following the sale, Brent Jones became a management employee of the Sequoia group as the head of Sequoia's professional services division.<sup>8</sup>
  8. Brent Jones assists Anthony Jones in the administration of A. Jones Group's holdings.
  9. Brent Jones is also a director of Vonetta.
  10. Mr Michael Glennon is the Chairman of Glennon Small Companies Limited (**GC1**), an ASX-listed investment company for which Glennon Capital Pty Ltd acts as investment manager (together, **Glennon Capital**).
  11. Glennon Capital has a relevant interest in 8,644,723 Sequoia shares (6.57% of the issued voting shares).
  12. On 14 June 2023, Brent Jones sent an email to the non-executive directors of Sequoia, copied to Anthony Jones, stating (among other things) that he no longer supported Garry Crole acting as CEO. Anthony Jones sent a 'reply all' email indicating he agreed with Brent Jones's email.
  13. On 13 March 2024, Michael Glennon contacted Brent Jones via telephone outlining his intention to remove Garry Crole as CEO of Sequoia and to change the board structure. Brent Jones suggested that Michael Glennon should discuss his proposed strategy with Anthony Jones. Further text message and email correspondence was exchanged between Brent Jones, Anthony Jones and Michael Glennon from this time through to May 2024.
  14. On 15 March 2024, Michael Glennon told Charles Sweeney in a telephone call that he was *"close to owning 5% of Sequoia and that when he does he is going to call a shareholder meeting to vote Garry out."* Michael Glennon also said he *"has spoken to a large proportion (around 40%) of our share register and believes he has their support."*

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<sup>6</sup> Anthony Jones is a 50% shareholder and a director of Vonetta

<sup>7</sup> Brent Jones is a 50% shareholder and a director of Unrandom

<sup>8</sup> Until 9 May 2024, when Sequoia suspended Brent Jones's employment. On 13 June 2024, Brent Jones's employment with Sequoia ceased

## CIRCUMSTANCES

15. On 31 March 2024, Brent Jones signed a consent to act as a director of Sequoia.
16. On 3 April 2024, Cojones, Attenov Pty Ltd as trustee for the Vonetta Superannuation Fund, Vonetta, Glennon Capital and Anthony Jones (the **Requisitioning Shareholders**) gave a section 203D notice to Sequoia, stating their intention to move resolutions for the removal of Garry Crole and Kevin Pattison as directors of Sequoia.
17. On 4 April 2024, Michael Glennon sent an email to Garry Crole and Charles Sweeney attaching the following documents:
  - (a) a section 249D notice signed by the Requisitioning Shareholders, requesting a general meeting of Sequoia's members to consider resolutions to appoint Brent Jones and Peter Brook as directors of Sequoia and to remove Garry Crole and Kevin Pattison as directors of Sequoia (**Section 249D Notice**)
  - (b) the consent to act as a director of Sequoia signed by Brent Jones and dated 31 March 2024
  - (c) a consent to act as a director of Sequoia signed by Peter Brook and dated [blank day] April 2024 and
  - (d) an unsigned page commencing "*Dear Shareholders*" (**Statement by Requisitioning Shareholders**).
18. The Statement by Requisitioning Shareholders contains statements about plans and objectives that "*we*" have for changes to the business and governance of Sequoia, including that "*The new directors will improve corporate governance and ensure the significant cash balance available to Sequoia doesn't result in a repeat of the acquisitions like Sharecafe.*" The statement also includes biographical information about "*our proposed directors*", namely Peter Brook and Brent Jones.
19. On 10 April 2024, a notice of initial substantial holder (**Requisitionists' Form 603**) was sent to Sequoia naming the Requisitioning Shareholders as having become substantial holders of Sequoia on 2 April 2024 and stating an association between them "*because all holders are acting in concert to seek to compel the directors of SEQ (under Section 203D [sic] of the Corporations Act) to convene a meeting of SEQ's members to consider resolutions to remove Mr Garry Crole and Mr Kevin Pattison as directors of SEQ*".
20. Brent Jones and Unrandom were not included in the list of associates.
21. The Requisitionists' Form 603 stated that:
  - (a) the Requisitioning Shareholders had voting power in 13,970,308 Sequoia shares (10.65% of the issued voting shares) and

- (b) Glennon Capital Pty Ltd acquired 3,240,042 shares in Sequoia (2.47% of the issued voting shares) on behalf of GC1 in the period of 26 February 2024 to 21 March 2024.
22. The Requisitionists' Form 603 did not disclose the A. Jones Group shares in Sequoia held by Toclo and Tarakita.<sup>9</sup>
23. On 24 April 2024, in response to the Section 249D Notice, Sequoia's directors called a general meeting of members to be held on 4 June 2024 (**Meeting**)<sup>10</sup>.
24. On 14 May 2024, a notice of change of interests of substantial holder (**Requisitionists' Form 604**) was received by Sequoia, given on behalf of the Requisitioning Shareholders stating that there was a change in interests on 10 May 2024. The Requisitionists' Form 604 stated that:
- (a) the Requisitioning Shareholders had voting power in 21,236,424 Sequoia shares (16.15% of the issued voting shares)<sup>11</sup>
- (b) the following changes in relevant interests had occurred via on market purchases:
- (i) between 4 April 2024 and 10 May 2024, Glennon Capital Pty Ltd as investment manager for GC1 had acquired 5,210,041 Sequoia shares
- (ii) on 13 May 2024, Cojones had acquired 1,056,075 Sequoia shares and
- (iii) on 13 May 2024, Vonetta had acquired 1,000,000 Sequoia shares.
25. On 14 and 15 May 2024, Glennon Capital acquired 218,762 and 3,500 Sequoia shares respectively (together with the Sequoia shares referred to in paragraph 24(b), the **Relevant Shares**)<sup>12</sup>.
26. On 5 June 2024, the Meeting occurred at which none of the four resolutions were passed.<sup>13</sup>
27. On 7 June 2024, A. Jones Group and Glennon Capital each lodged substantial holder notices noting that they had ceased to be associated with each other

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<sup>9</sup> This is admitted to have been an error and was corrected on 7 June 2024

<sup>10</sup> The Meeting was subsequently rescheduled to 5 June 2024 at the request of the Panel in connection with the undertakings announced in its media release of 3 June 2024

<sup>11</sup> The Requisitionists' Form 603 did not disclose the A. Jones Group shares in Sequoia held by Toclo and Tarakita: see footnote 9

<sup>12</sup> The Relevant Shares represent approximately 5.69% of the issued voting shares

<sup>13</sup> In accordance with undertakings accepted by the Panel as announced in its media release of 3 June 2024, Sequoia disregarded the exercise of voting rights attached to the Relevant Shares at the Meeting. None of the resolutions at the Meeting would have been passed even if the disregarded votes attached to the Relevant Shares had been included in the polling of shareholders

following the Meeting and disclosing voting power of 12.90% and 6.56% respectively.

### **Association**

28. Considering the whole of the material, and drawing appropriate inferences, the Panel considers that:
- (a) the association between the Requisitioning Shareholders went beyond convening the Meeting<sup>14</sup> and extended to their being associated also in relation to voting at the Meeting
  - (b) by no later than 31 March 2024,<sup>15</sup> for the purpose of controlling or influencing the composition of Sequoia's board and the conduct of Sequoia's affairs:
    - (iv) Brent Jones and Anthony Jones
      - (A) had a relevant agreement and became associated under section 12(2)(b) or
      - (B) were acting in concert in relation to Sequoia's affairs and became associated under section 12(2)(c) and
    - (v) Brent Jones and Glennon Capital
      - (A) had a relevant agreement and became associated under section 12(2)(b) or
      - (B) were acting in concert in relation to Sequoia's affairs and became associated under section 12(2)(c).

### **Contraventions of section 606**

29. As a result of the acquisition of the Relevant Shares, the combined voting power of Unrandom, A. Jones Group and Glennon Capital in Sequoia increased from approximately 22.20% to approximately 27.84%<sup>16</sup>. None of the exceptions in section 611 applied and accordingly section 606 was contravened by each of Glennon Capital, Cojones and Vonetta.

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<sup>14</sup> See paragraph 19

<sup>15</sup> Being the date Brent Jones signed the consent to act as a director of Sequoia attached to the Section 249D Notice

<sup>16</sup> Sequoia's issued voting shares increased by 350,000 shares between 4 April 2024 and 15 May 2024



### **Contravention of section 671B**

30. In contravention of section 671B, Unrandom, A. Jones Group and Glennon Capital have failed to give substantial holder notices fully disclosing their association including their combined voting power in Sequoia.
31. In contravention of section 671B, the Requisitioning Shareholders failed to fully disclose the extent of their association in Sequoia.

### **EFFECT**

32. The Panel considers that:
  - (a) the acquisition of control over voting shares in Sequoia has not taken place in an efficient, competitive and informed market and
  - (b) the holders of shares in Sequoia and the market in general do not know the identity of persons who have acquired a substantial interest in Sequoia.

### **CONCLUSION**

33. It appears to the Panel that the circumstances are unacceptable circumstances:
  - (a) having regard to the effect that the Panel is satisfied they have had and are having on:
    - (vi) the control, or potential control, of Sequoia or
    - (vii) the acquisition, or proposed acquisition, by a person of a substantial interest in Sequoia
  - (b) in the alternative, having regard to the purposes of Chapter 6 set out in section 602
  - (c) in the further alternative, because they constituted or constitute a contravention of a provision of Chapter 6 or of Chapter 6C.
34. The Panel considers that it is not against the public interest to make a declaration of unacceptable circumstances. It has had regard to the matters in section 657A(3).

## **DECLARATION**

The Panel declares that the circumstances constitute unacceptable circumstances in relation to the affairs of Sequoia.

**Tania Mattei**  
**General Counsel**  
**with authority of Denise McComish**  
**President of the sitting Panel**  
**Dated 28 June 2024**