



Australian Securities & Investments Commission (ASIC)

# MEDIA RELEASE



Tuesday, 11 October 2016

16-344MR

## ASIC appoints Morgan Stanley to sell shares in Sovereign Gold Company Ltd

ASIC has appointed Morgan Stanley Wealth Management Australia Pty Ltd (Morgan Stanley) to sell 22,901,234 ordinary shares (Sale Shares) in Sovereign Gold Company Limited (SOC).

The sale follows a decision by the Takeovers Panel (the Panel) to vest the shares in the Commonwealth for sale by ASIC. The shares represent approximately 1.62% of SOC's issued capital.

The sale process will follow the requirements specified in the Panel's orders which are included in [ASIC's letter](#) provided to the ASX on 27 July 2016. Under the orders:

- Morgan Stanley will determine the most appropriate sale method to secure the best available sale price for the Sale Shares that is reasonably available and will dispose of the shares no later than 3 months from today's appointment;
- each of Applabs Technologies Limited, Patrick Glovac, Rocco Tassone and Charles Thomas and their respective associates are not permitted to directly or indirectly purchase any of the shares; and
- prospective purchasers must provide a statutory declaration that they are not associated with Applabs Technologies Limited, Patrick Glovac, Rocco Tassone or Charles Thomas – unless the shares are sold on market.

Inquiries about the sale process should be directed to:

Brian Mallon  
Morgan Stanley Wealth Management  
Tel: (03) 9188 2247

### Background

On 8 July 2016, the Panel made a declaration of unacceptable circumstances in respect of an application dated 9 June 2016 which related to the affairs of SOC.

The declaration was made on the basis that Applabs Technologies Limited, Patrick Glovac, Rocco Tassone and Charles Thomas (the Associated Parties) were associates:

- 1) under s12(2)(b) of the *Corporations Act 2001* (Corporations Act) for the purpose of controlling or influencing the composition of SOC's board; or
- 2) under s12(2)(c) of the Corporations Act in relation to the affairs of SOC.

The Panel considered that the Associated Parties' voting power in SOC increased from below the 20% threshold in s606 to more than 20% as a result of a share acquisition by Charles Thomas (through his company, Mounts Bay Investments Pty Ltd) on 13 April 2016 which occurred without using one of the exceptions in s611. The Panel further considered that the Associated Parties' voting power in SOC increased from a starting point above 20% and below 90% as a result of share acquisitions by Rocco Tassone (through his company, Syracuse Capital Pty Ltd) on 14 and 15 April 2016 which occurred without using one of the exceptions in s611.

The Panel also considered that the combined voting power of the Associated Parties with respect to SOC had not been disclosed in accordance with Chapter 6C of the Corporations Act.

The Panel ordered that the 10,000,000 shares acquired by Mounts Bay Investments Pty Ltd on 13 April 2016 and a total of 12,901,234 shares acquired by Syracuse Capital Pty Ltd on 14 and 15 April 2016, in contravention of s606, be vested in ASIC to sell. Under the orders, the shares are to be sold by a broker and the proceeds to be accounted to Mounts Bay Investments Pty Ltd and Syracuse Capital Pty Ltd net of costs, fees and expenses incurred by ASIC and the Commonwealth.

On 31 March 2015, following a public tender process, ASIC entered into a deed of standing offer with Morgan Stanley for the provision of stockbroking services. As Morgan Stanley was able to provide ASIC with a statutory declaration that it was not aware of any conflict of interests, it has been appointed to sell the SOC shares under the standing arrangement.