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ASIC

Australian Securities &
Investments Commission

6 MONTHS GAOL FOR BANNED COMPANY DIRECTOR

– [see editor's note](#)

Banned Kirrawee company director, Roland Kerkmez, has been sentenced in St James Local Court to six months gaol on Australian Securities and Investments Commission (ASIC) charges.

On 6 April 1999, Mr Kerkmez pleaded guilty to managing Videoland Pty Ltd and Videoland Enterprises Pty Ltd within 5 years of being convicted of serious fraud.

Mr Kerkmez was convicted of defrauding the Commonwealth in 1993 and therefore automatically banned under the Corporations Law from being involved in the management of a company for five years.

Videoland Pty Ltd and Videoland Enterprises Pty Ltd operated video rental businesses at Caringbah, Fairfield, Marrickville, Liverpool and Karreela.

Liquidators were appointed to both companies on 10 December 1996, with the resulting liquidations leaving unpaid creditors, many of whom were small businesses, owed approximately \$675 000.

Mr Kerkmez has appealed against the severity of the sentence and has been granted bail on condition that he resides at a given address, reports to Menai Police Station each Monday, does not possess a passport and does not leave Australia.

If Mr Kerkmez fails to comply with the conditions he will forfeit \$10,000.

ASIC NSW Regional Commissioner Jane Diplock said prosecuting directors who continue to manage companies whilst banned, either through bankruptcy or criminal conviction, is an important part of ASIC's Small Business Program.

“This sentence sends a salient message that the Courts and ASIC will not tolerate such behaviour.”

The matter was prosecuted by the Commonwealth Director of Public Prosecutions.

Editors note: Mr Kerkmez subsequently appealed against the severity of the sentence. In August 1999, the jail sentence was set aside and a sentence of 400 hours of community service substituted.

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