

Complaint letter by David Millhouse in 2005 handed to ASIC & APRA.

Victims of Financial Fraud (VOFF) made a Freedom of Information request (October 2020) for the complaint letter Mr David Millhouse provided The Australian Prudential Regulation Authority (APRA) in 2005. The letter addressed to the Astarra Board Joint Managing Directors, dated 9/8/2005, raised concerns about Astarra's management. Copies were sent to ASIC and APRA.

APRA refused access (January 2021) citing section 38 of the FOI Act and section 56 of the APRA Act. Unable to proceed with APRA, VOFF wrote (January 2021) to the Office of the Australian Information Commission (OAIC). See [document FOI 21-36 Notice of Decision.pdf](#)

The same request was lodged with the Australian Securities and Investments Commission (ASIC) (January 2021). ASIC replied saying it could not find such a document or it does not exist.

The Trio victims' limited knowledge of Mr Millhouse was based on ASIC and APRA statements in a 10-page enforceable undertaking (EU), issued on 29 October 2013, and which prevented Mr Millhouse from working in the finance industry for 10-years.

In recent years the financial community has shown an interest in Mr Millhouse's research, for example,

- In January 2019, The Australian Financial Review's Chanticleer wrote that David Millhouse, a former director of Astarra, was awarded a Phd by the faculty of law at Bond University for his thesis on the '*Systemic and Cultural Failure in the Australian Financial Services Market*'.¹
- In March 2019 Mr Millhouse, the founder of Legal Analytics, appeared on 'Your Money' with Ticky Fullerton.²
- The LexisNexis publication: David Millhouse, '*Corporate Governance in Non-Bank Financial Entities*' 2019.

Actions and inactions of ASIC and APRA.

The 2018 – 2019 Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (FSRC) and the Productivity Commission (PC) found ASIC and APRA reluctant to act against misconduct in banking, superannuation and financial services industry.

APRA failed to act against Trio's many red flags. VOFF regard Mr Millhouse's 2005

¹ David Millhouse, The Australian Financial Review Chanticleer article, 'Hayne's legal reform challenge'.

² Mr Millhouse talks with the editor of YourMoney.com.au Aleks Vickovich
<https://www.youtube.com/watch?v=xISnqERYa6Q>

complaint letter as a red flag. VOFF regard his complaint letter as a vital key to the understanding of the background events that eventually became the largest superannuation fraud in Australia's history. His concerns covered, *related party transactions, conflicts of interest, corporate governance, and the value of collateral, being a portfolio of unregulated US securities provided by the principals of the Astarra shareholder to support the acquisition financing.*³

When Mr Millhouse provided APRA with a copy, APRA was conducting a prudential review of Trio. So he was satisfied APRA would deal with the problems. It wasn't until about 8-years later that he discovered that APRA didn't act on his letter. It's in the public's interest to learn how APRA handled this matter, because there was at least two other complaints either side of the Millhouse letter. First the 2004 conflict of Mr Richard's position, and secondly in 2006 APRA had reached the conclusion that the Trio directors were a 'bunch of incompetents'.⁴ When APRA was asked why it didn't inform consumers, APRA's Ross Jones said, APRA had no obligation to inform the Market.⁵

- Did Mr Millhouse's 2005 letter warn of the bunch of incompetent directors and forewarn of behaviour that developed into fraudulent behaviour?

On 31 August 2022 VOFF requested from ASIC, the document of any response to Mr Millhouse's letter including any other responses to complaints made about Astarra / Trio Capital, (held by ASIC) from the period Jan 2006 to July 2009. See [documents '20220927 FOI 163-2022 - Decision'.pdf](#)

and

['Document 01 - FOI 163-2022 - ASIC letter 20080902 - RELEASED VERSION'.pdf](#)

Mr Millhouse did provide a first hand witness account of a company that collapsed 4-years later. The Trio victims deserve to know why APRA didn't act.

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Secretary

Victims of Financial Fraud

³ David Millhouse 'Corporate Governance in Non-Bank Financial Entities' LexisNexis Australia 2019 Pages xvii and xviii

⁴ Hansard Parliamentary Joint Committee on Corporations and Financial Services - Collapse of Trio Capital. (30.8.2011) Syd. p38

⁵ July 5, 2012 VOFF delegation attended a meeting APRA's office in Market St. attended by the then Superannuation Minister, Bill Shorten, APRA's Ross Jones and ASIC's Greg Medcraft.