

## NOTICE OF FILING AND HEARING

This document was lodged electronically in the FEDERAL COURT OF AUSTRALIA (FCA) on 6/12/2020 10:55:59 PM AEDT and has been accepted for filing under the Court's Rules. Filing and hearing details follow and important additional information about these are set out below.

### Filing and Hearing Details

|                            |  |
|----------------------------|--|
| Document Lodged:           | Originating process (Rule 2.2): Federal Court (Corporations) Rules 2000 form 2 |
| File Number:               | VID773/2020  |
| File Title:                | AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v ISIGNTHIS LIMITED & ANOR    |
| Registry:                  | VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA                                 |
| Reason for Listing:        | To Be Advised  |
| Time and date for hearing: | To Be Advised  |
| Place:                     | To Be Advised  |



A handwritten signature in blue ink that reads 'Sia Lagos'.

Dated: 7/12/2020 8:44:54 AM AEDT

Registrar

### Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The Reason for Listing shown above is descriptive and does not limit the issues that might be dealt with, or the orders that might be made, at the hearing.

The date and time of lodgment also shown above are the date and time that the document was received by the Court. Under the Court's Rules the date of filing of the document is the day it was lodged (if that is a business day for the Registry which accepts it and the document was received by 4.30 pm local time at that Registry) or otherwise the next working day for that Registry.

Form 15  
Rules 8.01(1); 8.04(1)



## Originating application

No.      of 2020

Federal Court of Australia  
District Registry: Victoria  
Division: General

### AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

### ISIGNTHIS LIMITED (ACN 075 419 715) and another named in the schedule

Defendants

To the Defendants

The Plaintiff applies for the relief set out in this application.

The Court will hear this application, or make orders for the conduct of the proceeding, at the time and place stated below. If you or your lawyer do not attend, then the Court may make orders in your absence.

You must file a notice of address for service (Form 10) in the Registry before attending Court or taking any other steps in the proceeding.

**Time and date for hearing:**

**Place:** Federal Court of Australia, 305 William Street, Melbourne VIC 3000

The Court ordered that the time for serving this application be abridged to

Date:

Signed by an officer acting with the authority  
of the District Registrar

Filed on behalf of (name & role of party)      Australian Securities and Investments Commission, Plaintiff

Prepared by (name of person/lawyer)      Andrew Harpur

Law firm (if applicable)      Ashurst Australia

Tel      (03) 9679 3896      Fax      (03) 9679 3111

Email      [andrew.harpur@ashurst.com](mailto:andrew.harpur@ashurst.com)

**Address for service**      Level 26, 181 William Street, Melbourne VIC 3000  
(include state and postcode)



## Details of claim

On the grounds stated in the statement of claim the Plaintiff claims:

1. A declaration that, by representing on 3 August 2018 that the First Defendant's revenue for one-off integration and set-up fees in the period 1 April 2018 to 30 June 2018 accounted for less than 15% of the total revenue in that period, the First Defendant engaged in conduct that was misleading or deceptive, in contravention of section 1041H of the Corporations Act.
2. A declaration pursuant to section 1317E of the Corporations Act that the First Defendant contravened section 674(2) of the Corporations Act on and from 18 June 2018, alternatively 19 July 2018 or 31 July 2018, continuing until 15 November 2019, alternatively until 26 November 2019, by failing to notify the ASX that, in the final quarter to 30 June 2018:
  - (a) it had recognised approximately \$3 million in revenue for one-off integration and set-up services; and
  - (b) it had incurred approximately \$2.85 million in one-off costs for out-sourcing services.
3. A declaration pursuant to section 1317E of the Corporations Act that the First Defendant contravened section 674(2) of the Corporations Act on and from 17 April 2020 continuing until 17 August 2020, alternatively 24 May 2020, by failing to notify the ASX that VISA had decided to terminate its relationship with iSignthis eMoney Ltd and the First Defendant in accordance with the VISA Rules (the **VISA Termination Decision**).
4. A declaration pursuant to section 1317E of the Corporations Act that the First Defendant contravened section 674(2) of the Corporations Act on and from 17 April 2020 continuing until 26 October 2020 by failing to notify the ASX that the reasons for the VISA Termination Decision were that:
  - (a) the First Defendant's response to the 6 March 2020 suspension letter had "not allayed the concerns outlined in the Suspension Letter";
  - (b) VISA had obtained further evidence that "iSignThis is not operating appropriate programs to manage Anti-Money Laundering and Risk";
  - (c) the First Defendant's transaction monitoring program was "not fit-for-purpose" and "had failed to identify unusual transactional behaviour"; and
  - (d) VISA's relationship with the First Defendant presented an excessive level of risk.



5. Declarations that the contraventions referred to in 2 to 4 above are serious within the meaning of section 1317G(1)(b)(iii) of the Corporations Act.
6. Orders pursuant to subsection 1317G(1) of the Corporations Act that the First Defendant pay to the Commonwealth a pecuniary penalty in respect of the contraventions referred to in 2 to 4 above.
7. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant was involved in the contravention referred to at 2 above and thereby contravened section 674(2A) of the Corporations Act.
8. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant gave or authorised the giving of information to the ASX in letters dated 25 May 2020 and 17 August 2020 relating to the affairs of the First Defendant that was false or misleading and/or misleading in a material respect by reason of omissions, without having taken reasonable steps to ensure that the information was not so false or misleading, in contravention of sections 1309(2) and (12) of the Corporations Act.
9. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant contravened section 180 of the Corporations Act in respect of the contravention referred to in 1 above.
10. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant contravened section 180 of the Corporations Act in respect of the contravention referred to in 2 above.
11. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant contravened section 180 of the Corporations Act in respect of the contravention referred to in 3 above.
12. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant contravened section 180 of the Corporations Act in respect of the contravention referred to in 4 above.
13. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant contravened section 181 of the Corporations Act.
14. A declaration pursuant to section 1317E of the Corporations Act that the Second Defendant contravened section 182 of the Corporations Act.
15. In respect of the contraventions referred to in 8 to 14 above, orders pursuant to section 206C of the Corporations Act that the Second Defendant be disqualified from managing corporations for a period that the Court considers appropriate.



16. Alternatively to 15, in respect of the contraventions referred to in 7 to 14 above, orders pursuant to section 206E(1)(a)(ii) of the Corporations Act that the Second Defendant be disqualified from managing corporations for a period that the Court considers appropriate.
17. Alternatively to 16, in respect of the contraventions referred to in 1 to 4 and 10 to 12 above, orders pursuant to section 206E(1)(a)(i) of the Corporations Act that the Second Defendant be disqualified from managing corporations for a period that the Court considers appropriate.
18. Declarations that the contraventions referred to in 7 to 14 above are serious within the meaning of section 1317G(1)(b)(iii) of the Corporations Act.
19. A declaration that the contraventions referred to in 13 and 14 above materially prejudiced the interests of the First Defendant's shareholders within the meaning of section 1317G(1)(b)(i) of the Corporations Act.
20. Orders pursuant to section 1317G(1) of the Corporations Act that the Second Defendant pay to the Commonwealth a pecuniary penalty in respect of the contraventions referred to in 7 to 14 above.
21. Costs.
22. Such further or other orders as the Court see fit.

### **Plaintiff's address**

The Plaintiff's address for service is:

Place: Ashurst Australia, Level 26, 181 William Street, Melbourne VIC 3000

Email: [andrew.harpur@ashurst.com](mailto:andrew.harpur@ashurst.com)

The Plaintiff's address is Level 7, 120 Collins Street, Melbourne VIC 3000

### **Service on the Defendant**

It is intended to serve this application on all Defendants.



Date: 6 December 2020

A handwritten signature in blue ink, appearing to read 'Andrew Harpur'.

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Signed by Andrew Harpur  
Lawyer for the Plaintiff



## Schedule

No. of 2020

Federal Court of Australia  
District Registry: Victoria  
Division: General

### Defendants

First Defendant: iSignthis Limited (ACN 075 419 715)  
Second Defendant: Nickolas John Karantzis