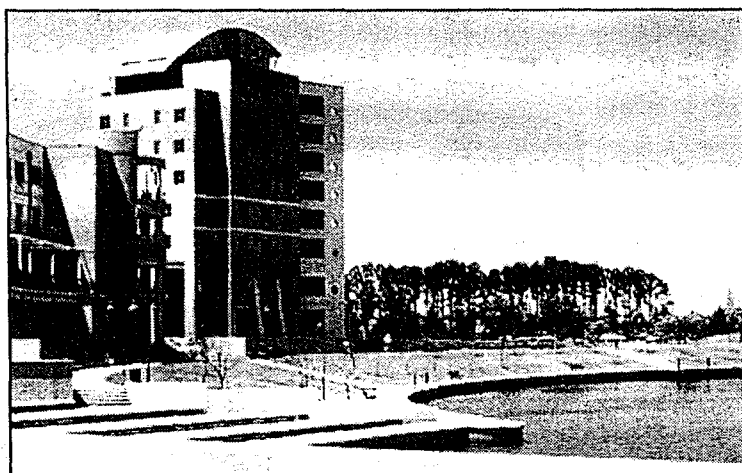


# How my mistakes can help businesses of the future



EXCLUSIVE

By ALAN BOND



One of the finest: Bond University, making its mark at the top

LAST week, I described life in Western Australia's Casuarina maximum-security prison, where I had spent 18 months of my 3.8 years of incarceration at Her Majesty's pleasure.

To survive in this hostile environment, it was necessary to adapt to the circumstances in which I found myself as a result of my conviction on the La Promenade painting charge in 1996, by using the man-management skills I had learnt in my 40-year business life and in managing four America's Cup campaigns.

A few months after this first case, I was abruptly confronted with the prospect of a second case, incorrectly referred to by the media as The Bell Resources Case.

In fact, the charges related to Freefold Pty Ltd, a subsidiary of Weeks Petroleum, which in turn is a subsidiary of Bell Resources.

There were seven charges, but

these were reduced in a plea bargain to two charges under Section 229 of the Companies Act, of failing to act in the interests of shareholders.

I didn't have the strength to endure a court case that would have run for at least six months, so a plea bargain was agreed on the

basis that I would plead guilty to two charges and the Crown would have sole right of the public statement to be put to the court.

The alternative of a lengthy trial may well have ended my life. The media has continued to report wrongly that the case was about \$1.2 billion stolen from Bell Re-

## Spreading the light

BOND University was established to stand shoulder to shoulder with the best of the private universities of Northern America and Europe.

Already Bond University has become the number one law school in Australia.

By encouraging overseas students, they are already seeing an alumni spreading throughout Asia and other parts of the world.

This in turn promotes opportunities for trade and understanding at a level where self-development for the individual student has been recognised and developed. Australians need a

greater understanding of the cultures and personalities of our neighbours in the Asian market.

If we are to continue to prosper in these regions, we need a greater understanding from their perspective of how we can further mutual trade opportunities.

Bond University plays a major part in bringing together Australians and students from these countries, which in the future, like the great universities of America like Wharton, Harvard and Stanford, will create a contact availability second to none.

— ALAN BOND

sources. This is completely incorrect.

At no time was it even suggested that I had stolen money from these companies.

The charge to which I pleaded guilty was that I had failed to act in the interests of Freefold Pty Ltd, and that this had ultimately

caused losses to Bell Resources.

The transaction that confused the case was that Bell Resources had paid a deposit of \$1.2 billion as part of a purchase of \$3.5 billion to buy world-wide brewing assets from Bond Corporation.

All monies between the Bell Group and Bond Corporation have



The winning combination: Alan Bond with the crew of Australia II after winning the America's Cup



Glory days: Bond with Ronald Reagan

been fully accounted for, and it is my conviction that if there had been no interference, Bell Resources today would be a huge success.

What the media has not conveyed is that Bell Resources received back hundreds of millions of dollars from that deposit and purchased the Australian brewing assets, but declined to purchase the Heilemann brewing companies in America that were in the original agreements.

The directors who assumed board control after I stood down failed to complete the purchase.

Notwithstanding this, I recog-

nise that shareholders in Bell Resources and Bond Corporation lost money. I accept this, and I deeply regret whatever damage this has caused.

It should be noted, however, that legal advice on the various transactions was taken from one of Perth's leading law firms, and separate advice was taken for Bell Resources from one of Sydney's leading law firms.

It should be recognised that although the main companies in Bond and Bell failed, all the operating entities have prospered.

When one reviews the responsibility of liquidators and bankers

who are mainly concerned with looking after their own ends and not the interests of all stakeholders, I believe their avarice — and, in many cases, lack of business judgment — have resulted in fabulous assets being virtually given away.

What is important to realise is that I pleaded guilty to two directors' duty charges for failure to act in shareholders' best interests.

I realise, with the benefit of hindsight, that things could, and should, have been done differently.

I served nearly four years, and have paid my debt to society.

Now I would like to use the

experience of my successes and failures in advising other individuals and corporations on how they can plan for the future and avoid making the mistakes I made.

In any business proposal, it's necessary to look first at the global opportunities, then apply this to the domestic situation.

Information and opportunities are now moving instantaneously around the world, and what occurs in one market will affect Australia.

With so much information readily available on the Internet, business can be conducted anywhere in the world, and even from one's lounge room at home.

Lifestyles are changing, and as a consequence of the new economies, different academic and technical training is now necessary.

It will be necessary to evaluate the opportunities that present themselves, and not get caught up with unsustainable valuations. Ultimately, the bills have to be paid, and this is probably the greatest truism of business.

Australia has an exciting future, and I believe I can contribute to it. I am spending time with my family, who have suffered more than I, but in the not-too-distant future I hope to re-enter the business world when the opportunity presents itself.