

DETECTIVE SENIOR CONSTABLE GRAY

Q1 This is an electronically recorded interview between Detective Senior Constable Stuart Gray and Mr Michael Webb at the Melbourne C.I.B. on Sunday, the 13th of February, 2000. Time by my watch is now 11.31am. Just for the purpose of the record, Mr Webb, could you please state your full name?

A Michael Ayres Webb.

Q2 Your date of birth?

A 25th of May, 1933.

Q3 And your current address?

A 47 Washington Street, Toorak, 3142.

Q4 And your occupation?

A Company Director.

Q5 O.K. As I've already explained to you, you're aware that Senior Constable Upston and myself are making inquiries in relation to the 1998 Sydney to Hobart Yacht Race?

A Yes.

Q6 And in particular the reason we've come to speak to you today is in relation to a yachtsman's lanyard which failed on a particular boat during that race and as a result of that failure the person was washed overboard and he's never been recovered, O.K. Now that lanyard carried the label Tuff Marine Australia, which I believe is a company in which you're involved in from 1988 to round 1999.

A Yes.

Q7 Is that correct?

A Yes.

Q8 And I'll just show you that label, just show a harness here and you agree that the label is attached to that harness it says Tuff Marine Australia?

A Yes, I do.

Q9 Basically, that's, that's the harness and there's the lanyard, has the same label?

A Yes.

Q10 O.K. Now prior to the interview we just had a bit of a discussion in relation to the series of events involving Tuff Marine Accessories to Tuff Marine Australia. Do you agree with that?

A Yes, yes.

Q11 Would you possibly just be able to give me on tape the sequence of events, so far as the two companies are concerned?

A Right. Well, Fort Holdings was a public company, publically listed, that was formed to specialise in the marketing and manufacturing of sporting goods, sporting shoes, probably the main item of sporting apparel and it had a number of major labels in so far as Puma and Simpson and Piping Hot and early in 1988, January, '88, it purchased the business of Tuff Marine from Ruth Plummer.

Q12 That would be Tuff Marine Accessories?

A Yes. And the company, as I recall, Tuff Marine Australia Pty Limited was formed and the, I think Ruth

Plummer retained 20 per cent holding in that company and Fort Holdings had 80 per cent holding in the company. I was chairman of the Fort Group and Ken Mitchell was the managing director of the Fort Group and both of us went on the board of Tuff Marine Australia Pty Limited with, with Ruth Plummer, so there were three directors, as I recall.

Q13 O.K. Now - - -

A I'm sorry I have to keep adding that, there, there may have been, the company secretary may have gone abroad or something, I'm not too certain

Q14 While my offsider is having a look, perhaps I'll just ask you a couple of things there.

A Certainly.

Q15 Now in relation to the business that was owned by Ruth Plummer, which was Tuff Marine Accessories, she was the sole owner of that company?

A As I understood it, yes.

Q16 O.K. Now the company became Tuff Marine Australia as you said in around '88, Pty Limited?

A Yes.

Q17 Would you just be able to explain to us what Pty Limited actually means?

A Well, Pty Limited means that there's limited liability and it, it is a company and therefore does business under the auspices of the Australian Securities Commission as, as a company - - -

Q18 All right.

A - - - and it was a subsidiary company of the Fort Group
- - -

Q19 O.K.

A - - - for that period.

Q20 Now when you say limited liability, what does that mean
in business terms?

A Well, it just means that the company's liability is
limited to its capital in the normal, in the normal
course. I, I'm not saying that necessarily protects it
from all matters at all.

Q21 All right. So it's a, it's a financial statement - -
-

A Yes.

Q21 - - - sort of thing?

A Yes.

Q22 All right. Attaching to it. O.K. Now as a director
of, of Tuff Marine Australia, yourself and Mr Mitchell
and in fact Ruth Plummer was the managing director - -
-

A Yes.

Q22 - - - in the business?

A Yes.

Q23 What role did you play in so far as the manufacture or
production of items from that company as a director?

A Basically none.

Q24 All right.

A I was, I attended regular monthly board meetings - - -

Q25 All right.

A - - - at Geelong and periodic business reviews with, with Ruth, attempting to get the company profitable, the company was not trading profitably.

Q26 O.K. Now when you say that you have been to the board meetings, did that just include yourself and Mr Mitchell?

A Yes and Ruth Plummer.

Q27 And Ruth Plummer as well?

A Yeah.

Q28 Can you tell me what responsibilities as a director you had in the production or manufacture of items from the company?

A Well, I think a director of any company has full responsibilities for everything the company does and I, I think it's well documented now that ignorance is no excuse, however, we, we didn't really have anything to do with manufacture that was, that was Ruth's and we were just concerned that the company was not making money. We might have had some involvement in manufacturing in attempting to get her to cost every item that she made and we were no doubt looking at costing records of both of labour and materials of the merchandise and I remember some discussion at board meetings about needing to, products needing to conform with the Standards Association, although I would have thought that that discussion really was centred around buoyancy vests.

Q29 All right. O.K. Were you aware as the director, or as one of the directors that in fact Ruth was involved in the production and manufacture and design of yachtsmens safety harnesses?

A I think so.

Q30 All right. O.K. So is it the case that you and Mr Mitchell had a great deal of faith in Miss Plummer's ability to manufacture products that met the necessary standards for sale?

A Well, I'm sure she would have we were doing that the goods satisfied the Standards Association requirement.

Q31 All right.

A And she was an extremely experienced yachting person.

Q32 Yes. O.K. Now I believe some time in 1990 there was mooting that the business Tuff Marine Australia would be sold. Is that correct?

A Yes

Q33 And what was the reason for the desire to sell the company?

A Well, the company wasn't being profitable and the Fort Group was under consider pressure from its bankers and the bankers were wanting us to liquidate some of our investments and they were wanting us to liquidate a great deal of stock. And we attempted to sell the business. We advertised it widely in early '90, and we had considerable dealings with a man whose name, I think was something like Peritis or Peratis of which

Ruth would be aware of and he made all sorts of overtures that he would buy it and Ruth was very keen to join him and the final, but it fell through and we had no alternative at that stage but to tell Ruth the business should be closed that it was losing money at a rapid rate and the stock was transferred to Melbourne.

Q34 O.K. Now when you say the business was running at a loss. Are you able to sort of give me an indication of the figures of that loss, approximately?

A Oh, no.

Q35 O.K.

A I'd be guessing.

Q36 But certainly a loss which concerned yourself, Ruth - -
-

A And our bankers.

Q37 And the bankers and Mr - - -

A Mitchell.

Q37 - - - Mitchell?

A Yes.

Q38 O.K. Now is it the fact that Miss Plummer was offered \$1.00 to relinquish her 20 per cent in the company?

A Well, the shares were quite useless, I mean they were quite worthless, I should say and I think it wasn't the case of, of sort of, they, they were worth a negative value extent within the company where liabilities exceeded the assets.

Q39 All right.

A So the shares were worthless and her accepting a \$1.00, was simply, that's a common commercial practise really just to, so there is some consideration so consideration can go through so that the Fort Group had 100 per cent of the business to sell - - -

Q40 All right.

A - - - in essence which it needed to - - -

Q41 Was there any profit made from the eventual sale of the business?

A No, nothing but sell to, as I say, the agreement drawn up to sell to them was still at a quite considerable loss.

Q42 All right. You don't recall the price of that sale?

A No.

Q43 Offhand?

A No, I don't.

Q44 O.K. If I could just take you back a bit now, we've just jumped ahead a bit. Eventually there, there was an offer made by Len Allen?

A Yes.

Q45 And arrangements were, were made to buy, to purchase the business?

A Yes and the, the three things that he was purchasing was the, was the machinery - - -

Q46 Yes.

A - - - not, not all the machinery, I think most of the machinery, stock and the name.

Q47 Right. Tuff Marine Australia?

A Yes.

Q48 O.K. Now I believe, well, I've been informed that he took possession of a number of, well, of certain stock?

A Yes.

Q49 And this was during the business proceedings of change of ownership?

A Yes.

Q50 And he took that stock to somewhere in Melbourne. Is that correct?

A Yes.

Q51 Is it, are you aware if that was to his business, his trading

A Yes, to his business.

Q52 Right. O.K. Now, as you've informed me earlier, he reneged on his, on his - - -

A Yes.

Q52 - - - and settlement became a problem?

A Mmm.

Q53 And action was taken by yourself and Mr Mitchell and Miss Plummer to recover some of the stock?

A Yes, our solicitors, I think took legal action, which were Corr & Corr

Q54 All right.

A And I'm not, I can't recall whether they recovered or how much they recovered.

Q55 O.K.

SENIOR CONSTABLE UPSTON

Q56 Just on that, on that particular move, Miss Plummer wasn't actually involved in that deal though, was she?

A No, she wasn't.

Q57 Well, she had nothing to do with that deal?

A Ah - - -

Q58

A No, she was being talked to on the telephone but she had nothing legally to do with it - - -

Q59 Mmm.

A - - - and she knew Len Allen, I suspect she wasn't quite so keen but that's just a feeling.

Q60 O.K.

DETECTIVE SENIOR CONSTABLE GRAY

Q61 So as you were saying then, the stock was given to Mr Allen, he reneged and the stock was recovered through legal process?

A Yes, I think, I think some of it was brought back again, brought back again but I really am very vague on those stock movements.

Q62 O.K. As far as you're aware did that stock go back to Geelong premises?

A Very little, very little stock, she, I think Ruth actually, all Ruth purchased back were, four or five machines - - -

Q63 Yes.

A - - - and there might have been four or five stock items but - - -

Q64 All right.

A - - - I think they were mainly stock items, as I say to make waterproof products.

Q65 All right. So it's a possibility that the remaining stock is still, was fully in possession of Mr - - -

SENIOR CONSTABLE UPSTON

Allen.

DETECTIVE SENIOR CONSTABLE GRAY

Q65 - - - Allen?

A The remaining stock, yes, although I've, I've got to say again that, that throughout this period of Fort, which was a very difficult time, the bankers were forcing us to use one of our factories down at Moorabbin to have a lot of sales.

Q66 All right.

A And these sales were advertised all around the areas of sporting goods being, at well at considerable discount and I know that there were some waterproof jackets Tuff Marine sold in that, I certainly know that and there were waterproof, they were sort of a type that the yachting sold at those sales that could have quite easily been harnesses but I have no recollection of - - -

Q67 All right.

A - - - harnesses being sold.

Q68 O.K. So at, at the end of the day, Mr Allen did in fact purchase the business?

A Oh, just, just something else I should explain too in that. When these sales were held buyers used to come from various retailers - - -

Q69 Yeah.

A - - - and make quite sort of bulky purchases of, of, you know, quite a number of items and, and these were advertised interstate so whether interstate buyers came I really wouldn't know but - - -

Q70 Yeah.

A - - - but there were a number of buyers that, that attended those sales and they'd have a few dozen pairs of shoes and a few dozen jackets and tracksuits.

Q71 Just for your information, we've established through our investigation that in fact there was probably was no more than 30 lanyards, harnesses made by Tuff Marine Accessories.

A Ah.

Q72 And we can account for approximately eight, approximately eight we can account for eight of those possible 30. So if any of those items were sold at those sales, well, we don't know how many it would have been but we know there's probably no more than 30, total, 22 taking away the eight we have.

A Mmm.

Q73 But, but we believe that some of those, those items, or those harness and lanyards were in fact purchased by distributors around the country as well, not a great of

them were made. Just back to Mr Allen. So eventually Mr Allen did purchase the business?

A Yes. Mmm.

Q74 And the name Tuff Marine Australia?

A Yes.

Q75 O.K. And as far as you're aware is he still in that business?

A I have no idea.

Q76 O.K.

A Not at all.

Q77 O.K.

SENIOR CONSTABLE UPSTON

Q78 While we're just looking at those documents, I'll just show you some documents here which is some documents from the Australian Securities and Investment Commission, Historical Extracts - - -

A Yeah.

Q78 - - - of Fort Holdings and there are a number of names and details about that, which we have obtained and there are a number of directors. Well, you just go through those documents and, and explain the history of that, please? Fort Holding?

A I don't know if there's anything to explain,

Q79 No, no, that's fine, it's just - - -

A Repeating itself. This is Dave Hayes that I referred to, as the company's secretary at 407 Canterbury Road, Surry Hills, I think he still, still has an office there and he acquired from Fort the business name,

Simpson of Australia, I think he, he has been running that and selling certain, certain goods of Simpson Australia. Now down here are the addresses, Bowen Crescent was the head office of Fort for that period. Chesterfield Road was the head office of Puma. Simpson Street, was the head office, was the clothing manufacturing company Spoga, was there, actually the head office of Fort was changed to there, Bowen Crescent was closed down about this 1990 period. This address up here, well, that was, that was after, I have no idea of that address, I think that's a firm of solicitors, I'm not quite clear how that came to be on the list Dave Hayes company secretary, Donald James Richardson?

Q80 Now you're reading through there, there's a list of former directors.

A Appointment date '92, South Africa, nothing to do with us, never heard of it, never heard of this, I don't know the man, the name rings a bell somewhere. Alec McLaughlan was certainly one of our directors at Fort and Ken Mitchell was managing director of Fort, he was the founder of Puma and I was chairman, Ken Mitchell appears again, I think McLaughlan appears again. Oh The Puma Group, oh, sorry, the Fort Group in '91 was sold to some mining people that were interested in the shell of the company for its tax losses, there was still some trade in buying companies for the advantage of its tax losses and Keith they would be,

appointment date is 16th of June, '92, yes, I see, yes, they were, that's exactly who'd they be, they'd be the purchasers of, of Fort and Richardson from South Africa also appointed '92 and that address up here, it sort of explains it a bit there. Brian Healy, he was one of our directors, Herb Elliott was managing director of Puma, Malcolm Reid was one of our directors. Francis James Haliday no knowledge of him, appointment date, unknown, ceased '87. These people may have been, when companies get first incorporated a couple of solicitors usually go as directors until the company then gets its proper directors formed, whether Halliday and Day, Walter, are those people none of those, Halliday, Day, Day, Walter or the secretary Peat Marwick, K.P.M.G. That's the share capital. Former members, former members, when did these people become members, these are Hobart people. Sportline here is a company, is Ken Mitchell's private investment company, being a substantial shareholder. was a major shareholder in Fort, that's an investment company associated with a the Newcombe family, that Sportline is as Ken Mitchell. Gilder Investments over here is myself. Gowner Nominees, who's that? I've forgotten who that was but it was one of our major shareholders, Herb Elliott. was a person by the name of Robin Brooks, who was the founder of a company called Piping Hot, sporting goods, Hanna Sports was a shareholder. Brian Mullahan of

advertising fame was also a shareholder. These are just to do with Westpac debentures that, they held over the company. These are changes, these are a series of things that have been lodged with the A.S.C. annual returns, changes of directors, changes of address, changes of office holders. That's about it.

Q81 O.K. All right. Just, just very briefly, there's one thing, with, when Ruth Plummer resigned from her positions - - -

A Mmm.

Q81 - - - do you recall the time limit that Mr Allen then purchased equipment?

A No, it wouldn't have been long, it would have been, I think it would have been something about the middle of '90.

Q82 All right.

A That's about as close as I could put it - - -

Q83 So - - -

A - - - of terribly important, some of these documents could be traced.

Q84 Mmm. O.K.

A And Corr & Corr, I think, could trace them and I think David Hayes may still somewhere have records.

Q85 O.K. That's fine.

DETECTIVE SENIOR CONSTABLE GRAY

Q86 So for the period of negotiations were approximately the 14th of the 3rd to mid '90, which would bring it around June, July, August - - -

A Yes.

Q86 - - - do you agree? Mr Allen would have the majority of stock in his possession?

A I think, I, I keep saying I think - - -

Q87 Yes.

A - - - because I'm not absolutely certain how much of the stock he took.

Q88 O.K.

A And - - -

Q89 We're informed that in fact the stock was cleaned out at Geelong.

A Yes, well - - -

Q90 The whole lot was taken?

A Yes.

Q91 So we can only assume at this stage that it went to, where it went to, then it was transferred to Mr Allen. Just a general question here, at the time of the sale and negotiations of, of sale for the business before it was given to, before Mr Allen to purchased it, were there any business that Fort held at the time that sold as well?

A Um - - -

Q92 You can recall?

A Piping Hot was a company that was sold.

Q93 O.K.

A I don't know what date that would have been sold on but - - -

Q94 All right. It was around that time?

A Yes, around that time.

Q95 O.K. And that was sold for the same reason that - - -

A Absolutely.

Q96 All right. O.K. Now in relation to shares was Tuff Marine Australia Pty Limited, was that in fact a public company?

A No, private company.

Q97 Private.

A Subsidiary of a public, yeah.

Q98 O.K. When you, when you mention shares in this particular company, what do you mean by that exactly? Are they shareholders?

A Yes, shareholders.

Q99 Attached to Tuff Marine or

A To, attached to Tuff Marine Australia.

Q100 O.K. And what are the - - -

A And the shareholders would have been - - -

Q101 Yes.

A - - - Fort Holdings - - -

Q102 Right.

A - - - I think there may have been another company before of Fort Holdings.

Q103 Well, O.K.

A And presumably Ruth Plummer.

Q104 All right. So they're not public shares as such, they're sort of a - - -

A No, no.

Q104 - - - private arrangement - - -

A Yes.

Q104 - - - of shares?

A Yes.

Q105 O.K. I've got nothing further.

SENIOR CONSTABLE UPSTON

No, nothing further.

DETECTIVE SENIOR CONSTABLE GRAY

Q106 I'll just, actually I'll show you these items on tape, so you get an idea what, this is the lanyard that we're talking about, you can see how it's, it's configured the same as that at the other end as well and you can see where it was stitched here and it's failed.

A Yeah.

Q107 Now ordinarily an item like this you would have the manufacturer's label which you would also have the Standards - - -

A Association on it, yes.

Q108 Yes.

A Patch.

Q109 Yes. So, that applies for the lanyard as well as the harness.

A Mind you, according to what Ruth tells me, it went through an absolutely appalling pressure didn't it, I mean quite regards to anything, the boat turned at 360, then threw him back onto the boat, then went over a 100 and 360 again and then the boom came down, so he, it withstood something pretty prodigious, I

happened to give her a ring and just ask about it and she was telling me that but that stitching, yes.

Q110 Mmm. So you understand what was sort of - - -

A Yes, I do.

Q110 - - - here. O.K. Have you got any further, anything further you'd like to say or - - -

A Not really - - -

Q111 That's - - -

A - - - apart from the fact that it's been such an unfortunate happening, the whole thing.

Q112 That solicitor's friend you were talking about, Corr & Corr, was it?

A Yes.

Q113 Is that C-O-R-R or - - -

A C-O-R-R, yes, and the person's name that was looking after it at that stage was John Slattery, whether he's still a partner or still in Corrs I wouldn't be certain, but - - -

Q114 O.K. O.K. Nothing further. Time by my watch is now 12.01. This interview is concluded.

INTERVIEW CONCLUDED