

**TRADE PRACTICES ACT 19****UNDERTAKINGS TO THE TRADE PRACTICES COMMISSION GIVEN FOR THE
PURPOSES OF SECTION 87B****BY****BUYERS NETWORK INTERNATIONAL PTY LIMITED (ACN 055 192 679)****BACKGROUND**

Buyers Network International Pty Limited ("Buyers Network") is a company duly incorporated in the State of New South Wales. Buyers Network has advertised for sale and has sold a product known as the Proofreading Book ("the Proofreader") to consumers. The Book is a self-teaching guide to proofreading symbols and conventions, and contains information on various aspects of proofreading work.

Buyers Network placed a series of advertisements in newspapers and magazines with national circulation between October 1994 and May 1995. Those advertisements related to the sale of the Proofreader. Those advertisements contained representations as to the availability of freelance proofreading employment or work, income, profitability and the quantity of study and experience necessary to gain work as a freelance proofreader in Australia and overseas which could be achieved by the use of the Proofreader.

A copy of the advertisement is included in these undertakings as Attachment A.

The Trade Practices Commission ("the Commission") has written to Buyers Network informing it that the Commission believes that the advertisements were in breach of Sections 52, 53(a), 53(c), 53(f) and 59 of the *Trade Practices Act 1974* ("the Act").

The Commission has stated that it considers Buyers Network and its director, Donald James Scott Finlay ("Finlay") made false and misleading representations about the availability of freelance proofreading employment or work, the income and profitability of such work, and the quantity of study and experience necessary in order to be able to obtain such work. The Commission further stated its opinion that Buyers Network and Finlay did not have reasonable grounds for making these statements as they had conducted no inquiries in the Australian proofreading market as to the availability or profitability of freelance proofreading work, the amount of study or experience necessary to obtain such work nor the extent to which the British Standards Institute system of proofreading, which is taught in the Proofreader, is used in Australia.

Since this matter has been raised by the Commission with Finlay in his capacity as director of Buyers Network, Buyers Network has discontinued advertising the Proofreader.

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As part of these undertakings offered to the Commission, Buyers Network will institute a formalised procedure to deal with complaints which may be made by customers who have purchased the Proofreader and has instructed staff to offer any such customers a full refund in respect of the Proofreader if customers wish a refund to be paid to them. This refund will include the purchase price of the Proofreader, the original postage and handling, and the cost of postage to return the Proofreader to Buyers Network. In addition to so instructing staff, Buyers Network will also appoint a Complaints Officer.

UNDERTAKINGS

Buyers Network undertakes for the purposes of Section 87B of the Act that:

1. It will not by itself, its servants, agents or otherwise howsoever arrange or procure to advertise any product which involves representations with respect to employment, income or profitability where Buyers Network has not undertaken investigations which indicate that it has reasonable grounds to make such representations to avoid such representations being misleading.
2. Buyers Network will not by itself, its servants, agents or otherwise howsoever arrange for the supply or offer to supply any product which contains representations with respect to employment, income or profitability in circumstances where Buyers Network has not undertaken investigations to give it reasonable grounds for making the representations in relation to the product to avoid such representations being misleading.
3. Buyers Network will, within seven (7) days of the date of signing this undertaking provide to the Commission a complete list of the names and addresses of all persons and companies who have purchased the Proofreader.
4. Buyers Network will within twenty-one (21) days of the date of this undertaking send to each and every person and company that purchased the Proofreader from Buyers Network a letter in a form acceptable to the Commission.

A copy of this letter is included in these undertakings as Attachment B.

The letter is to advise each and every person and company that purchased the Proofreader, inter alia, that Buyers Network will make a full refund to each and every purchaser who requests a refund from Buyers Network.

5. Buyers Network will within seven (7) days of the dispatch of the refund letter referred to in Undertaking 4, provide to the Commission a complete list of the names and addresses of all persons and companies to whom the said letter was sent.

6. Buyers Network will make full refund to each and every purchaser of the Proofreader who requests such a refund. Each refund is to be made within six weeks of receipt by Buyers Network of the request for a refund.
7. Buyers Network will, at two (2) and three (3) month intervals from the date of dispatch of the refund letters referred to in Undertaking 4 provide confirmation to the Commission that all consumers who have requested a refund from Buyers Network have received a full refund that is to include all postage costs, within four weeks of receipt by Buyers Network of the request for the refund.
8. Buyers Network will within two (2) months of signing this undertaking, develop for consideration by the Commission a Trade Practices Compliance Program with the following characteristics:

(a) Aim

To create a culture of compliance throughout Buyers Network and to prevent so far as is reasonably possible any contraventions of the Act by Buyers Network, its directors, employees or agents.

(b) Policy

The formal adoption or re-affirmation by Buyers Network of a policy of strict compliance with both the letter and the spirit of the Act throughout Buyers Network and adoption or re-affirmation and enforcement of sanctions against any director, employer or agent who is knowingly or recklessly concerned in a contravention of the Act.

(c) Compliance Infrastructure

The appointment of an appropriately qualified senior executive as Buyers Network Compliance Officer with overall responsibility for trade practices compliance. The creation by Buyers Network of a suitable auditing and referral procedure to enable potential trade practices problems to be identified and dealt with appropriately.

(d) Coverage

The Compliance Program is to cover all directors, employees and agents whose duties could result in them being concerned in conduct that might breach the Act ("relevant staff").

(e) Education

The development and implementation of an education program calculated to have the relevant staff conversant with the provisions of the Act to a level where:

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- (i) general staff can avoid the obvious contraventions and can identify more complex potential trade practices problems for referral to the appropriate person in Buyers Network's compliance infrastructure;
 - (ii) persons with responsibilities within Buyers Network's compliance infrastructure can effectively carry out those responsibilities;
 - (iii) the Buyers Network Compliance Officer can address more complex trade practices issues and (if that person is not legally qualified and able to give the relevant advice) identify issues which require referral to Buyers Network's legal advisers.
9. The Trade Practices Compliance Program referred to in Undertaking 8 is to be implemented by Buyers Network within one (1) month of approval having been given by the Commission as to its form and content.
10. Buyers Network will strengthen its Complaint Handling system by:
- (a) Adopting a complaints handling system that complies with Australian Standard AS 4269 - 1995 (Complaints handling);
 - (b) appointing a Customer Complaints Manager and supplying his/her name to the Commission within two (2) months of the date of signing this undertaking;
 - (c) taking all reasonable steps to ensure that all present and future relevant staff notify the Customer Complaints Manager of complaints received from consumers regarding products sold or offered for sale through Buyers Network;
 - (d) take all reasonable steps to ensure that Buyers Network, its directors, employees and agents, will attempt to resolve such complaints to the satisfaction of consumers as soon as possible;
 - (e) taking all reasonable steps to ensure that Buyers Network, its directors, employees and agents notify the Customer Complaints Manager whether or not a complaint has been resolved and if not, why not;
 - (f) maintaining a record of complaints and the outcome of such complaints and classifying and analysing complaints received in order to allow for the identification and rectification of systematic and recurring problems".
11. At the end of each twelve (12) month period following the signing of this undertaking, until the third anniversary of the signing of the undertaking, Buyers Network will cause an independent auditor (who shall be an independent accountant or solicitor approved by the Commission) to review and report on:



- (a) Buyers Network's compliance with these undertakings over the preceding 12 months;
- (b) the implementation of the trade practices compliance program and the achievement of its objectives over the preceding 12 months; and
- (c) any recommended changes to the trade practices compliance program that may be necessary to ensure achievement of its objectives.

Buyers Network will cause the independent auditor to complete the review and to provide a copy of his or her report to Buyers Network and to the Commission within twenty one (21) days of the end of each 12 month period.

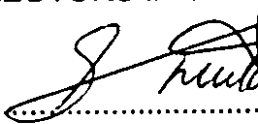

- 12. For twelve (12) months from the date of signing this undertaking, Buyers Network will have its advertisements checked every three (3) months by a suitably qualified legal adviser with a view to ensuring that any use Buyers Network might make of representations concerning employment, income or profitability can be justified and are accurate statements.

ACKNOWLEDGMENTS

In addition to giving these undertakings, Buyers Network acknowledges and accepts that these undertakings will be placed on the Commission's Public Register and agrees that the Commission may otherwise publish and refer to this document at its discretion.

Buyers Network also acknowledges that these undertakings in no way derogate from the rights or remedies available to any other person arising from the alleged conduct.

IN WITNESS OF THESE UNDERTAKINGS AND ITS AGREEMENT THE COMMON SEAL OF BUYERS NETWORK INTERNATIONAL PTY LIMITED WAS HEREUNDER AFFIXED BY AUTHORITY OF THE BOARD OF DIRECTORS IN THE PRESENCE OF

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Dated the 19th day of October 1995.

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ACCEPTED BY THE TRADE PRACTICES COMMISSION PURSUANT TO
SECTION 87B OF THE TRADE PRACTICES ACT 1974.


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Professor Allan Fels
Chairman

Dated the 21 day of October 1995.

ATTACHMENT A

APPROVED FORM OF THE REFUND LETTER FOR THE PURPOSES OF UNDERTAKINGS BY: DONALD JAMES SCOTT FINLAY & BUYERS NETWORK INTERNATIONAL PTY LIMITED

[WILLOW TREE PRESS LETTERHEAD]

IMPORTANT NOTICE

Dear Proofreader Purchaser,

We are writing to you with regard to your recent purchase from us of the Proofreading Course.

This letter is being written at the direction of the Trade Practices Commission.

We wish to apologise deeply for the fact that there isn't the amount of this type of work available that we represented. Further, the hourly rate of pay for this type of work is not as high as we stated in our advertisements.

The publishers listed in the back of the Proofreading Course have requested that their names be removed from the book. There is now no benefit in contacting these publishers.

We sincerely apologise for this situation and we are offering a full refund to all purchasers of the Proofreading Course. This refund includes the \$19.95 purchase price, the \$5.95 postage and handling fee, and the cost of your postage to send the Proofreading Course back to us.

We wish to remind you that we offer a 365 day money back guarantee on all of our products and because of the problem that has arisen that 365 day period would commence from the date you receive this letter and not the date you purchased the Proofreading Course. To claim your refund, all you need to do is let us know, and we will send you a full refund within 6 weeks.

To try and make up for any disappointment that we have caused, we are offering you a \$5 discount on any product you see advertised by Willow Tree Press at any time in the future. All you need to do when ordering is to quote the number at the bottom of this page.

[signature and reference numbers]

ATTACHMENT B

BECOME A PROOFREADER

IMPROVE YOUR INCOME EASILY
AND QUICKLY.

Joan Harwell is the pen-name of a well known business writer. She has been a freelance writer and copy-editor for many years. She works for a number of major publishing houses.

Recently some of her clients told her of the difficulty they experienced in finding proofreaders. As we all know the torrent of books published is growing all the time - so there is an ever increasing demand for proofreaders and copy editors. Joan knows from us and from many contacts with publishers that freelancers play an increasingly important role. Publishers agree that this is a cost-effective and efficient way of getting services they need at greatly reduced overhead costs. The proofreader is still very well paid, so everyone gains. After talking to her friends in the business, she decided, based on her own experience,

to produce a guide for people who would enjoy this work. Joan says, "this service is readily operated from home so it does not involve costly and crippling overheads. *Ready money is easily produced to help with household bills and pay for extra holidays.*" You can easily find yourself earning up to \$80.00 in a single hour just for reading and correcting a small piece of copy.

This guide shows how, and it includes the following:-

- Typographic Conventions.
- What the proofreader needs to do.
- Using the BSI system.
- List of books, societies and publishers.
- How to obtain work in many countries (The world is your oyster).
- How a manuscript is prepared.
- The management of your business.
- How to charge your time so that you get the biggest dollar.
- How to approach Printers

and Publishers of every size.

- Age or sex no barrier to earning a substantial income.
- A series of self assessment exercises carefully graded.
- All technical guidance and know-how you need.
- Start earning even before you have read the whole book!

Speaking again, Joan says, "you'll be amazed at the warm welcome you will receive when contacting the thousands of printers and publishers who need your help".

To receive a copy, simply write your name and address on a piece of paper and send it together with a cheque or money order (or together with your credit card number and expiry date) for \$19.95 (plus \$5.95 shipping and handling) - Total \$25.90 - To Willow Tree Press, Dept PROOF 609, 55 Avalon Parade, Avalon, N.S.W. 2107.

Willow Tree Press is a member of
The Australian Branch Chapter of Consumers,
Banking and Business references available
on request. A.C.N. 055 192 679.