

# Illegal Melbourne landbanking scheme wound up



The large landbanked parcel at 64 Hutton Road, Keysborough, which is to be wound up. **CoreLogic**



by **Su-Lin Tan**

The Australian Securities and Investments Commission has ordered the wind up of an illegal Melbourne landbanking scheme known as VKK Investments Unit Trust which rounded up \$22 million from 125 investors.

The trustee and operator of that scheme, Gem Management Group, headed by Hakly Lao, has also been wound up.

The money raised was invested in a 86-hectare parcel of land at 64 Hutton Road, Keysborough, 27 kilometres from the Melbourne CBD. Plans to rezone the land fell through.

ASIC said the scheme was not registered under the Corporations Act and Gem, which did not hold an Australian financial services licence, breached the Act by operating an unregistered managed investment scheme.

"Land banking schemes have been a particular focus of ASIC. ASIC reminds investors considering investing in land banking schemes they are often unregulated and that investors have little protection if something goes wrong," deputy chairman Peter Kell said.

Deloitte's Robert Woods and Salvatore Algeri have been appointed as joint liquidators.

This is not the first time an outfit led by Mr Lao has gone awry.

In 2016, the Federal Court stopped the sale of land at Aviation Road in Werribee South, also in Melbourne, from another scheme, Aviation 3030, because proper disclosure was not made to investors.

Read more: <http://www.afr.com/real-estate/illegal-melbourne-landbanking-scheme-wound-up-20180420-h0z1ys#ixzz5DRq1lfDj>

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