

OP GRAND

EXHIBIT No. 127
elizabeth CLERK

P.O. Box 99, Toombia, Queensland 4226, Australia.
 Phone: (07) 5578 9433 Fax: (07) 5578 9466
 E-mail: info@quadrant.com.au
 Web: www.quadrant.com.au

ABN 25 056 754 100

19 August 2005

The Crime and Misconduct Commission
 Level 3 Terrica Place
 140 Creek Street
 BRISBANE QLD 4000

Notice No: 05-0091
 File ref: MI-05-2481 & 2482

Dear Sir,

I, Chris Morgan, as a company director of Mandra Pty Ltd trading as Quadrant, was directly responsible for the management of the election advertising campaign elements prepared by Quadrant at the request of a number of council candidate clients, and reply to your Schedule above, as follows.

1. All documentation not previously supplied by Tony Scott (CEO of Quadrant) on 19 April 2005, specifically information contained on any computer or computer disc or other electronic storage medium relating to the GCCC elections of 27 March 2004, is attached in hard copy form.

The attached material includes print outs of all emails and word documents during the campaign period and defines the services Quadrant was requested to provide by individual council candidates. Specific services requested/offered are detailed in the letter of 16 December 03 (attached) presented at the initial meeting at Quadrant held to determine the services which could be offered by Quadrant to the individual candidates.

We also include are copies of all invoices, receipts, remittances advices or similar documents, previously provided to your office on 19 April 2005.

Please find enclosed all invoices and correspondence relating to all services provided by Quadrant to the nominated candidates and the separate Division 9 Campaign of Cr Ted Shepherd for whom we also acted in part.

The fees for the services provided by Quadrant to candidates Pforr, Betts, Scott & Rowe is as invoiced. Quadrant's remuneration was as per the consultancy fee of \$10,000 per month for the 3 month period mid December 03 through end March 04, as evidenced by the letter of appointment issued to Quadrant by Lionel Barden, back dated to 10 December 2003 but only received end of January 2004.



2. Please find enclosed copies of all diary pages for my (Chris Morgan) diary for the period mid December 03 through end April 04. Also enclosed are my two day books covering the period 5 August 03 through 10 September 04.

We are unable to supply actual copies of " advertisements, promotional material, advices, leaflets, signage website images, photography, how to vote cards, business cards etc..." as it is not company policy to retain this volume of sample copies in hard copy form this long after a campaign has concluded.

On file are electronic copies of all material produced and discs are attached duly labelled on a per candidate campaign basis.

These art work files relate to the separate campaigns conducted for Cr Shepherd and the LBTF supported candidates Pforr, Betts, Scott & Rowe.

Candidate Rowe's campaign was largely complete at the time we first meet and the involvement of Quadrant was minimal as evidenced by the material attached.

Advice supplied to candidate Molhoek was purely verbal in the form of phone discussions.

Ref point 2 para 3 – no contact was made by Quadrant with Great Southern Land GMBH, Gregory Phillips, Sunland Group Ltd, Phil Sullivan, Fish Development P/L, Devine Ltd, Rapcivic Contractors P/L , Roche group, Blue Sky Capital P/L, Stockland Developments P/L in relation to the GCCC elections.

Contact was made with Villa World Ltd and the Ingles Group as a consequence of normal day to day advertising activity, both companies being active clients of Quadrant, both then and now.

Both these clients became aware of Quadrant being employed to provide services to candidates. However no representation was made to either client for funding support by Quadrant and likewise no request was made by these companies or any others to Quadrant to facilitate meetings or contact with candidates.

At no time was Quadrant involved in seeking funds for individual candidate campaigns.

Regular communication existed with the Ray Group, also a client. The initial request to supply marketing services to the individual candidates was first made by Brian Ray. Contact continued with the Ray Group with regard to payment of these services provided by Quadrant to the individual candidates.



Contact was also made with Lionel Barden, Hickey Lawyers and the Ray Group as detailed in the correspondence copies attached, in relation to the cost and conduct of the individual campaigns for candidates and the availability of funds for this purpose.

Ref point 2 para 4 Quadrant had no contact whatsoever with Ray Hackwood, Ron Clarke or Jan Grew in any respect in relation to the 2004 GCCC elections.

I received a direct phone call from Graham Staerk (who was acting in a promotional capacity for mayoral candidate Ron Clarke) in March 04 requesting details on the group of candidates together with a request for a meeting. The requests were declined.

All correspondence with Crs Power & (the late) Sue Robbins, candidates Grant Pforr, Brian Rowe, Robert Molhoek & Roxanne Scott are attached in hard copy form.

Contact also took place with Cr La Castra and Cr Sue Robbins, refer hard copy of emails supplied.

(i) The market value of services provided to nominated individuals was as quoted on a straight costs basis and is as follows:

- Grant Pforr \$ 5489.55 plus \$16,521.16 as detailed in our email of 20 May 04 and the comprehensive financial records previously supplied.

- Greg Betts \$5,432.13 plus \$11,546.84 as detailed in our email of 20 May 04 and the comprehensive financial records previously supplied.

- Roxanne Scott \$26,673.72 as detailed in the comprehensive financial records previously supplied.

- Brian Rowe \$ 405.63 The attached invoice & statement was not included in earlier information supplied to Mark Docwra, Director of Complaints Services 19 April 05.

- Rob Molhoek No invoice was presented to candidate Molhoek as the discussions held were purely casual requiring comment primarily on strategy options and in our opinion any costs formed part of the monthly consultancy fee, and did not warrant additional invoicing.

- Lionel Barden No services were provided to Lionel Barden as none were requested, implied or required. Lionel Barden participated as the individual nominated to check and approve the accuracy and authenticity of all invoices prepared for submission to Hickey Lawyers for payment.

Meetings between Lionel Barden and Quadrant were confined to three meetings where Quadrant invoices and supplier costs were scrutinised and authorised for payment by the Trust Fund held at Hickey Lawyers.



Quadrant were subsequently employed by Lionel Barden to assist in the promotion of his commercial initiatives and normal client agency meetings/contact took place during the period of the GCCC elections.

- Cr Ted Shepherd \$9999.13 as detailed in the attached financial accounts and correspondence conducted during the course of the GCCC elections of 2004.

- (ii) The "cost value of services" supplied is as detailed above. The monthly consultancy fee was applied in lieu of margins and allowed a totally transparent presentation of actual individual costs for each candidate's campaign.
- (iii) The first meeting of nominated candidates above was initiated by (the late) Brian Ray and took place at Quadrant's offices on 16 December 03. Quadrant was invited by Brian Ray to provide a summary of the broad based marketing services available on an individual basis to candidates who were invited to attend this explanatory meeting. This meeting took the form of a normal preliminary ad campaign session with a number of individual facets (candidates campaigns) involved. It was a normal meeting, identical to any other held with potential new clients.

Attending the meeting were Crs Power, Sue Robbins, Shepherd and La Castra. Candidates comprised Pforr, Betts, Scott, Molhoek and Rowe.

Lionel Barden did not attend this meeting nor any other individual meetings with candidates.

Quadrant were first advised of Lionel Barden's involvement on 30 January 04.

Candidates were advised that the services of Quadrant would be made available to them, if required. It was made clear that Quadrant would work in conjunction with or support of, any campaign committees that candidates had already established. Quadrant's services would be funded from a Trust Account to be established or in some instances the Trust would reimburse candidates directly for expenditure incurred.

It was left to the discretion of individual candidates to employ Quadrant. Candidates Pforr, Scott & Betts subsequently did so for the duration of the election campaign. Following a planning session on 8 January 04 held at Quadrant with only these three candidates attending – specific briefings to determine individual campaign needs were established. All subsequent meetings were then held individually with candidates and Quadrant took direction from each candidate based on the individual issues existing in their respective divisions.



At no time did any specific directions on issues and policy come from any of the sitting councillors involved. To our knowledge and at no time was there any improper or unlawful direction or suggestion made as to campaign conduct or policy by Lionel Barden, Brian Ray or associated GC City Councillor.

All campaign strategies recommended by Quadrant employed promotional activity that did not include news paper advertising.

Each candidate agreed to employ the services of Quadrant to varying degrees. Approximate allocations of funds were advised to Quadrant by Cr Power and Brian Ray.

Lionel Barden authorised Quadrant to act on behalf of the Trust in support of the nominated candidates and a letter of appointment was supplied to this effect. Confirmation of funds to be allocated were made by Brian Ray.

No direction on the allocation of funds was made at any time by Lionel Barden.

No letters of appointment were requested of individual candidates and the commercial business relationship between all candidates was identical to that of all other Quadrant clients i.e. it was an open arrangement with the application of the normal commercial & in confidence provisions expected of any business relationship.

To the best of our knowledge each candidate campaigned as an individual independent person, with no affiliations to any political party.

3. The extent of 'the knowledge of your directors, employees or agents' in 'dealings with' the various entities listed was no more or less than the knowledge of any other client for which work was being produced. Individual client code categories were produced to identify the various jobs of work and are reflected in the financial records previously supplied together with new material attached relative to Rowe and Shepherd.

The client codes were:

TEB Lionel Barden Trust fund – Division 4 R. Molhoek
TEE Lionel Barden Trust Fund – Division 6 R.Scott
TEF Lionel Barden Trust Fund – Division 12 G.Betts
TEG Lionel Barden Trust Fund – Division 5 B.Rowe
TEH Lionel Barden trust Fund - Division 3 G.Pforr

TED Division 9 Campaign Committee (Cr Ted Shepherd)

Of the entities listed in point 4 para 1, we (Quadrant) produced election campaign material for the above individuals with the exception of candidate R.Molhoek for whom no invoices were raised as previously explained above.



Quadrant staff & director contact existed with the Ray Group, Villa World, & the Ingles Group prior to any association with the GCCC election campaign, these companies all being long established clients of Quadrant.

No contact with other individuals or development companies listed in para 1, took place in any manner during the period of the elections. Work with Lionel Barden commercial interests only commenced in February 04 after we had been introduced.

Likewise point 4 para 2 – the nature & extent of dealings are fully detailed above.

Point 4 para 3 – To the best of my knowledge, no employee or director of Quadrant was associated with, or a member of any campaign committee other than myself.

I was a member of Cr Ted Shepherd's Division 9 Campaign Committee for some 4 years and a personal friend for considerably longer. We were fellow members of the Rotary Club of Mudgeeraba for a number of years and I replaced Ted Shepherd as President of the GC Hinterland Tourism Association after his election to the GCCC.

During the period of the GCCC elections of 27 March 2004, I (supported by employed staff) acted in the capacity of a marketing consultant to the various candidates listed as well as Cr Shepherd's Division 9 Campaign Committee providing professional advice and producing various items of literature and media material as detailed and supplied on disc in art work form.

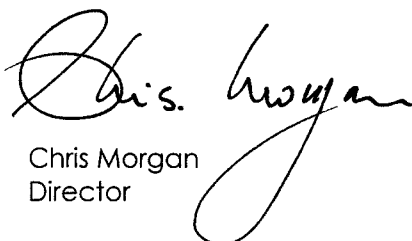
Cr Shepherd's Division 9 was the only formal Campaign Committee of which I was a member.

All other contact with candidates was on a one-on-one basis and I attended no meetings with any campaign committees that they may have established.

The association with all parties was as a normal business relationship between consultant and client. Meetings were held in various locations, mostly at Quadrant.

All work was produced in the same totally professional and ethical manner in which we have conducted business for numerous client companies for the past 20 years.

Yours faithfully


Chris Morgan
Director

10 December 2003

Mr Chris Morgan
Director
Quadrant
PO Box 98
Robina Qld 4226

Dear Chris,

**Re: Appointment as Advertising & Marketing Consultants
Gold Coast City Council Elections 2004**

I have pleasure in confirming the appointment of Quadrant to act as a marketing and advertising resource for those council candidates that I may nominate from time to time during the pre election period. This appointment is inclusive of all work undertaken by Quadrant since 10 December 2003.

I require Quadrant, under your direction, to provide professional marketing advice and make available as required the creative copy writing, design and graphic art, print and electronic production services of your company.

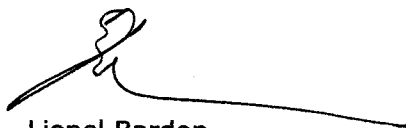
I confirm your trading terms & conditions of supplying all services on a nett cost basis with a monthly consultancy fee \$10,000.00 plus GST for the months of January, February & March 2004 only.

All costs incurred are to be invoiced directly to the respective individual candidates account, once approved by myself. All invoices, once authorised are to be forwarded to the Candidate Resource Trust Account c/- Hickey Lawyers for payment.

Please feel free to liaise individually with nominated candidates as their needs and time dictate and to provide, within budget constraints, whatever support and direction they may require additional to art studio services.

I look forward to a successful end result for all.

Kind regards



Lionel Barden

Commonsense Candidate Resource

Expenditure Summary as at 16 April 2004

Total cash receipts from Hickey Lawyers	65,000.00
Less Quadrant fees	33,000.00
Sub total	32,000.00

Disbursements as a 16 April 2004

R.Scott	18,673.72	
G.Betts	5,432.13	
B.Rowe	405.63	
G.Pfarr	5,489.55	
Southport Citizens For Change	1,998.87	
	<u>31,999.90</u>	10c

Trust Fund balance on hand as at 16.4.04	10,300.10
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Balance of accounts outstanding

Southport Citizens for Change	5,012.64	
G.Betts	11,546.84	
G.Pfarr	16,417.15	
	<u>32,976.63</u>	Shortfall 22,676.53

Plus proposed payment to R. Molhoek	8,000.00
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Shortfall	\$30,676.53	\$22,676.53
		0,104.01
		<u>\$22,780.54</u>

Please pay Quadrant \$ 22 780.54 cent
 which is the balance of
 outstanding monies owed
 to them on these accounts


 Lionel J. BARDEN

Q

QUADRANT

STATEMENT

From 01/03/2004 thru 23/03/2004

East Quay Corporate Park
34 Glenferrie Drive, Robina, Queensland 4226
P.O. Box 98, Robina, Queensland 4226, Australia.
Phone: (07) 5578 9433 Fax: (07) 5578 9466
E-mail: info@quadrant.com.au
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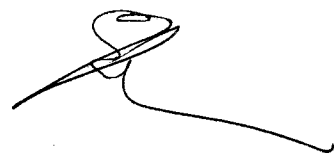
client: Lionel Barden Trust Account
Corporate
C/- Hickey Lawyers
6th Floor, Corporate Centre
Bundall Qld 4217
ATTN: Lionel Barden

ABN 25 056 754 100

AGING

Current	1 MONTH	2 MONTHS	3 MONTHS	Balance Due
0.00	0.00	0.00	0.00	0.00

Date	Description	Amount
	Previous Balance	33,000.00
19/03/2004	Payment - Thank you	33,000.00CR <i>HICKEY LAWYERS</i>
	Current Balance Due	0.00



Quadrant 3 months of fees + GST.

Q

QUADRANT

STATEMENT

From 01/03/2004 thru 31/03/2004

East Quay Corporate Park
34 Glenferrie Drive, Robina, Queensland 4226
P.O. Box 98, Robina, Queensland 4226, Australia.
Phone: (07) 5578 9433 Fax: (07) 5578 9466
E-mail: info@quadrant.com.au DATE: 5-Apr-04
Web: www.quadrant.com.au

client: Southport Citizens for Change
C/- Stuart Hill
18 Egerton Street
SOUTHPORT QLD 4215
ATTN:

ABN 25 056 754 10

AGING

Current	1 MONTH	2 MONTHS	3 MONTHS	Balance Due
5,012.64	0.00	0.00	0.00	5,012.64

Date	Description	Amount
	Previous Balance	0.00
24/03/2004	Inv # 817348, job #	4,618.10
31/03/2004	Inv # 817468, job # SCC10533	1,279.65
31/03/2004	Inv # 817470, job # SCC10738	295.63
31/03/2004	Inv # 817471, job # SCC10737	199.38
31/03/2004	Inv # 817472, job # SCC10736	618.75
31/03/2004	Payment - Thank you	
	1,998.87CR <u>HICKEY LAWYERS</u>	
	Current Balance Due	5,012.64

QUADRANT



specialists in property, retail, leisure and tourism advertising

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E-mail: info@quadrant.com.au

Web: www.quadrant.com.au

TAX INVOICE

ABN: 25 056 754 100

Client: Southport Citizens for Change
C/- Stuart Hill

[REDACTED]
[REDACTED]

Invoice # 817468

Date: 31/03/2004

Attention:

Product: Southport Citizens f

Job: SCC10533

Spec: DL letterbox drop single sided on colour x 2 kinds
10,000 each run

Terms:

Client ref:

Page: 1

-PROOF READING	21.25
-LAYOUT	42.50
-COPYWRITING	106.25
-FINISHED ART	280.00
-PRINTING	533.32
-COURIERS	60.00
-CD BACKUP	20.00
BURN CD FOR DESPATCH	50.00
-ART MATERIALS	50.00

Sub Total 1,163.32

GST @ 10% 116.33

Invoice Total A\$ 1,279.65

QUADRANT

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Web: www.quadrant.com.au

TAX INVOICE

ABN: 25 056 754 100

Client: Southport Citizens for Change
C/- Stuart Hill

[REDACTED]
[REDACTED]

Invoice # 817470

Date: 31/03/2004

Attention:

Product: Southport Citizens f
Job: SCC10738

Description: 2 x 8cm x7col mono Gold COast Bulletin advertisements to
appear 25/3/04 & 26/3/04

Terms:
Client ref:
Page: 1

-PROOF READING	21.25
-FINISHED ART	87.50
-CD BACKUP	10.00
-ART MATERIALS	50.00
- QUICKCUTS	100.00

Sub Total 268.75

GST @ 10% 26.88

Invoice Total A\$ 295.63

QUADRANT



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E-mail: info@quadrant.com.au

Web: www.quadrant.com.au

TAX INVOICE

ABN: 25 056 754 100

Client: Southport Citizens for Change
C/- Stuart Hill
[REDACTED]
[REDACTED]

Invoice # 817471

Date: 31/03/2004

Attention:

Product: Southport Citizens f

Job: SCC10737

Desc: 20cm x 3col mono Gold Coast Bulletin advertisement to appear
25/03/04 & 26/03/04

Terms:

Client ref:

Page: 1

-PROOF READING	21.25
-FINISHED ART	70.00
-CD BACKUP	10.00
-ART MATERIALS	50.00
-QUICKCUTS	30.00

Sub Total 181.25

GST @ 10% 18.13

Invoice Total A\$ 199.38

QUADRANT



specialists in property, retail, leisure and tourism advertising

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34 Glenferrie Drive, Robina, Queensland 4226
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Phone: (07) 5578 9433

Fax: (07) 5578 9466

E-mail: info@quadrant.com.au

Web: www.quadrant.com.au

TAX INVOICE

ABN: 25 056 754 100

Client: Southport Citizens for Change
C/- Stuart Hill
[REDACTED]
[REDACTED]

Invoice # 817472

Date: 31/03/2004

Attention:

Product: Southport Citizens f

Job: SCC10736

Description: Supply 3 large corflute signs on stakes plus 5 x hat
stickers

Terms:

Client ref:

Page: 1

-FINISHED ART	367.50
-COLOUR PRINT OUTS	60.00
-PRODUCTION	75.00
* 3 X LARGE CORFLUTES WITH STAKES	
* 5 X HAT STICKERS ADHERED TO HATS SUPPLIED	
-CD BACKUP	10.00
-ART MATERIALS	50.00

Sub Total 562.50

GST @ 10% 56.25

Invoice Total A\$ 618.75