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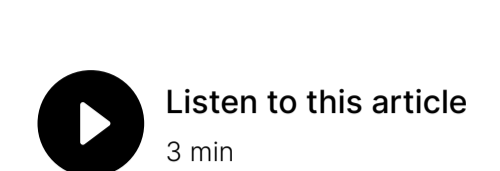
Rear Window

Anti-bank activist Geoff Shannon gets one over ASIC



Myriam Robin Rear Window editor

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The corporate regulator's four-year pursuit of anti-bank activist Geoff Shannon has ended in little more than red faces and legal fees.

The Australian Securities and Investments Commission began investigating the colourful financial agitator in 2019 on suspicion he had directed a company while bankrupt.



Unhappy Banking founder Geoff Shannon has been found not guilty of leading a company while still an undischarged bankrupt. Louie Douws

It was fuelled in its investigations by leaked documents provided by Shannon's ex-girlfriend (and fellow anti-bank activist), Natasha Keys. Following ASIC's referral, a charge was laid by the Commonwealth Director of Public Prosecutions in June 2021.

Managing a company while bankrupt can result in a 12-month term in the iron hotel, or a fine of about \$9000. So, it's notable that Shannon has spent what he estimates to be more than \$500,000 clearing his name, hiring no less than Brisbane silk Saul Holt, KC, to represent him in the process (ASIC's legal fees are surely in the same ballpark).

After four days of hearings spread across 10 months in the Southport Magistrates Court, ASIC's case failed, Magistrate Mark Bamberly judging its investigation as less-than-thorough, while deeming Keys, ASIC's key witness, as not credible.

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The judgment notes (but offers no further context regarding) Keys' own negotiated settlement with the Commonwealth Bank, and her meeting with its CEO, Matt Comyn, some time after she ceased communicating with Shannon.

It's relatively rare for an anti-banking activist to meet the CEO of Australia's largest bank, which perhaps points to the unusual role such agitators can come to hold in Australia's financial system, particularly in times of systemic stress.

'Defenders of last resort'

Shannon is among the more well-known of a coterie of such activists, who rose to prominence after the global financial crisis, some of whose agitations helped lay the groundwork for the banking royal commission.

Such operators apply lobbying, public relations and legal pressure on financial institutions to prevent their foreclosure on bad loans, in their own mythology acting as defenders of last resort against unaccountable financial titans, from which they take a cut of any final settlement.

Shannon, the founder of Unhappy Banking, was bankrupted in 2013 over an \$8.5 million property development loan to Commonwealth Bank-owned Bankwest. He continued his advocacy work during his bankruptcy, which has since been discharged.

Bankrupts are allowed to have jobs, but not ones directing companies. ASIC's contention was that the nature of Shannon's continued involvement in the business he helped set up constituted such direction. Magistrate Bamberly disagreed.

The case marks another legal setback for the highly scrutinised regulator. No doubt Senator Andrew Bragg is already all over this one.

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Myriam Robin is Rear Window editor based in the Melbourne newsroom. A Rear Window columnist since 2017, she previously reported on financial markets and media. Connect with Myriam on Twitter. Email Myriam at myriam.robin@af.com

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