

THE AUSTRALIAN

Director banned but back for more

EXCLUSIVE: ANTHONY KLAN THE AUSTRALIAN MARCH 24, 2012 12:00AM

AN Australian man with a track record for presiding over corporate collapses is operating an international currency trading scheme which is bleeding millions of dollars raised from investors and clients across the globe.

Les Freeman, who was in 2010 banned by the Australian corporate regulator from being a company director, is behind the group of companies operating out of Brisbane, Santa Monica and Hong Kong that are teetering on the brink of collapse.

Your Trading Room targets so-called mum-and-dad investors with the promise of educating clients to make money from currency trading, a notoriously risky investment strategy.

US corporate regulators have interviewed at length some YTR investors.

Mr Freeman, who moved to the US after being banned as a director in Australia and rents a home in California's Santa Monica, could not be contacted by The Weekend Australian yesterday.

YTR asks clients to invest between \$5000 and \$20,000 to trade with the group, offering them the ability to "access up to \$5 million in company trading capital".

Former employees said thousands of hopeful currency traders had signed up to YTR, with clients based in Australia, the US, Britain, Spain, Germany, Canada and several eastern European countries.

The company has separately raised millions from hopeful franchise operators and investors, though mostly in Australia and the US. Employees of the company, interviewed by The Weekend Australian, say they have not been paid for up to six months and that the group's "trading platform" has been unoperational since mid-last year.

One source with close ties to YTR's US operations said most of the board of the company had recently resigned amid the group's financial troubles and after learning of Mr Freeman's history in Australia.

Leslie Raymond Freeman, who had previously referred to himself as Les Freeman, had called himself Ray Freeman in some YTR dealings and, as such, company executives were unaware of his past, the source said.

Ross Hall, who was customer services manager for YTR's Australian operations until four months ago, when he quit over not being paid superannuation and other benefits, said Mr Freeman was the ultimate controller of all YTR companies.

"There was never any doubt Les was in full control of the company, he was the one getting investors on board and running all the major meetings," Mr Hall said.

In an internal YTR email written on February 5, obtained by The Weekend Australian, "Ray" Freeman addresses employees, telling them the "entire board of YTR . . . (have) submitted their resignations".

He said the group had "no option but to suspend operations while shareholders pursue other funding operations" and that he was "110 per cent committed" to begin paying employees again.

Mr Freeman was banned by the Australian Securities & Investments Commission from being a company director in November 2010 for four years.

Under section 206A of the Corporations Act, people disqualified from acting as directors break the law if they "participate in making decisions that affect the whole, or a part, of an organisation" or they "exercise the capacity to affect significantly the the corporation's financial standing".

Mr Freeman's banning by ASIC followed a number of collapses involving the businessman.

In 2004, ASIC wound up Co-Develop Australia, a property development company run by Mr Freeman and his wife Kylie, which promised investors they could double their investment in a year. The couple had raised \$29m from investors before the group collapsed.

ASIC took no action at that time against Mr and Mrs Freeman other than to ban them from raising investor funds from that particular company.

Four weeks after that action Mr Freeman and a former ASIC chief went to the market seeking to raise up to \$56m for a separate company called CoDevelop Group (without the hypen).

That company later collapsed owing tens of millions of dollars to investors.

Mr Freeman was also behind a "wholesale" furniture importing scheme first called Euro Direct and, later, Citywide Cabinets, which collapsed in 2007 owing 135 investors about \$1.5m.

He has not responded to telephone calls or emails over the past week.

Calls to YTR's global headquarters -- an office in the Brisbane suburb of Cannon Hill -- rang out yesterday.

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