

**CITATION:** Queensland Building Services Authority  
v Meredith [2013] QCATA 152

**PARTIES:** Queensland Building Services Authority  
(Applicant/Appellant)  
v  
Mr Steven Grant Meredith  
(Respondent)

**APPLICATION NUMBER:** APL141-12

**MATTER TYPE:** Appeals

**HEARING DATE:** 17 December 2012

**HEARD AT:** Brisbane

**DECISION OF:** **Mr C Brabazon QC, Presiding Member**  
**Ms M Howard, Member**

**DELIVERED ON:** 13 May 2013

**DELIVERED AT:** Brisbane

**ORDERS MADE:**

- 1. Leave is granted to the QBSA to appeal the decision of 10 April 2012.**
- 2. The appeal is dismissed.**
- 3. Costs are reserved.**

**CATCHWORDS:** **OCCUPATIONAL REGULATION** - Application to review decision by the Queensland Building Services Authority not to categorise the applicant as a permitted individual – duties of director – conduct of co-director – decisions set aside by Tribunal.

*Queensland Building Services Authority Act 1991, s56AD*

*Re Property Force Consultants Pty Ltd (1995) 13 ACLC 1051*  
*Gold Ribbon (Accountants) Pty Ltd (in liq) v Sheers & Ors [2006] QCA 335;*

*Younan v Queensland Building Services Authority [2010] QDC 158;*  
*Laidlaw v Queensland Building Services Authority [2010] QCAT 70.*

**APPEARANCES and REPRESENTATION (if any):**

**APPLICANT:** Queensland Building Services Authority  
represented by Robinson Locke.

**RESPONDENT:** Mr Steven Grant Meredith in person.

**REASONS FOR DECISION****MR BRABAZON:****The issues**

- [1] Mr Steven Meredith, now aged 34 years, left school after year 10. He became a qualified carpenter after completing an apprenticeship. He eventually became director of two house building companies – M&M Constructions Pty Ltd and Miller Homes No 1 Pty Ltd.
- [2] The companies failed and administrators were appointed to each company, on 31 March 2009. Mr Meredith became bankrupt on 30 September 2009. On that day he lodged a debtor’s petition.<sup>1</sup> That bankruptcy was later annulled, but, as Justice Wilson decided, the fact that he had become bankrupt, remained a decisive event – See *QBSA v Meredith*, APL104-10, 16 September 2010.
- [3] Mr Meredith was advised that QBSA considered him an “excluded individual” under s56AC of the QBSA Act. Because there were three separate relevant events for which he became an excluded individual, he was at risk of being banned for life, from holding a builder’s licence: s58, 59 QBSA Act. He applied to be categorised as a permitted individual under s56AD of the QBSA Act for each of the relevant events. The QBSA refused to categorise him as a permitted individual for any of the three events.
- [4] Mr Meredith applied to QCAT to review the three QBSA decisions to refuse to so categorise him. The review meant that his ban did not taken effect. He has continued to work as an employed builder.
- [5] On 10 April 2012 a QCAT Member set aside the QBSA decisions and categorised Mr Meredith as a permitted individual for all three events. An order was made that the QBSA decision be set aside. It was ordered that he be categorised as “a permitted individual”, in each case.
- [6] The QBSA does not accept that result. It appeals against the Member’s order. It should have leave to appeal.
- [7] These facts were agreed before the hearing-

2.1 The reasons for the failure of the companies were:

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<sup>1</sup> The bankruptcy was later annulled, but, as Justice Wilson decided, the fact that he had become bankrupt, remained a decisive event – See *QBSA v Meredith* [2010] QCATA 50.

5.1 The lack of up to date reliable information which would enable the companies to identify the warning signs of insolvency and take remedial action.

5.2 Lack of working capital.

5.3 Stripping of funds to related entities by his fellow director, Mr Steven Miller.

2.2 It is agreed that his bankruptcy was a consequence of the companies' failure.

2.3 The issue in contention is whether it was reasonable for Mr Meredith to not be personally involved in the financial management of the company.

2.4 It is agreed that steps that may have been taken include:

- (1) Obtaining legal and financial advice from independent sources.
- (2) Acting upon claims, letters of demand and other notifications received by the company, to the effect that the creditors' terms were not being complied with. (Complaints about accounts unpaid started in August 2008).
- (3) Personally reviewing the financial records of the company.
- (4) Insisting on financial reports and then reviewing those reports.
- (5) Ensuring any loan agreements were formalised in writing.
- (6) Taking steps to reasonably inform himself of his obligations as a director and to understand his role and duties as a director.

[8] The failure of the companies and Mr Meredith's bankruptcy, have had a significant effect on others. Some \$1.6m could not be repaid.

[9] Mr Meredith accepted that he did not take any of the steps set out above. He first sought legal advice from a solicitor in March 2009, when he realized the companies were in financial difficulties. He was not completely unaware of the financial performance of the companies. He was in charge of building the houses and was aware of their progress, which produced a cash flow. He was not aware of less visible financial matters.

[10] He appeals to the exercise of the discretion, established in s56AD(8) of the QBSA Act. That is, it is admitted that he did not take any of the steps set out in s56AD(8A). He relies also on s56AD(8B)-

"Nothing in subsection (8A) prevents the authority from having regard to other matters for deciding whether an individual took all reasonable steps to avoid the coming into existence of the circumstances that resulted in the happening of a relevant event."

[11] The practical application of the discretion has been explained:

"The test of reasonableness has been considered to be objective one to be applied, having regard to the actual circumstances of the applicant. A wide enquiry is appropriate, which includes the manner in which the applicant conducted his business." (Member Howard, in *Laidlaw v QBSA* (2010) QCAT 70)."

- [12] Assistance in understanding those provisions can also be gained from the authoritative decision on the application of this statute. See Judge McGill's decision in *Younan v QBSA (2010) QDC 158*:

“S56AD speaks about taking reasonable steps to avoid the coming into existence of the circumstances that resulted in the happening of the relevant event. The test in s56AD(8) requires first, the identification of the relevant event; second, the identification of the circumstances that resulted in the happening of the relevant event; third, a consideration of whether the relevant individual took all reasonable steps to avoid those circumstances coming into existence; and, if satisfied of that, fourth, a decision whether to categorise the individual as a permitted individual.

What were reasonable steps depended on what was reasonable for the individual concerned in the circumstances in which he found himself, with such information as he then had.<sup>2</sup> It is not a question of whether he did everything possible to prevent these circumstances from arising, or whether they would not have arisen if he had acted differently. The reasonableness of his behaviour must be assessed by reference to what was known by him at the time, without the benefit of hindsight.

What is required by subsection (8) is a consideration of whether the individual took all reasonable steps to avoid the coming into existence of those circumstances.”

- [13] As it is necessary to consider what a reasonable builder, in Mr Meredith's shoes, might have done, it is necessary to take into account Miller's role in the companies' operations.
- [14] The Member considered some facts which led to her judgment in favour of Mr Meredith:
- (1) He had known Miller since he was a surf club nipper aged 9 and 10. Miller was the President of the surf club.
  - (2) He left school after year 10 to become an apprentice carpenter, with Miller. He graduated, to the role of carpenter, a subcontractor, and supervisor for Miller. Then in June 2006, he took a 20% shareholding in the two Miller companies, and became a director of those companies.
  - (3) His job was to get the houses built. It seems that he was capable and efficient, in that role.
  - (4) In a general way he spoke to Miller about financial matters. Miller assured him that all matters were under control, and gave him some general assurances.
  - (5) He did not go further. He was not given any financial reports. He did not ask Miller or the office manager, for such information.

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<sup>2</sup> *Randel v Brisbane City Council* [1984] 2 Qd R 276 at 278; *NF v State of Queensland* [2005] QCA 110 at [29]; *Royal North Shore Hospital v Henderson* (1986) 7 NSWLR 283 at 299 per Mahoney JA; *N v State of Queensland* [2004] QSC 290

- (6) He relied on Millers competence and knowledge. He appeared to be a proper manager of the companies.
- (7) His close relationship with Miller was a significant factor, in his accepting Miller's assurances about the companies' financial positions.

[15] Miller has sworn an affidavit about their relationship. It says about Mr Meredith:

"...we had developed an extremely strong personal friendship ... I would consider myself a fatherly figure to (Mr Meredith) having guided him on numerous personal and business related levels since we first met. In my opinion, the trust which exists between (Mr Meredith) and myself goes far beyond any normal commercial relationship.

In my opinion, (he) trusted me to manage the affairs of Miller & MTM and allowed me total autonomy to undertake these tasks commensurate with the level of trust which had developed over the years."

[16] Miller went on to say that it was argued that Mr Meredith would be a silent shareholder, and a silent director - "in essence, the enterprise would be run by myself."

[17] He said that Mr Meredith ... "at no time agreed or was ever made aware of the substantial loans owed by the entities associated with myself to M&M and Miller.

"...at no time did I make him aware of the existence of significant related party loan accounts ... I withheld financial information relating to the serious trading difficulties of M&M and Miller, from (him) ... he resigned as director immediately following my disclosure of the financial position of M&M and Miller, on or about 26 March 2009."

[18] Miller made unauthorised payments from the two companies, amounting to about \$2.5M. Mr Meredith knew nothing, until March 2009, when he resigned as a director. In fact, he had lent Miller \$244,000. That money was lost.

[19] It is necessary to turn to The QBSA's five separate grounds of appeal.

[20] First, it is submitted that the member failed to properly consider whether or not Mr Meredith took all reasonable steps to avoid the circumstances that resulted in the failure of the two companies.

[21] It is admitted that Mr Meredith took no such steps. Why was that? His focus was on the house building work, which was the foundation of the companies' success. He was good at that work. He left the financial details to Mr Miller and the office staff.

[22] He held two certificates – Business Management for Trade Contractors and Certificate IV Building. These qualifications included management modules. It does appear that Mr Meredith, in any case, chose to leave the financial details of the companies to others – especially Miller. It must be accepted,

that he made no attempt to get involved in, or understand in detail, the financial affairs of the companies.

- [23] Miller regularly responded to his question about the companies' financial affairs, to the effect that, "they were under control". In fact, they were not under control, as they edged towards the eventual winding up.
- [24] Miller was responsible for a state of affairs that he deliberately withheld from Mr Meredith. There were large unauthorised loans from the companies to him. He forged Mr Meredith's signature on a significant document, which overstated the company's assets.
- [25] The Member was right, to consider the decided cases about a director's reliance on other directors, or company financial officers. Reference may also be made to the Queensland decision of *Re Property Force Consultants Pty Ltd* (1995) 13 ACLC 1051. It was held that a director was justified in placing reliance upon another director who subsequently committed fraud, given that they had worked together without any suspicion of dishonesty, and there was, otherwise, no reason for suspicion. See, generally, Ford's "Principles of Corporation Law, 14<sup>th</sup> ed. Pp 451-455.
- [26] In the overall result, the Member's decision should be accepted, that Mr Meredith did take "all reasonable steps" to avoid the circumstances that overwhelmed the companies. In particular, the member's conclusion, that pressing Mr Miller for more information would have resulted in a lying response, or false accounts, was not a fanciful one. Miller's own affidavit says that he deliberately withheld financial information from Mr Meredith.
- [27] Ground 4 of the appeal relates to Mr Meredith's signature on a document of July 2009. It was a "covenanter's statement of financial position" – a significant document, submitted to the QBSA, for a builder's licence renewal. It is very likely that Mr Miller had forged that signature. The statement was appendix to Miller's application to renew a licence for Miller No.1 Pty Ltd. Mr Meredith insisted that it was not his signature. In paras 29-30 of her reasons, the Member, in effect, accepted that the signature was a fraud, by Miller. That was a reasonable conclusion and there was no evidence that anyone else might have done so.
- [28] The evidence is that Mr Meredith became aware of the forgery in mid to late March 2009, at a time when he consulted a solicitor, Mr Bryan Cannon. That was just before the appointment of the liquidator. He did not immediately report the discovery to the QBSA. If he was at fault, it made no difference – any damage had been done. He did raise the matter with the QBSA on 5 May 2009.
- [29] Ground 5 raises the "reasonable builder" test. That is, to become a permitted individual, it must first be decided that the applicant has taken all reasonable steps to avoid the circumstances that resulted in the companies' insolvency, and Mr Meredith's bankruptcy.
- [30] The first step of the enquiry was whether Mr Meredith had taken all reasonable steps to avoid the coming into existence of the circumstances

resulting in the company's failures, and his bankruptcy. If so, there is a discretion to classify the person as a permitted individual.

- [31] "All reasonable steps" does not mean all possible steps. Relevant steps are those taken to avoid the coming into existence of the circumstances that resulted in the relevant event, but not the relevant event itself.
- [32] The Act did not require Mr Meredith to take all possible steps. With hindsight, or if judged from the point of view of a spectator, one might conclude that there were steps which, if taken might have avoided the coming into existence of such circumstances. The test is not that high. See *Hyde v QBSA* 2003 QBT Q072-02 at [53].
- [33] It should be kept in mind, that Mr Meredith suffered a tremendous blow, in becoming bankrupt as a result of the failure of the companies. He had previously been able to lend substantial monies to Miller. They were lost. He was forced to borrow from his father in law.
- [34] The careful statement of reasons for the decision, prepared by the QBSA, refers to Mr Meredith as "the excluded individual". That expression tends to de-personalise Mr Meredith. The Member was right to reach the conclusion that permanently excluding him would be unjust and oppressive. She was entitled to exercise the discretion, to allow him to be categorised as a permitted individual.
- [35] These are the appropriate orders:
- (1) Leave is granted to the QBSA to appeal the orders made on 10 April 2012.
  - (2) The appeal is dismissed.
  - (3) The parties costs are reserved.

#### **MS HOWARD:**

- [36] I agree with the background to the appeal as set out in Mr Brabazon's reasons for decision and do not repeat it. However, as I do not agree with the conclusions reached by Mr Brabazon, I provide my own reasons for decision.

#### ***Should Leave to Appeal be granted?***

- [37] Leave to appeal is required because QBSA's bases for appeal involve questions of mixed fact and law.<sup>3</sup>
- [38] The question whether or not leave to appeal should be granted is usually addressed according to established principles: Is there a reasonably arguable case of error in the primary decision?<sup>4</sup> Is there a reasonable prospect that the applicant will obtain substantive relief?<sup>5</sup> Is leave necessary

<sup>3</sup> QCAT Act s142(1) and (3)(b).

<sup>4</sup> *QUYD Pty Ltd v Marvass Pty Ltd* [2009] 1 Qd R 41.

<sup>5</sup> *Cachia v Grech* [2009] NSWCA 232 at 2.

to correct a substantial injustice to the applicant caused by some error?<sup>6</sup> Is there a question of general importance upon which further argument, and a decision of the appellate court or tribunal, would be to the public advantage?<sup>7</sup>

- [39] QBSA submits that the issues raised in this appeal are of significance to how permitted applications are to be decided by it and because the Tribunal made an inconsistent decision in *Grofski v QBSA*.<sup>8</sup> Further, it submits that it has a reasonably arguable case of error. Mr Meredith submits that the appeal is without merit and that leave should be refused.
- [40] The QBSA relies upon 5 grounds of appeal. I accept that the QBSA articulates a reasonably arguable case. Also, I accept that the Tribunal made an inconsistent decision in circumstances which have some similarity in *Grofski*. I would grant leave to appeal.

***Did the Tribunal properly apply s56AD(8) and s56AD(8A)?***

- [41] Grounds of appeal 1 and 2 relate directly to the essential question. Did the Tribunal properly consider whether Mr Meredith took all reasonable steps to avoid the circumstances which resulted in the liquidations of the companies and his bankruptcy as required by s56AD(8) and (8A)?
- [42] An excluded person may, in the Tribunal's discretion, be categorised as a permitted individual for an event under s56AD(8) *only if* the person '*took all reasonable steps to avoid the 'coming into existence of the circumstances which resulted in the happening of the relevant event.'*' In deciding whether all reasonable steps were taken, those matters set out in s56AD (8A) must be considered. These include whether the person sought appropriate legal and financial advice before entering into financial arrangements or conducting business<sup>9</sup> and reported fraud or theft to the Police.<sup>10</sup> Other matters may also be considered: s56AD(8B).
- [43] Reasonable steps are to be determined objectively having regard to the circumstances of the builder concerned after a wide enquiry including about how the builder conducted his business.<sup>11</sup>
- [44] Mr Meredith was not personally involved in the financial running of the companies. He agrees that he did not take any of the possible steps set out in the Agreed Statement of Facts which Mr Brabazon sets out in paragraph 7 of his reasons for decision. Mr Meredith trusted Mr Miller in the running of the business and concerned himself with financial matters to a limited degree, by seeking assurances that all matters were under control. Financial reports were not provided to him and he did not seek them.<sup>12</sup>

<sup>6</sup> *QUYD Pty Ltd v Marvass Pty Ltd* [2009] 1 Qd R 41.

<sup>7</sup> *Glenwood Properties Pty Ltd v Delmoss Pty Ltd* [1986] 2 Qd R 388 at 389; *Mclver Bulk Liquid Haulage Pty Ltd v Fruehauf Australia Pty Ltd* [1989] 2 Qd R 577 at 578, 580. [2011] QCAT 611.

<sup>8</sup> S56AD(8A)(b).

<sup>9</sup> S56AD(8A)(c).

<sup>10</sup> *Younan v QBSA* [2010] QDC 158; *Laidlaw v QBSA* [2010] QCAT 70.

<sup>11</sup> *Meredith v Queensland Building Services Authority* [2012] QCAT 146, [20]

<sup>12</sup>



- [45] The learned Member found that it would not have mattered what steps Mr Meredith took because Mr Miller admitted to intentionally deceiving him. The Tribunal found that any further enquiries or review of the actual financial statements would have been unlikely to uncover anything.<sup>13</sup>
- [46] The Tribunal considered (relying on *Daniels v Anderson*<sup>14</sup>), that in the absence of grounds for suspicion, a non-executive director, such as Mr Meredith, is justified in delegating tasks and then relying on the judgment, information and advice of that person, in this case Mr Miller.<sup>15</sup> It asked why Mr Meredith should have been suspicious of Mr Miller, who was a father-figure to Mr Meredith and who had sponsored his sporting career from a young age. It concluded essentially that there was no reason. The learned Member then acknowledged that a non-executive director still had a responsibility for the general monitoring of corporate affairs.<sup>16</sup> She did not consider he was required as a consequence to examine entries in the books.
- [47] In my view, the delegation of tasks to Mr Miller and reliance by Mr Meredith on his judgment information and advice did not entitle Mr Meredith to abrogate responsibility for keeping properly informed about the financial position of the companies.
- [48] Mr Meredith was a director. Therefore, he had collective responsibility with Mr Miller for management and monitoring of the companies affairs, in respect of matters fundamental to the business.<sup>17</sup> In my view, the financial operations of a company are fundamental to the business here which provided building services for the purposes of making a profit or an income. Mr Meredith was obliged to take adequate steps to fulfil this responsibility. There will always be a minimum standard of diligence required.<sup>18</sup> I do not accept that asking from time to time whether all matters were under control was adequate to be sufficiently informed to do so. I accept that, absent grounds for suspicion, Mr Meredith did not need to closely and regularly examine the books. However, Mr Meredith did not receive or request the financial statements of the companies or any other regular financial reports. If he had received them, read them and, because they were false, his suspicions were not raised, these may have been reasonable steps. I could perhaps then accept that nothing Mr Meredith did would have mattered. In that case, he could perhaps be said to have acted to discharge his responsibilities as a director.
- [49] I say perhaps, because it also seems to me that one reason Mr Miller was able to strip funds from the companies to related entities was because Mr

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<sup>13</sup> *Meredith v Queensland Building Services Authority* [2012] QCAT 146, [21, 27-28].

<sup>14</sup> (1995) 37 NSWLR 438, esp 495 where it was noted that a non-executive director, in the absence of grounds for suspicion, was justified in delegating tasks to an officer and then relying on the judgment information and advice of that officer. See, *Meredith v Queensland Building Services Authority* [2012] QCAT 146, {21}.

<sup>15</sup> *Meredith v Queensland Building Services Authority* [2012] QCAT 146, [21].

<sup>16</sup> *Meredith v Queensland Building Services Authority* [2012] QCAT 146, [21].

<sup>17</sup> See *Gold Ribbon (Accountants) Pty Ltd (in liq) v Sheers & Ors* [2006] QCA 335, especially per Keane J who identifies allocating a task to one director can not deny the obligation of all directors to collectively consider the adequacy of what is produced, at least where it is fundamental to the company's business: [223].

<sup>18</sup> *Ibid*, [223].

Meredith took no real interest in or responsibility for the finances from the time he became a director. Mr Meredith did not take independent legal and financial advice before entering into the business arrangement. Doing so may have led to the implementation of checks and balances into the operation of finances which may have operated to avoid pitfalls which can arise in business, including making fraud and other undesirable practices less easily perpetrated by unscrupulous persons associated with the companies.

- [50] The Tribunal considered that Mr Miller was able to exert significant control over Mr Meredith. The QBSA submits that the evidence does not support the finding that he was able to exert '*Svengali-like control over Mr Meredith*'<sup>19</sup> or in any event that this should affect the outcome. It argues that the evidence only supports a finding that Mr Meredith trusted Mr Miller.<sup>20</sup> Thereby, it says, the Tribunal exaggerated the nature of the relationship.
- [51] Mr Miller met Mr Meredith when he was 9 or 10, and later sponsored Mr Meredith's athletic career. Mr Meredith then completed his apprenticeship with Mr Miller. Mr Meredith then sub-contracted for Mr Miller. Whether or not the extent of Mr Miller's control was exaggerated, it is apparent that Mr Miller had been influential, trusted and respected adult in Mr Meredith's life. Although I might not have described it as Svengali-like control, there was a significant imbalance of power between them.
- [52] Taking legal and financial advice before entering a business arrangement is a prudent step which a reasonable builder in any circumstances might take. Is this so in this case? Or is it not so in the circumstances, namely where the trusted relationship resulted in a significant power imbalance, and Mr Meredith's comparative youth and inexperience in business?
- [53] In my view, a reasonable builder who is young, relatively inexperienced in business and going into business with an older trusted friend would want to protect himself from the potential hazards in operating a business. This would be, it seems to me, particularly so, having regard to the relative lack of power he might expect to have in the business. These are Mr Meredith's circumstances. Therefore, Mr Meredith's circumstances, do not lead me to the conclusion that it was reasonable for him not to take independent advice and following advice, to implement appropriate strategies in the operation of the business to protect his own interests, which would also protect others dealing with the companies. Indeed, Mr Meredith's vulnerability seems to me to be a very good reason why he, acting as a reasonable builder, would do so, especially when it was anticipated that he would take a hands-off approach to financial matters.
- [54] Section 56AD(8A) requires that consideration be given to action taken by the person seeking to be categorised as a permitted individual to those matters set out in that sub-section. It does not appear from its reasons that the Tribunal did so. One of those matters is seeking appropriate legal and financial advice before entering into financial or business arrangements. The Tribunal did not consider this issue. On the basis of my earlier analysis,

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<sup>19</sup> *Meredith v Queensland Building Services Authority* [2012] QCAT 146, [12].

<sup>20</sup> QBSA's submissions filed 8 August 2012.

having regard to this factor, it would be difficult to conclude that Mr Meredith took all reasonable steps.

[55] Whereas, the other matters specified in s56AD(8A) were also not discussed by the learned Member, the only other matter which appears significant on the facts relates to reporting fraud to the Police. Mr Meredith's signature on a July 2008 Covenantor's Statement of Financial Position was fraudulent.<sup>21</sup> The Statement was appended to Mr Miller's licensing renewal for one of the company's which traded longer than it otherwise should have as a result. On my reading, the Tribunal did not make a specific finding about who perpetrated the fraud. Mr Meredith only discovered the fraud in mid to late March and sought original documents before taking any steps. He then reported it to QBSA some 6 weeks later. The Tribunal considered he was justified in delaying because of professional conduct rules applying to lawyers, rather than acting immediately he discovered the fraud.

[56] QBSA argues that the rules relied upon do not apply and that a person who discovers a fraud is not required to investigate it before reporting. While I accept the QBSA's argument, Mr Meredith did not discover the fraud until about the time of the liquidation. Section 56AD(8A)(c) refers to, reporting of fraud to the Police. Again, given the stage at which the fraud was discovered, the failure to report it to Police does not appear to me to be of consequence in determining whether Mr Meredith took all reasonable steps to prevent the liquidation of the companies or his own subsequent bankruptcy.

***The Tribunal's finding that Mr Miller would have lied or falsified accounts***

[57] Ground 3 in QBSA's appeal relates to the Tribunal's finding that Mr Miller would have lied or falsified accounts if Mr Meredith had sought more detailed information. QBSA submits that the evidence doesn't support the finding. Mr Miller admitted to withholding information from Mr Meredith. The Tribunal's finding was based on evidence about a pattern of behaviour and I would not disturb it.

***Was it reasonable for Mr Meredith to delay before advising QBSA of the fraudulent Statement?***

[58] Ground 4 relates to the Tribunal's finding that it was reasonable for Mr Meredith not to advise QBSA immediately upon discovering the fraudulent signature on the Covenantor's Statement. As discussed above, the delay in advising the QBSA was relatively brief. It occurred in the context of Mr Meredith having sought and received legal advice. I would not disturb the Tribunal's finding.

***Is the decision contrary to the evidence or the weight of evidence?***

[59] QBSA submits in accordance with Ground 5 that the decision is contrary to the evidence or the weight of the evidence. I agree, for the reasons discussed earlier. There is, and it is admitted by Mr Meredith, no evidence of steps taken by him to avoid the circumstances which resulted in the failure of the companies and his bankruptcy.

**Conclusions**

- [60] Mr Meredith did not take all reasonable steps. The learned Member therefore erred. Therefore, the exercise of discretion to categorise Mr Meredith as a permitted individual does not arise. Mr Meredith's applications for review seeking to be categorised as a permitted individual therefore, in my view, could not succeed.
- [61] I would allow the appeal and confirm the decisions to refuse to categorise Mr Meredith as a permitted individual in respect of the 3 events.