

SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: 3383 of 2013

Applicants: RAYMOND EDWARD BRUCE AND VICKI PATRICIA BRUCE

AND

First Respondent: LM INVESTMENT MANAGEMENT LIMITED
(IN LIQUIDATION) ACN 077 208 461 IN ITS CAPACITY AS
RESPONSIBLE ENTITY OF THE LM FIRST MORTGAGE INCOME
FUND

AND

Second Respondent: THE MEMBERS OF THE LM FIRST MORTGAGE INCOME FUND
ARSN 089 343 288

AND

Third Respondent: ROGER SHOTTON

AND

Intervener: AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

AFFIDAVIT OF DAVID WHYTE

I, DAVID WHYTE of Level 10, 12 Creek Street, Brisbane in the State of Queensland, Registered Liquidator, state
on oath:-

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Signed:

Witnessed by:

AFFIDAVIT:
Form 46, R.431

TUCKER & COWEN
Solicitors
Level 15, 15 Adelaide Street
Brisbane, Qld, 4000.
Tel: (07) 300 300 00
Fax: (07) 300 300 33

Filed on behalf of the Applicant

1. I am a Registered Liquidator and a Partner of the firm BDO. I am an affiliate member of the Chartered Accountants Australia and New Zealand (formerly the Institute of Chartered Accountants of Australia) and a professional member of the Australian Restructuring, Insolvency and Turnaround Association (formerly known as the Insolvency Practitioners Association of Australia) (“ARITA”).

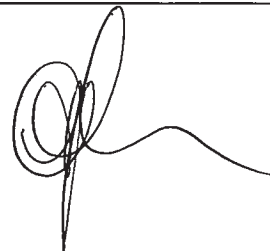
Appointments

Receivership

2. By Order of this Honourable Court made on 8 August 2013 and later embodied in an Order dated 21 August 2013, I was appointed:
 - (a) pursuant to section 601NF(1) of the *Corporations Act 2001* (Cth) (“the Act”) to take responsibility for ensuring that the LM First Mortgage Income Fund ARSN 089 343 288 (“the FMIF”) is wound up in accordance with its constitution; and
 - (b) pursuant to section 601NF(2) of the Act, as the receiver of the property of the FMIF.
3. I refer to my affidavit sworn and filed on 7 November 2014. The background to my appointment is relevantly explained by me at paragraphs 12 to 37 of my November 2014 Affidavit.
4. By Order of this Honourable Court made on 17 December 2015, I was:-
 - (a) Empowered subject to the balance of orders therein, to determine the extent LM Investment Management Ltd (receivers and managers appointed)(in liquidation) (“LMIM”) is entitled to be indemnified from the property of the FMIF, in respect of any expense or liability, or claim against, LMIM, in acting as Responsible Entity (“RE”) of the FMIF;
 - (b) Authorised, and empowered, to exercise the powers of, and am responsible for, the functions of the RE of the FMIF as set out in Clauses 9,10 and 22 of the Constitution of the FMIF, in respect of:-
 - (i) The transfer, registration and suspension of units in the FMIF (Clause 9);

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- (ii) Transmission of units (Clause 10); and
 - (iii) Maintaining the Register of Members of the FMIF (Clause 22).
- (c) Directed to apply to the Australian Securities and Investments Commission (“ASIC”) to obtain relief from financial reporting and audit obligations of the FMIF under Part 2M.3 of the Act, herein referred to as the “Residual Powers Orders”.

Controllership

5. On 25 September 2014, Andrew Fielding and I were appointed as agents of The Trust Company (PTAL) Ltd (“PTAL”), in lieu of LMIM, in respect of the securities it holds from the following companies:-
- (a) Cameo Estates Lifestyle Villages (Launceston) Pty Ltd (Receivers and Managers Appointed) (Controllers Appointed) ACN 098 955 296 (“Cameo”);
 - (b) Bridgewater Lake Estate Pty Limited (In Liquidation) (Controllers Appointed) ACN 086 203 786 (“Bridgewater”);
 - (c) OVST Pty Ltd (Controllers Appointed) (In Liquidation) ACN 103 216 771 (“OVST”);
 - (d) Redland Bay Leisure Life Pty Ltd (In Liquidation) (Controllers Appointed) ACN 109 932 916 (“RBLL”);
 - (e) Redland Bay Leisure Life Development Pty Ltd (In Liquidation) (Controllers Appointed) ACN 112 002 383 (“RBLLD”);
 - (f) Pinevale Villas Morayfield Pty Ltd (In Liquidation) (Controllers Appointed) ACN 116 192 780 (“Pinevale”),

together, referred to in this affidavit as the “Controllership Companies”.

Signed:



Witnessed by:



References

6. Throughout this affidavit, where I refer to:-

- (a) “BDO”, I am referring in a ‘short-hand’ way to staff at BDO (under my supervision or (in respect of work performed in our controllership role) under the supervision of Mr Fielding and me;
- (b) “my appointment”, I am referring to my role as the person appointed under section 601NF(1) of the Act as person responsible for ensuring the FMIF is wound up in accordance with its constitution;
- (c) “my controllership role” or “our controllership role”, I am referring to my role, with Mr Fielding, as agent in respect of the securities held by the FMIF over the Controllership Companies;
- (d) “BRI” or “BR” I am referring to BDO Business Recovery & Insolvency (Qld) Pty Ltd. On 16 August 2016, BDO Business Recovery and Insolvency (Qld) Pty Ltd changed its name to BDO Business Restructuring Pty Ltd;
- (e) “my appointments”, I am referring to both my roles as mentioned at paragraphs 6(b) and (c) above;

7. For ease of reference, I use the following terms which are defined throughout this affidavit:-

Defined Term	Definition	Paragraph No.
the Act	the <i>Corporations Act 2001</i> (Cth)	2(a)
ARITA	the Australian Restructuring, Insolvency and Turnaround Association (formerly known as the Insolvency Practitioners Association of Australia)	1
ASIC	Australian Securities and Investments Commission	4(c)

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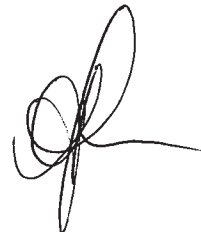


Auditors Claim	Supreme Court of Queensland proceeding number 3166 of 2015 against the former auditors of the FMIF	15(a)
Bellpac	Bellpac Pty Ltd (Receivers and Managers Appointed) (In Liquidation)	
BR	BDO Business Restructuring Pty Ltd	35
Bridgewater	Bridgewater Lake Estate Pty Limited (In Liquidation) (Controllers Appointed) ACN 086 203 786	5(b)
Cameo	Cameo Estates Lifestyle Villages (Launceston) Pty Ltd (Receivers and Managers Appointed) (Controllers Appointed) ACN 098 955 296	5(a)
Claim against the MPF	Supreme Court of Queensland proceeding number 12317 of 2014 against the trustees of the MPF	15(b)
Controllership Companies	Cameo, Bridgewater, OVST, RBLL, RBLLD and Pinevale	5
Controllership Schedules	six schedules of work performed by BDO staff in the Relevant Period in relation to my controllership appointment in respect of Bridgewater, Pinevale, RBLL, Cameo, OVST and RBLLD.	161
DB	Deutsche Bank AG	18(h)
DB Receivers	Joseph Hayes and Anthony Connelly	21
EY	EY also known as Ernst and Young	
FASOC	Further Amended Statement of Claim in Supreme Court of Queensland proceeding number 12317 of 2014	15(b)
Feeder Funds	the LM Currency Protected Australian Income Fund, the LM Institutional Currency Protected	

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	Australian Income Fund and the LM Wholesale First Mortgage Income Fund	
Feeder Fund Claim	Supreme Court proceeding 13534 of 2016 against LMIM as RE of the Feeder Funds.	16(b)
the First Claim	The formal claims submitted seeking the payment of \$241,453.54	113(a)
FMIF	the LM First Mortgage Income Fund ARSN 089 343 288	2(a)
FMIF assets	Assets over which the FMIF has held security for loans advanced by the FMIF	20
FTI Remuneration Proceeding	Further Amended Originating Application filed in Supreme Court of Queensland proceeding 3508 of 2015	107
FTI	FTI Consulting	83(a)(i)
Hypothetical receivership	A hypothetical scenario that assumes a receivership of the assets of the FMIF was undertaken at an earlier date than was in fact the case	
KordaMentha	Trustees of the MPF	24
LMA	LM Administration Pty Ltd (in liquidation)	32(f)
LMIM	LM Investment Management Ltd (receivers and managers appointed) (in liquidation)	4(a)
MPF	LM Managed Performance Fund	15(b)
MPF Proceedings	Supreme Court of Queensland Proceedings 8032/14 and 8034/14 commenced by KordaMentha seeking equitable compensation against LMIM and relief over assets of the FMIF by way of subrogation to LMIM's alleged right of indemnity out of assets of the FMIF	17
OVST	OVST Pty Ltd (Controllers	5(c)

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	Appointed) (In Liquidation) ACN 103 216 771	
PEs	Public Examinations	69
Pinevale	Pinevale Villas Morayfield Pty Ltd (In Liquidation) (Controllers Appointed) ACN 116 192 780	5(f)
PTAL	The Trust Company (PTAL) Ltd	5
RE	Responsible Entity	4(a)
Relevant Period	from 1 May 2017 to 31 October 2017	9(a)
Residual Powers Orders	Orders made by Jackson J on 17 December 2015	4(c)
RBL	Redland Bay Leisure Life Pty Ltd (In Liquidation) (Controllers Appointed) ACN 109 932 916	5(d)
RBLD	Redland Bay Leisure Life Development Pty Ltd (In Liquidation) (Controllers Appointed) ACN 112 002 383	5(e)
the Second Claim	The formal claims submitted seeking the payment of \$375,499.78	113(b)
the Schedule	a schedule of work performed by staff of the Brisbane office of BDO during the Relevant Period in relation to my appointment (in connection with the winding up of the FMIF).	50
SFASOC	Second Further Amended Statements of Claim	77(a)
WCL	Wollongong Coal Ltd	58(b)(iv)
\$2M proceeding	Supreme Court of New South Wales proceeding no.2014/332566	80
\$8M proceeding	Federal Court of Australia at New South Wales proceeding no.NSD1488/2015	84

Previous Remuneration

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Witnessed by:



8. I have made seven previous applications for approval of my remuneration:-

Remuneration Period	Remuneration Order	Amount of remuneration approved (incl. of GST)	Approximate remuneration per month
8 August 2013 to 31 March 2014	McMurdo J on 28 August 2014	\$702,480.35	\$88,000.00
1 April 2014 to 30 September 2014	Mullins J on 27 November 2014	\$1,005,948.35 (receivership) \$7,000.95 (controllership)	\$169,000.00
1 October 2014 to 30 April 2015	Jackson J on 23 June 2015	\$1,761,911.25 (receivership) \$442,214.30 (controllership)	\$315,000.00
1 May 2015 to 31 October 2015	Martin J on 11 December 2015	\$2,279,205.50 (receivership) \$194,052.10 (controllership)	\$412,000.00
1 November 2015 to 30 April 2016	Douglas J on 26 June 2016	\$1,405,155.40 (receivership) \$36,510.65 (controllership)	\$240,000.00
1 May 2016 to 31 October 2016	Daubney J on 2 December 2016	\$1,119,991.40 (receivership) \$13,385.35 (controllership)	\$189,000.00
1 November 2016 to 30 April 2017	Mullins J on 30 June 2017	\$897,580.20 (receivership) \$12,314.50 (controllership)	\$152,000.00

9. I now make an application for:-

- (a) approval of my remuneration for work performed in the Relevant Period for acting as the person responsible for ensuring that the FMIF is wound up in accordance with its constitution in the amount of \$1,280,897.20 (inclusive of GST); and

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- (b) approval of the remuneration of Andrew Fielding and me during the Relevant Period, for acting as agents of PTAL in respect of the securities held by the FMIF over the Controllership Companies, in the amount of \$26,155.25 (inclusive of GST).
10. I am authorised by Andrew Fielding to make this application for our controllership remuneration, on both our behalves.

Executive Summary

Winding up and asset realisation progress

11. Cash at bank as at 31 August 2017 was \$71.7 million.
12. The remuneration sought in this application for the Relevant Period has increased as compared with the previous two remuneration applications as a consequence of a greater amount of work that was required to be undertaken in the Relevant Period in relation to the proceedings referred to in paragraph 15 below, including detailed accounting and other investigations in relation to the quantum of claims made to recover funds for the benefit of members of the FMIF:-
- (a) 1 May 2015 to 31 October 2015: approximately \$2.47 million (inclusive of GST) (approximately \$412,000 per month);
- (b) 1 November 2015 to 30 April 2016: approximately \$1.44 million (inclusive of GST) (approximately \$240,000 per month).
- (c) 1 May 2016 to 31 October 2016: approximately \$1.13 million (inclusive of GST) (approximately \$188,000 per month).
- (d) 1 November 2016 to 30 April 2017: approximately \$0.909 million (inclusive of GST) (approximately \$152,000 per month).
- (e) 1 May 2017 to 31 October 2017: approximately \$1.3 million (inclusive of GST) (approximately \$217,000 per month).

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13. On or about 29 September 2017, I informed members, in a report to members, of an estimated return (based on the quantum of assets realised to date and a professional valuation for the remaining asset yet to be realised) of between 13.2 cents and 14.5 cents in the dollar as at 31 August 2017. This estimate does not take into account or include any allowance for future recoveries from legal proceedings, the effect of the claim and relief sought against the Feeder Funds, any allowance for claims filed by MPF against the assets of the Fund and the costs to finalise the winding up of the FMIF. Depending on the results of those claims, the cents in the dollar returnable to members is likely to improve.
14. My remuneration in the Relevant Period predominantly relates to:-
- (a) Prosecuting the substantial Court proceedings I have initiated to recover money for the benefit of the FMIF or to protect the assets of the FMIF or defend claims against the assets of the FMIF;
 - (b) Conducting detailing accounting and other investigations in relation to such claims and the quantum of such claims

Significant claims for the benefit of the FMIF

15. In the Relevant Period, significant time was spent advancing the following Court proceedings:
- (a) Supreme Court of Queensland proceeding number 2166 of 2015 against the former auditors of the FMIF. The significant work included quantification of the loss for a number of dates in 6 monthly intervals to assist with amending the claim against the former auditors as required by counsel following the decision of Justice Jackson on the strike out application in the proceeding. The quantum of the claim is for in excess of \$200 million (“**Auditors Claim**”); and
 - (b) Supreme Court proceeding 13534 of 2016 against LMIM as RE of the Feeder Funds. The significant work included conducting further investigations in relation to redemptions paid and purported income distributions to the Feeder Funds and providing detailed instructions

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Witnessed by:



in relation to amending the claim to include certain distributions made to the Feeder Funds. The claim is for in excess of \$55 million with the relief sought being to withhold distributions or other monies payable to the Feeder funds from the winding up of the Fund up to specific amounts claimed against each of them or certain alternative remedies as set out in the claim;

- (c) Supreme Court of Queensland proceeding no.11560/16 against LMIM. The significant work included conducting further investigations in relation to certain unauthorised payments LMIM caused to be made including loan management fees, overpaid management fees and prepaid management fees, to assist in amending the claim and preparing consolidated particulars. The quantum of the claim is yet to be finalised, but includes claims for the aggregate amounts of approximately \$13.7 million and \$12.9 million plus interest;
- (d) Supreme Court of Queensland proceeding number 12317 of 2014 against the trustees of the LM Managed Performance Fund (“MPF”) and others.

All Court proceedings

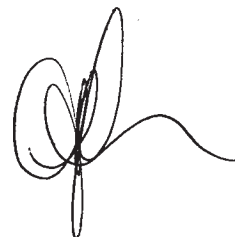
16. A summary of all court proceedings (including those substantial matters mentioned above) in which the FMIF has had an interest during the Relevant Period, or in respect of which work was performed during the Relevant Period (either to advance the proceeding or finalise matters arising as a consequence of the proceeding), is set out in the table below:-

Title, Court & No.	Description of proceeding	Remuneration category in the Relevant Period
Bruce v LM Investment Management Ltd (in liq.) in its capacity as responsible entity of the LM First Mortgage Income Fund & Ors.	This is the proceeding in which I was appointed and winding up orders made. Various interlocutory applications have been made in the proceeding including applications for approval of remuneration, applications for orders in relation to books and records, and application for	Trade On and Administration

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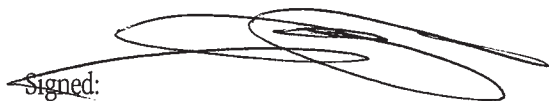


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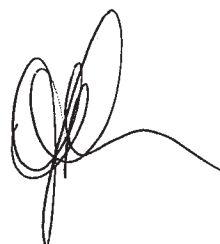


Supreme Court of Queensland Proceeding 3383/13	directions in relation to the appointment of myself and Mr Fielding as controllers of the retirement villages, in place of LMIM.	
LM Investment Management Ltd (in liq.) in its capacity as responsible entity for the LM First Mortgage Income Fund (Receivers & Managers Appointed) (Receiver Appointed) v EY (formerly known as Ernst & Young) (a firm) & Ors., (“Auditors Claim”) Supreme Court of Queensland Proceeding 2166/15	Claim by LMIM as RE of the FMIF against the auditors (EY) and two partners of EY for misleading and deceptive conduct and professional negligence	Investigations and assets
Austcorp Project No. 20 Pty Ltd & Ors. v LM Investment Management Ltd (Austcorp Proceedings) Federal Court of Australia File No. NSD 186/2013	Claim made by Austcorp Projects No. 20 Pty Ltd, and Compromise Creditors Management Pty Ltd against PTAL alleging that it sold securities at an undervalue. Claims made against all parties i.e. PTAL, LMIM, the Bellpac receivers and others have now been discontinued.	Creditors and Assets
KordaMentha Pty Ltd in its capacity as trustee of the LM Managed Performance Fund v LM Investment Management Ltd (Receivers & Managers Appointed) (in liq.) & Anor. Supreme Court of Queensland Proceedings 8032/14 and 8034/14	Claim by MPF Trustee against LMIM, arising out of the assignment of KPG and Lifestyle loans from LMIM as RE of the FMIF to LMIM as trustee of the MPF, for, inter alia, equitable compensation for breach of duties owed to members of the MPF, and for declarations that LMIM is entitled to indemnity out of the FMIF with respect to any such liability, and that the MPF trustee is entitled to be subrogated to the rights of LMIM in respect of FMIF assets. In my position as receiver of the FMIF, I have been joined as a Defendant.	Creditors
KordaMentha Pty Ltd in its capacity as trustee of the LM Managed Performance Fund v LM Investment	Claim by MPF Trustee against LMIM, in relation to a loan made by LMIM as trustee for the MPF to AIIS, for equitable compensation against LMIM, and for a constructive trust and other proprietary relief against	Creditors

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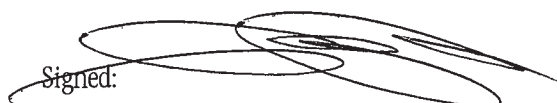


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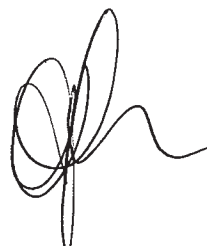


<p>Management Ltd (Receivers & Managers Appointed) (in liq.)</p> <p>Supreme Court of Queensland Proceeding No. 12716/15</p>	<p>assets of the FMIF.</p> <p>The claims for proprietary relief allege that LMIM atf the FMIF received certain interest payments on a loan facility that it had provided to AIIS from LMIM as trustee of the MPF, with knowledge that the payments were made by LMIM as trustee of the MPF in breach of trust.</p>	
<p>John Richard Park and Ginette Dawn Muller as liquidators of LM Investment Management Ltd (in liq.) (Receivers and Managers Appointed) the responsible entity of the LM First Mortgage Income Fund & Anor. V David Whyte as the person appointed to supervise the winding up of the LM First Mortgage Income Fund</p> <p>Supreme Court of Queensland Proceeding No. 3508/2015</p>	<p>Application by Mr Park, Ms Muller, and LMIM for directions as to how the FMIF is to be wound up and as to the extent of their powers, functions, and duties.</p> <p>By Further Amended Originating Application filed on 16 December 2015, seeking remuneration and expenses of the liquidators (and as administrators) of the Responsible Entity LMIM.</p> <p>By further Application filed 20 May 2016 pursuant to the Orders of Jackson J made 12 December 2015, seeking an indemnity from the FMIF for expenses incurred by the Responsible Entity (Indemnity Proceedings).</p>	Trade On and Investigations
<p>LM Investment Management Ltd v Drake & Ors.</p> <p>Supreme Court of Queensland Proceeding no. 12317/2014</p>	<p>Claim against the MPF Trustee, LMIM and its directors in respect of a loss suffered by the FMIF as a result of an amount paid to the MPF in the Bellpac litigation matter.</p>	Assets
<p>Supreme Court of New South Wales proceeding no.2014/332566</p>	<p>Claim with respect to \$2 million dollars of bonds issued by Wollongong Coal Ltd to Bellpac, where the FMIF holds a first ranking security over the assets of Bellpac.</p>	Assets
<p>Federal Court of Australia at New South Wales proceeding no. 2016/00120239</p>	<p>Claim against Wollongong Coal by Bellpac Pty Ltd Liquidator with respect to non-conversion of \$8 million dollars of bonds to shares, where the FMIF holds a first ranking security over the assets of Bellpac.</p>	Assets

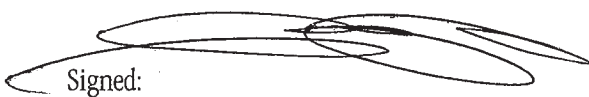
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<p>PTAL and LM Investment Management Ltd v Coulter Developments Pty Ltd & Ors</p> <p>Supreme Court of Western Australia proceeding no. 2403/2014</p>	<p>Claim against Borrowers and Guarantors for \$13.8M plus interest and costs</p>	<p>Assets</p>
<p>The Trust Company (PTAL) Ltd v Ross Lamb</p> <p>Federal Circuit Court SYG2097/2016</p>	<p>Creditors Petition against Guarantor</p>	<p>Assets</p>
<p>LM Investment Management Ltd (Receivers and Managers appointed) (in Liquidation) as responsible entity for the LM First Mortgage Income Fund (Receiver Appointed) v LM Investment Management Ltd (Receivers and Managers appointed) (in Liquidation) as responsible entity for the LM Currency Protected Australian Income Fund (Receiver Appointed) & ors</p> <p>Supreme Court of Queensland proceeding no. 13534/16</p>	<p>Seeking a declaration against LMIM as responsible entity of the Feeder Funds to withhold from distributions or payments otherwise payable to the Feeder Funds the amount of \$55,059,318.12 or certain alternative remedies as set out in the claim</p>	<p>Investigations and assets</p>
<p>LM Investment Management Ltd (Receivers and Managers appointed) (in Liquidation) as responsible entity for the LM First Mortgage Income Fund (Receiver Appointed) v LM Investment Management Ltd (Receivers and Managers appointed) (in Liquidation)</p> <p>Supreme Court of Queensland proceeding no.11560/16 (this</p>	<p>Claim against LMIM in relation to payments LMIM caused to be made from the property of the FMIF which were not authorised by the constitution or the Act and material losses suffered by the FMIF by reason of breaches of duty by LMIM .</p>	<p>Investigations</p>

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is the LMIM claim)		
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Summary of work in the Relevant Period

17. By way of short summary, I have undertaken the following work in the Relevant Period, that I considered necessary for the winding up of the FMIF:-
- (a) investigating a wider sample of loans and updating the draft estimated quantification of loss paper as required by counsel to assist with the prosecution of the Auditors Claim;
 - (b) Undertaking additional assessments of the quantification of loss against the former auditors at numerous hypothetical receivership dates in 6 monthly intervals as required by counsel and prepare 7 quantification of loss papers at each of the 6 monthly dates to assist with the prosecution of the Auditors Claim;
 - (c) Investigation of redemptions, hardship redemptions and distributions transactions including distributions of capital to investors between the FMIF and the Feeder Funds after 30 June 2008 and assisting our solicitors and counsel to prepare for and amend the Feeder Fund claim;
 - (d) Investigation of prepaid management fees, management fees, loan management fees from the period 2008 and assisting our solicitors and counsel to prepare for and amend the LMIM claim and consolidated particulars and supporting affidavit;
 - (e) Assisting our solicitors and counsel to finalise an amended points of claim in response to the application filed by the liquidators objecting to the rejection of two indemnity claims made against the FMIF ("FTI Indemnity Proceedings");
 - (f) Continuing investigations of the migration of the Composer investor management database to the AX database, and liaising with consultants as to that process, and the units acquired in the FMIF in foreign currencies prior to my appointment;

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- (g) Liaising with stakeholders regarding the retirement of the receivers appointed by the secured creditor Deutsche Bank AG (“DB”);
- (h) Complying with the obligations pursuant to the relief from ASIC from financial reporting and compliance plan audit requirements;
- (i) Finalising outstanding issues from the sale of the retirement villages, including resolving tax compliance issues;
- (j) Preparation of unit price calculation as at 30 June 2017;
- (k) Preparation of management accounts for the year ending 30 June 2017;
- (l) Preparation of reports to members issued in June and September 2017; and
- (m) Work undertaking the investor management function for over 4,500 members, including answering queries on the winding up of the FMIF and maintaining the investor database, including any change in details or transfer of units.

18. The above, very brief, summary of work undertaken by my staff and me is detailed further in my affidavit below.

Status of the FMIF assets

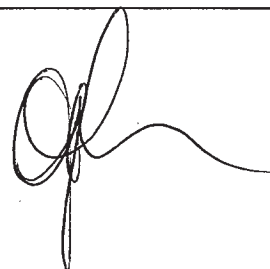
19. I set out a table below showing the remaining asset of the FMIF to be realised. The asset (referred to for ease of reference as the (“FMIF asset”) is an asset over which the FMIF has security for a loan advanced by the FMIF.

20. Following the appointment of Joseph Hayes and Anthony Connelly as receivers and managers of the assets and undertakings of the FMIF (“the DB Receivers”) by DB, I agreed with the DB Receivers to a division of the work realising the assets of the FMIF. The FMIF assets remaining to be realised are those being realised by the DB Receivers. As they are assets of the FMIF, I have had ongoing communication and interactions with the DB Receivers, where necessary, to stay abreast of the realisation of those remaining assets.

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21. After sale of the remaining asset has been completed and the controller accounts to the FMIF for the net proceeds, the FMIF is expected to receive approximately \$2.1 million. This relates to the single property asset (seen in the table below which is based on the most recent update provided to me by the DB Receivers as to the sale of these assets).

Location	Description of asset	Insolvency Practitioner responsible for recovery of the asset
QLD	61 hectares of englobo land with various approvals for up to 257 residential lots plus retail space and a childcare centre within a residential land subdivision in Central Queensland. A marketing campaign has commenced and an auction is scheduled to be held on 18 November 2017.	Joseph Hayes & Anthony Connelly (McGrath Nicol)

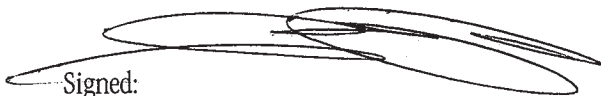
Status of the DB Receivers

22. Although DB was paid out in full in early January 2014, I have seen and am informed by Mr Hayes of McGrath Nicol, and believe, that DB does not consider it is in a position to release its charge over the FMIF and terminate the appointment of the DB Receivers.
23. In essence, DB contends that the existence of claims or potential claims by the trustee of the MPF, KordaMentha (hereafter referred for ease as "KordaMentha"), against DB and the DB Receivers is the reason why the DB Receivers are not in a position to retire.
24. During the Relevant Period, I have had ongoing discussions with the DB Receivers as to the DB Receivers possible retirement.

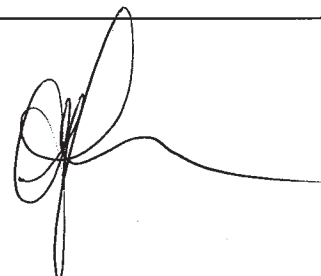
Distribution

25. Once the DB Receivers have retired, and the funds of the FMIF are released to me, in accordance with the Residual Powers Orders, I will need to seek directions from the Court before I am able to make a distribution to investors. However, before doing so it will be necessary to obtain orders from the court

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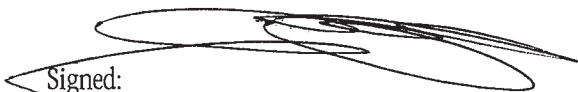


rectifying the register of members to correct the discrepancy referred to in paragraph 134. Any distributions will of course only occur after I have accounted for certain funds to meet the liabilities of the FMIF, including for any contingent claims that may arise from litigation undertaken on behalf of the FMIF.

Reduction in costs

26. As part of the winding up process, and in conjunction with the DB Receivers, I have reduced the costs of managing the FMIF.
27. Prior to the appointment of Mr Park and Ms Muller as administrators in March 2013, the management fees charged by LMIM as RE of the FMIF averaged \$14 million per annum, for the five years ended 30 June 2012.
28. The current costs of managing the FMIF are the costs of myself (by my appointments), the DB Receivers, and any amounts to be paid to the liquidators of LMIM pursuant to the FTI Remuneration application;
29. The remuneration I seek by this application, is higher than my previous two applications as a consequence of the significant work undertaken in regard to the litigation matters as stated in paragraph 15 above. Apart from this application, the remuneration has otherwise been reducing overall. My last approved application for remuneration averaged per month was approximately \$152,000 however, this included the months of December and January which are months where there is traditionally less activity and the Courts are closed for a period of time. The remuneration in relation to my appointment for the Relevant Period averaged approximately \$217,000 per month.
30. Apart from this application, the remuneration had reduced because all hard property assets have largely been realised, and I am, for the most part, now progressing claims on behalf of the FMIF, and defending those made against it. The remuneration is expected to reduce on average after this application as the litigation matters will require less intensive work, and detailed accounting and other investigations in relation to the quantum of such claims will largely be finalised.

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Complexities

31. Some of the overarching factors which have contributed to the complexity of the winding up of the FMIF include:-
- (a) the fact that there are over 4,500 members of the FMIF, both in Australia and internationally, and the responsibility to communicate with each of those members as to the progress of the winding up;
 - (b) the number and type of properties held as security for the various loans made by the FMIF;
 - (c) the complexity of litigation on foot, including claims made to recover funds for the benefit of members of the FMIF and claims made against assets of the FMIF;
 - (d) risk of personal liability being incurred under agreements entered into with residents of the retirement villages;
 - (e) the number and complexity of issues requiring my various investigations in the period from 2008 to 2013;
 - (f) the complex inter-relationship between LMIM, LMIM as RE of the FMIF, and LM Administration Pty Ltd (in liquidation) ("LMA");
 - (g) the complex inter-relationship between the FMIF and other funds of which LMIM is RE, including claims against the FMIF by KordaMentha; and
 - (h) the need to liaise with a number of other appointees, including the DB Receivers, the liquidators of LMIM, the liquidator of LMA, the Receivers of the LM Currency Protected Australian Income Fund and the LM Institutional Currency Protected Australian Income Fund and the RE of the LM Wholesale First Mortgage Income Fund.
32. In addition to the overall complexities, certain other issues have arisen or continued to require attention, in the Relevant Period which have added to the complexity of the winding up, and contributed to the time taken, and remuneration sought, including:-

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- (a) The requirement to amend the Auditors claim to include the details of the quantification of loss and undertaking the loss quantification assessments for a series of 6 monthly intervals as required by counsel. The work involved was extensive and complex which included:
- (i) Undertaking an assessment of the cash flows from the assumed earlier realisation of security properties for each of the 13 loans in the sample for each of the 6 monthly intervals;
 - (ii) The above assessment required for each loan at each of the hypothetical receivership dates appropriate assumptions to be determined as to:
 - (A) The sale strategy;
 - (B) The sale price;
 - (C) The sale timing;
 - (D) The units or remaining property available for sale at each date;
 - (E) Changes in circumstances at each date including changes in sale prices as many of the sample of security properties were multi-unit development properties;
 - (F) Reviewing loan files, other Fund records and EY work papers to ascertain changes in circumstances including sale prices and other relevant data in regard to the loan cash flows;
 - (G) With respect to retirement village loans, analysing anomalies or fluctuations in actual cash flows so that assumed cash flows were properly reflected in the cash flow assessments. This included matching of sale prices with sales cash flows, matching of the timing of sales and re-sales to the timing of receipt of settlement funds particularly where there were deferred settlement arrangements, review of the timing of payment of

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resident exit entitlements where those payments were in some cases independent of the re-sale of the units;

(iii) Undertaking 7 quantification of loss calculations for a number of categories of loss which included:

(A) Assessing and calculating at each hypothetical receivership date the assumed cash inflows and outflows of the Fund based on an analysis of actual inflows and outflows that would have occurred or would not have occurred had a receiver been appointed on those earlier dates. This included a detailed investigation and consideration of the expenses actually incurred and paid by the FMIF for a number of financial reporting periods, the likely outcomes in a hypothetical receivership scenario to the payment of these expenses and the incurring of liabilities, and a detailed estimation of the loss in regard to interest foregone in a hypothetical receivership scenario. In addition reviewing management fees, loan management fees, finance costs, redemptions paid to certain classes of investor and other income and expenses at each 6 monthly hypothetical receivership date;

(B) Assessing and calculating at each hypothetical receivership date the assumed repayment of the Fund's bank loans and the subsequent assumed cash surplus and interest on the cash surplus from the assumed earlier sale of properties securing the Fund's loans;

(b) Investigation of the circumstances around the redemption and distribution transactions with the Feeder Funds, including hardship redemptions and capital distributions, over a number of financial periods, involving a significant number of transactions to enable the Feeder funds to pay expenses, to assist with preparation of the amended claim against the Feeder Funds;

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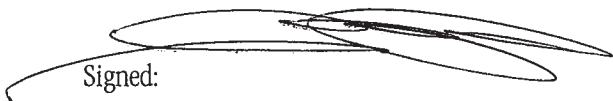
Witnessed by: 

- (c) Investigation and preparation of the amended claim for in excess of \$26 million against LMIM which included a review of complex accounting transactions which involved loan management fees, pre-paid management fees, management fees and Feeder Fund transactions;
- (d) The number and scope of litigious matters in the Relevant Period;
- (e) Given the complexity of the above matters, the extensive investigations needed to be undertaken, dealing with the quantification of the loss claimed against the former auditors and the need to continue to liaise with my solicitors and counsel on these matters, it has been necessary to continue to engage staff at a more senior level with a higher charge out rate. Mr Eric Leeuwendal has been extensively involved in all of these matters including conducting the detailed investigations of the records of the FMIF transactions as required by my solicitors and counsel in the litigation matters, liaising with my solicitors and counsel in the litigation matters and working with Mr Clark Jarrold, one of the partners in the BDO Audit team on the estimation of the quantification of the loss.

Time recording

- 33. My staff and I record our time on a daily basis. We enter our time in six minute units, and we enter the details of the time spent and the description of the tasks undertaken in an electronic system. My staff and I review these time entries on a periodic basis and, when necessary, entries are written off.
- 34. The partners of BDO Business Restructuring Pty Ltd ("BR") are members of ARITA, and follow the ARITA Statement of Best Practice – Remuneration.
- 35. When a task arose, that could be attributed to a specific retirement village, the time taken by BR staff to perform that task was recorded in the relevant category (Assets, Creditors, etc.) and as work undertaken pursuant to my controllership appointment.
- 36. When a task arose in relation to work relevant to the realisation of all the retirement villages, this time was recorded in the relevant category, and as work performed in the course of my appointment.

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Witnessed by:



Work performed by BDO's Business Services, Corporate Advisory and Audit teams has been allocated against my appointment, unless specific to a retirement village, each task and the time for carrying out each task, is only recorded once.

Teams assisting

37. Staff from across several practice areas of BDO, in addition to members of the BR practice area, assist me in my receivership role and controllership role. These staff are sourced from the Audit, Corporate Finance and Tax Services practice groups. I set out generally below, the function of each practice group and their assistance to me in the Relevant Period.
38. Given the complexities and nuances of this particular winding up, I considered that it was necessary to involve the assistance of these persons, given the specialist knowledge they possess with regard to particular areas. For example, I sought specialist knowledge regarding the audit and accounting issues arising in preparation of the Auditors Claim. The assistance of these teams was necessary for the purposes of the winding up. The charge out rate for the BDO practice groups changed on 1 July 2017 and the relevant changes are reflected in the schedules exhibited to this affidavit.

Exhibited hereto and marked "DW-80" are copies of the hourly charge out rate schedules of the BDO practice groups that applied during the Relevant Period.

Audit

39. During the Relevant Period, the Audit team at BDO has assisted me by:-
- (a) Assisting with the methodology and preparation of the first draft quantification of loss paper including attending meetings with counsel and my solicitors to assist with the prosecution of the Auditors Claim;
 - (b) Assisting with the review of the actual loan cash flows as well as the selection of additional loans to add to the sample as required by counsel;

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Witnessed by: 

- (c) Assisting with the formulation of the assumptions and preparation of the hypothetical receivership loan cash flow assessments for the loans included in the sample of loans to assist with the prosecution of the Auditors Claim;
- (d) Assisting with the formulation of the assumptions and preparation of the hypothetical receivership loan cash flow assessments for the sample of loans at each of the additional hypothetical receivership 6 monthly dates as required by counsel to assist with the prosecution of the Auditors Claim;
- (e) Assisting with the methodology and preparation of the additional quantification of loss papers at each of the additional hypothetical receivership 6 monthly dates as required by counsel to assist with the prosecution of the Auditors Claim;
- (f) Assisting with analysing and interpreting the comparison of actual and hypothetical receivership cash flows;
- (g) Assisting with responding to queries from my solicitors and counsel regarding the auditor's duties to comply with applicable legislation in financial audits to assist with the prosecution of the Auditors Claim;
- (h) Assisting with the review of and completion of the management accounts for the year ended 30 June 2017.

40. Given the expertise required to perform this work, I believe it was necessary for the Audit team to assist me with the above matters.

Corporate Finance

41. During the Relevant Period, the Corporate Finance team at BDO has assisted me in my roles by:-

- (a) Considering and providing feedback on the reasonableness of methodology applied for loss calculations starting from for each date requested by counsel in relation to the loss claim against EY;

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Witnessed by:



(b) Considering and providing feedback on the reasonableness and methodology of cash flow assessments for loans to be used in the hypothetical receivership comparison in relation to the loss claim against EY.

42. Given the expertise required to perform this work, I believe it was necessary for the Corporate Finance team to assist me with the above matters.

Tax

43. During the Relevant Period, the Tax team at BDO has assisted me in my roles by:-

(a) review of controllership business activity statements (BAS's) lodged by FTI and work papers to review compliance with the GST Law and Private Ruling. Review the proposed amended BAS's calculations and estimate the likely GST refund position

44. Given the expertise required to perform this work, it was necessary for the Tax team to assist me, to ensure that the Business Activity Statements in relation to the Controllership Companies were correctly prepared and lodged.

Categories of work

45. In my receivership role during the Relevant Period, my staff and I have undertaken tasks which broadly fall within the following five categories:-

- (a) Assets;
- (b) Investigations;
- (c) Trade on;
- (d) Creditors; and
- (e) Administration.

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Witnessed by:



46. While my staff and I used the above categories to record time, certain items of work could have fallen within more than one of the categories, so that, for example, communicating with members of the FMIF could be recorded under either Administration or Creditors. However, each task is only recorded once, and the time for carrying out each task is only recorded once.
47. Exhibited hereto and marked "DW-81" is a breakdown of time charged by BDO employees pursuant to both of my appointments.
48. Exhibit "DW-81" also contains tables in respect of "Disbursements" charged against either my appointment, or my controllership appointment (per each respective Controllership Company). These are office expenses that BDO has incurred. I do not seek approval in this application for these expenses.
49. Exhibited hereto and marked "DW-82" is a schedule of work performed by staff of BDO during the Relevant Period ("the Schedule") in relation to my appointment (in connection with the winding up of the FMIF). The charges in the Schedule exclude GST.
50. The Schedule shows a description of each task undertaken, the name and position of the person who performed the task, the date the task was undertaken, the length of time it took and the amount charged. A summary of the tasks undertaken, time taken and amount charged is detailed below:-

Category/area	Total hours	Amount \$
Assets	1,080.10	511,342.00
Investigations	339.40	117,383.50
Trade on	286.50	129,591.00
Creditors	1,303.10	317,913.00
Administration	281.20	88,222.50
Total (exclusive of GST)	3,209.30	1,164,452.00
GST		116,445.20
Total claim (inclusive of		1,280,897.20

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Witnessed by:

Category/area	Total hours	Amount \$
GST)		

51. The Schedule reflects the fact that I delegated to members of my staff the performance of a number of tasks and activities in the winding up. This is in accordance with my usual practices. I delegated work so that the level of experience of the person responsible for particular work reflected, and was appropriate to, the nature of the work. For example, throughout the winding up, I have endeavoured to ensure that the least complex of the required work is done by junior members of my staff at lower charge-out rates than senior members of my staff and me. I refer to paragraph 32(e) above concerning the need to continue to use certain staff who have a higher charge out rate due to the level of complexity of the litigation matters and investigations needed to properly prosecute these substantial claims.
52. The entries in the Schedule reflect BDO's scale of insolvency and other hourly charge out rates.
53. From my knowledge of the work carried out in relation to the winding up and my supervision of the tasks undertaken, I am satisfied that the time recorded for each of the tasks is commensurate with what was required to be undertaken and that the records are accurate.
54. In order to further assist the Court, I set out below explanations as to why the tasks detailed in the Schedule were undertaken, and why these tasks were necessary for the proper administration of the winding up of the FMIF.
55. The tasks detailed in the Schedule were carried out in furtherance of my appointment under s 601NF(1) of the Act to take responsibility for ensuring that the FMIF is wound up in accordance with its constitution.

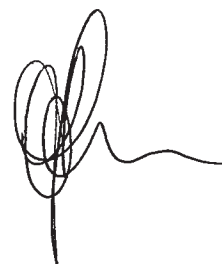
Assets

56. In the Relevant Period, my staff and I have undertaken various tasks and activities that can be described as falling within the category "Assets".

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57. Generally, work attributed to this category includes tasks in respect of:-

- (i) Advancing claims against guarantors;
- (ii) Court proceedings, including:-
 - (A) Pursuing the Claim against the MPF;
 - (B) Pursuing the Auditors Claim;
 - (C) Pursuing the recovery of the security for costs in favour of PTAL provided by the plaintiffs in the Austcorp Proceedings following the reimbursement of PTAL's defence costs by FMIF under the Custody Deed;
 - (D) The litigation associated with the realisation of bonds held in Wollongong Coal Limited ("WCL") by Bellpac;; and
 - (E) Pursuing the claim against the Feeder Funds

58. In total, \$511,342.00 (exclusive of GST) of remuneration is sought for approval in the Relevant Period in respect of the "Assets" category.

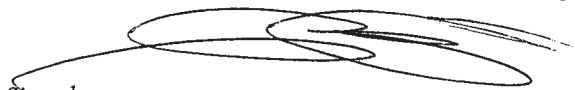
59. I set out below the extent of work undertaken in respect of "Assets".

60. Insofar as I am exercising powers conferred on me in relation to the property of the FMIF, I am doing so with the consent and agreement of the DB Receivers.

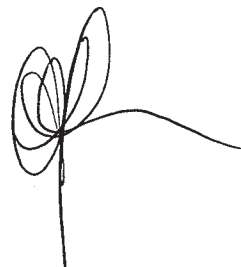
Maintaining and updating records relevant to my appointment and FMIF winding up

61. Following my appointment, a master spreadsheet was created as a central location for recording information about the FMIF. During the Relevant Period, my staff and I have continued to maintain and update the master spreadsheet.

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62. The master spreadsheet contains summaries of the loans and securities held by entities over assets of the FMIF. It also contains relevant details regarding the valuations of the assets and their individual realisation strategies.

Retirement Villages

63. The FMIF advanced funds to the operators of seven retirement villages, located in various states across Australia including Queensland, New South Wales, Victoria and Tasmania. It was agreed between the DB Receivers and me, that I would have carriage of the assessment of the options available and the realisation process for these retirement villages.

64. All of the retirement village assets have been realised. The work undertaken during the period were tasks to finalise the retirement village controllerships including tax compliance and queries on the caveat over and the transfer of, a residential lot by Bridgewater in 2008 to a related party.

65. All of this work was necessary for the winding up of the FMIF in accordance with its constitution.

Court Proceedings

66. Generally, work in respect of court proceedings that have been initiated by me is now attributed to the "Assets" category, having formerly been charged to the "Investigations" category of work. The reason for this move is to reflect that the investigation aspect of the work has for the most part come to an end and that the court proceedings filed are treated as what is considered to be an asset of the FMIF.

Auditors Claim - Supreme Court of Queensland Proceeding 2166/15

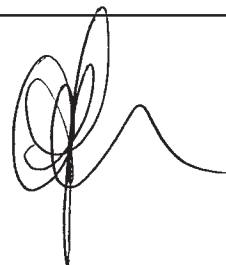
67. Paragraphs 158 to 168 of my November 2015 Affidavit, sets out the background to the Public Examinations ("PEs"), and paragraphs 104 to 111 of my June 2016 Affidavit, paragraph 74 of my November 2016 affidavit and paragraph 70 of my June 2017 affidavit, sets out the steps in the proceeding to the period ending 30 April 2017.

68. Since that time, the following progress has been made in the proceeding:-

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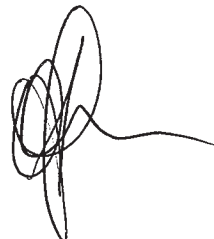


- (a) The judgement of Jackson J on the strike out application and commercial list application was delivered on 8 May 2017;
- (b) Placement of the proceedings on the commercial list.
69. There has been a considerable amount of work carried out by my staff (including, significantly, the BDO Audit team) and me with respect to the Auditors Claim including assisting my solicitors in preparation of the further amended statement of claim and the continuation of the quantification of the loss suffered by the FMIF
70. During the Relevant Period, the following staff, under my instruction and supervision, assisted me in this matter:-
- (a) Clark Jarrold
- (b) Craig Jenkins
- (c) Mark Whittaker
- (d) Kim Colyer
- (e) Eric Leeuwendal
- (f) Julie Pagcu
- (g) Brooke Streidl
- (h) Eric Sengstock
- (i) Andrew Whittaker
- (j) Ainsley Watt
- (k) Chris Demeyere
71. During the Relevant Period, the work of my staff and I has included:-

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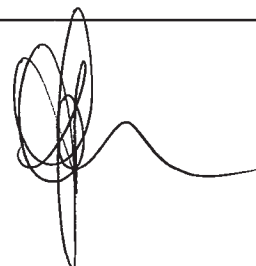


- (a) Reviewing and considering the judgement of Jackson J on the strike out application and liaising with my solicitors in regard to the judgement and implications therefrom;
- (b) Liaising with my solicitors in regard to the judgment and issues relating to potentially appealing the judgment;
- (c) Liaising with my solicitors regarding engaging and briefing a new senior counsel with the departure of Roger Derrington QC as counsel due to his appointment to the bench;
- (d) Finalising the first draft quantification of loss paper;
- (e) Meeting with our solicitors and counsel to discuss the judgement on the strike out application, the merits of an appeal, the draft quantification of loss paper including additional work required to increase the sample of loans used for the hypothetical receivership cash flow assessments and collating relevant source documents and calculating the estimated loss for a range of dates;
- (f) Liaising with my solicitors in regard to the lapsing of the appeal period and the issue of costs of the strike out application and assisting my solicitors to settle correspondence with the former auditors in relation to the costs and the proceedings;
- (g) Conduct a review of the Fund's loan book as at 2008/2009 including the timing of cash flows of the loans and consider and select a number of further loans for selection to add to the sample of loans used in the quantification of loss as required by counsel;
- (h) Undertaking hypothetical receivership assessments of the additional selected loans to compare the potential difference in outcomes had a receivership of the FMIF been undertaken much earlier. The work included the following:
 - (i) Reviewing loan files and loan accounts for the additional loans to identify and calculate actual cash inflows and outflows over the period from financial year ended 30 June 2009 to the realisation of the security property which are relevant to those financial periods;

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Witnessed by:



- (ii) Reviewing loan files to ascertain the actual steps taken to realise the security property, the manner of realising the property, the time taken to sell the property, any issues impacting realisation of the property and causing delay in sale and the cash flows that would need to be taken into account in a hypothetical realisation scenario;
 - (iii) Assessing a reasonable sale price at the time of the hypothetical sale by reviewing, considering and assessing all available data and property valuations.
- (i) Amending the draft quantification of loss paper to include the hypothetical receivership cash flow assessments for the additional loans as required by counsel;
 - (j) Reviewing the loan files for the sample loans and other available records and identify and collate source documents as required by counsel including valuations relied on in the hypothetical receivership cash flow assessments to support reasonable assumptions made about sale prices, sale period and timing of sale;
 - (k) Meeting with our solicitors and counsel to discuss the draft quantification of loss paper now updated to include the hypothetical receivership cash flow assessments for the additional loans, discuss further work counsel required to be undertaken including a review by registered valuers of the property related assumptions used in the hypothetical receivership loan cash flow assessments. In addition, the need to calculate the loss to the Fund at a number of specific hypothetical receivership dates;
 - (l) Undertaking additional hypothetical receivership loan cash flow assessments for each of the increased sample of loans used in the quantification of loss calculations from each of the dates requested by counsel being 1 July 2009, 1 January 2010, 1 July 2010, 1 January 2011, 1 July 2011, 1 January 2012 and 1 July 2012. This involved significant work and complex issues and included the following:
 - (i) Reviewing actual loan cash flows for the number of years taken to realise the security properties and split the annual cash flows calculations into 6 monthly

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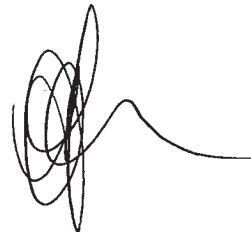
intervals and reconcile large variances in cash flow results for certain 6 monthly intervals for certain loans caused by non-matching of unit re-sales receipts and resident exit fee payments and deferred unit purchase plan arrangements;

- (ii) Reviewing the loan files, EY work papers and other available records for key information to support reasonable assumptions to be used at each of the 6 monthly intervals required for the additional hypothetical receivership cash flow assessments including the manner and pricing of realising the properties, the time it would most likely take to sell the properties, any issues impacting a realisation of the properties and the cash flows that would need to be taken into account in the hypothetical realisation scenarios;
- (iii) For some of the sample loans, the hypothetical receivership assessments required a detailed review of the available external valuations and or other relevant property related information and to calculate at each 6 monthly hypothetical receivership date, the number of units remaining to be sold, the average sale prices of unit sales for multiple styles of units to calculate reasonable assumptions about the value of remaining units to be sold and reconcile available units and type for sale at each date. This work was necessary as the RE did not in most cases obtain periodic updated independent valuations and most valuations were outdated;
- (iv) Consolidating, summarising and reviewing the reasonableness of the data from the additional hypothetical receivership assessments for each 6 monthly interval into a summary spreadsheet to feed into the additional quantification of loss papers;
- (m) Arranging an assessment by registered valuers of the reasonableness of the property realisation assumptions used in the hypothetical receivership assessments. This work was extensive and included:
 - (i) Reviewing the Fund's loan files and property valuations obtained over the period for the sample loans and the valuation firms used to value the security properties

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and prepare a schedule to assist in the selection of an appropriate valuer that might be approached to undertake the review;

- (ii) Undertaking research of national valuation firms and specialist valuation firms in retirement village and aged care, discuss the valuation firms with various BDO executives involved in the aged care industry and select a number of candidates for engagement;
 - (iii) Undertake initial discussions with the valuer candidates and prepare correspondence outlining the background and scope of the engagement. Negotiate commencement, timing and retainers of the engagement with the selected valuers, prepare files of valuations and other key documents and records relied on in the hypothetical receivership assessments, conduct meetings with the valuers, review reports from the valuers and liaise with my solicitors throughout the process;
- (n) Undertaking the preparation of the additional quantification of loss papers for each of the dates provided by counsel being 1 July 2009, 1 January 2010, 1 July 2010, 1 January 2011, 1 July 2011, 1 January 2012 and 1 July 2012. This involved significant work and complex issues and included the following:
- (i) Reviewing the audited financial accounts and management accounts of the Fund from 1 July 2009 to 30 June 2016 and split the annual income, expenses and other cash flows into 6 monthly intervals;
 - (ii) Assessing and including in each of the quantification of loss papers calculations, the difference between actual and hypothetical receivership cash flows from the assumed earlier sale of security properties for the sample of loans, assessing the percentage of the sample to the population of loans and calculating the extrapolation multiplier and applying that multiplier to assess the loss or otherwise;

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Witnessed by:



- (iii) Assessing and calculating hypothetical changes in the net cash position of the Fund as a consequence of the assumed earlier realisation of security properties and assumed cessation of payment of certain expenses including management fees and finance costs in a hypothetical receivership scenario at each of the 6 monthly intervals to assist in the calculation of the loss for interest income foregone as well as finance costs incurred for each of the 6 monthly intervals;
- (iv) Liaising with my solicitors regarding allowance for the incurrence of receivership related costs and expenses in the hypothetical receivership scenarios, the amount of actual receivership related costs and expenses and adjustments against actual receivership related costs and expenses for costs and expenses not approved by the Court;
- (v) Reviewing EY work papers, financial statements of the Fund and other Fund records for each of the reporting periods between 2009 and 2012 in regard to EY's assessment of the recoverability of pre-paid management fees and the receivables owing by the MPF, consider the likely position in the hypothetical receivership scenarios from each relevant hypothetical receivership date;
- (vi) Conducting a review of the financial statements, accounts and records of the Fund and EY work papers to verify the cash loss to the Fund or loss from reduction in the Fund's receivables, from the continued payment of redemptions to the Feeder Funds while redemptions were suspended;
- (o) Liaising with my solicitors in regards to queries concerning auditor's obligations in respect of financial audits and possible amendments to the claim against EY which work included:
 - (i) Conducting research of auditing standards, consulting with BDO technical persons;
 - (ii) Reviewing EY work papers in relation to their audits of the Fund from 2008 to 2012 to identify instances of consideration of compliance with relevant legislation

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Witnessed by: 

Claim against the MPF – Queensland Supreme Court proceeding 12317 of 2014

72. A proportion of the “Assets” work has been in respect of the claim I have filed in Supreme Court of Queensland proceeding number 12317 of 2014.
73. The Claim against the MPF, as filed, seeks \$15,546,147.85, plus interest (calculated from 2011). Whilst the Claim has been brought in the name of LMIM, pursuant to the orders of Justice Jackson on 21 July 2015, the interests of LMIM as the responsible entity of the FMIF are being represented by me.
74. The background to the Claim against the MPF is set out in my November 2015 Affidavit at paragraphs 102 to 105, and the court history in the proceeding up to November 2015, at paragraphs 106 to 119 therein, paragraph 80 of my June 2016 Affidavit, paragraph 81 of my November 2016 affidavit and paragraph 77 of my June 2017 affidavit.
75. Since that time, the following progress has been made in the proceeding itself:-
- (a) A Request for Further and Better Particulars of the amended defence was served on the 2nd defendant and the 2nd defendant has filed and served the Further and Better Particulars;
 - (b) A Reply to the 2nd defendant’s amended defence has been filed and served;
 - (c) Consent orders were obtained requiring the first, third and fourth defendants to file an amended defence;
 - (d) An application seeking orders granting permission of the disclosure of EY documents produced for the purposes of the PE and the private examination transcript of one of the examinees for the purposes of the Proceeding was obtained;
 - (e) Amended Replies to the 3rd and 4th defendants amended defences as well as Requests for Further and Better Particulars were filed and served;
 - (f) A further list of documents was delivered on the defendants containing the EY documents, the PE transcript of one examinee and further documents identified from the Fund’s former solicitors;

Signed:



Witnessed by:



- (g) Disclosure by the 6th defendant has been completed;
 - (h) Further and Better Particulars have been filed and provided by the 3rd and 4th defendants;
76. Only BDO staff in the BR practice group have worked (on my instruction) on the Claim against the MPF.
77. During the Relevant Period, the work of my staff and I has included:-
- (a) Liaise with my solicitors regarding the 1st defendant's solicitors request for a copy of Allens engagement letters in the Bellpac matter for disclosure. Conduct a review of Allens Bellpac files, identify certain engagement letters and respond to my solicitors;
 - (b) Liaising with my solicitors in regard to correspondence from the solicitors for LMIM and assist my solicitors to settle draft correspondence to the solicitors for LMIM and the MPF and to the director defendants in order to progress settlement negotiations;
 - (c) Liaising with my solicitors and assisting my solicitors to finalise the request for further and better particulars and Reply to the 2nd defendant's amended defence;
 - (d) Liaising with my solicitors in regard to the 2nd defendant's request for an extension of time for delivering their response to my request for further and better particular of their amended defence;
 - (e) Liaising with my solicitors in regard to correspondence with solicitors for the 6th defendant regarding their request for an extension to provide disclosure and timing of disclosure;
 - (f) Liaising with my solicitors in regard to correspondence with the 1st, 3rd and 4th defendant's solicitors negotiating and finalising draft consent orders for the filing of amended defences;
 - (g) Liaising with my solicitors in regard to correspondence with the 1st, 3rd and 4th defendant's solicitors regarding an extension for the filing of amended defences;

Signed:



Witnessed by:



- (h) Liaising with my solicitors, review correspondence and approving draft correspondence to the director defendant's in conjunction with the solicitors for LMIM and the MPF as to the disclosure of a copy of the transcript of one of the PE examinees;
- (i) Liaising with my solicitors, review correspondence and review the draft court application and affidavit seeking approval to obtain orders allowing the use and disclosure of EY work papers and a transcript from the PE (PE Documents). Review and approve draft correspondence to the 1st defendant's solicitors. Liaising with my solicitors in regard to correspondence with the defendants as to their position on the orders sought for disclosure;
- (j) Liaising with my solicitors, review correspondence from the 1st defendant's solicitors seeking inspection of Allens Bellpac legal files and arrange, prepare and facilitate inspection of the legal files;
- (k) Review the amended defences of the 3rd and 4th defendants and liaise with my solicitors in regard to the amended defences and the proposed Replies;
- (l) Liaising with my solicitors in regard to a short extension as requested by our counsel to finalising the Replies to 3rd and 4th defendant's amended defences and approve draft correspondence to the parties;
- (m) Liaising with my solicitors in regard to queries from the 1st defendant's solicitors regarding certain pleading issues in their proposed amended defence and my disclosure and querying whether other documents ought to be included. Reviewing the correspondence, reviewing the previous disclosure and circumstances regarding the receipt of old Bellpac files from the Fund's former solicitors and liaise with my solicitors in regard to settling correspondence responding to the 1st defendant's solicitors;
- (n) Liaising with my solicitors in regard to and review counsel's submissions in preparation for the hearing of the application to disclose the PE Documents;

Signed:



Witnessed by:



- (o) Liaising with my solicitors in regard to the decision of Justice Douglas on the application to disclose the PE Documents and circulating the orders to the solicitors for the parties and producing a supplementary list of documents containing the PE documents ;
- (p) Liaising with my solicitors in regard to a further extension to finalise the Replies to 3rd and 4th defendant's amended defences and approve draft correspondence to the parties;
- (q) Conduct a review of the Fund's files and documents from previous investigations regarding the alternatives to funding the Bellpac litigation from 2009 and discuss approach to parts of the Reply with my solicitors;
- (r) Liaising with my solicitors in regard to and review draft Replies to 3rd and 4th defendant's amended defences and queries from counsel. Prepare responses to my solicitor's queries and liaise with my solicitors on my queries regarding requesting further particulars on certain aspects of the amended defences. Review final Replies and approve the filing and serving of the Replies;
- (s) Liaising with my solicitors in regard to following up the director defendants and assist to settle correspondence to the director defendants in order to advance settlement negotiations;
- (t) Liaising with my solicitors in regard to correspondence from the solicitors for the 3rd and 4th defendants seeking an extension of time for filing their further and better particulars;
- (u) Liaising with my solicitors in regard to their communications with the solicitors for the director defendants as to the status of their position and proposed next steps; -

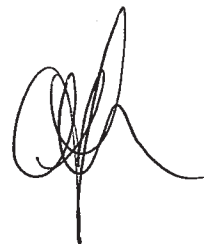
\$2 million of WCL convertible bonds - Federal Court of Australia at New South Wales proceeding 2014/332566

- 78. Paragraphs 126 to 133 of my November 2015 Affidavit sets out the background in Federal Court of Australia at New South Wales proceeding 2014/332566 (“\$2M proceeding”).
- 79. The claim was successfully prosecuted by the liquidator of Bellpac, and the FMIF is entitled as first ranking secured creditor to the funds recovered from the \$2 million bonds (after costs).

Signed:



Witnessed by:



80. The net proceeds of the \$2M bonds settlement are held by the Bellpac liquidator, and are being utilised to fund the recovery of the \$8 million of WCL convertible bonds.

81. During the Relevant Period, the work of my staff and I has included:-

(a) Liaising with my solicitors in relation to correspondence from the Liquidator's solicitors in relation to the Fund's entitlement to be paid the net proceeds of the \$2M Bonds proceeds under the funding agreement with the Liquidator and the request for payment of the Liquidator's fees and legal fees incurred from the Bonds proceedings;

(b) Liaising with my solicitors in regard to correspondence concerning the claims made by the MPF to the proceeds of the Bonds proceedings and assisting to settle correspondence to the Liquidators and the solicitors for the MPF;

(c) Liaising and corresponding with the Liquidator in regard to claims made by the MPF to the proceeds of the Bonds proceedings;

(d) Liaising with my solicitors in regard to correspondence with the solicitors for the MPF seeking a copy of the funding deed.


\$8 million of WCL convertible bonds - Federal Court of Australia at New South Wales proceeding no.NSD1488/2015

82. Paragraph 135 of my November 2015 Affidavit sets out the background to the Federal Court of Australia at New South Wales proceeding no.NSD1488/2015 ("**\$8M proceeding**"). Reference to this proceeding is also made at paragraph 90 of my June 2016 Affidavit, paragraphs 90 and 91 of my November 2016 Affidavit and at paragraph 85 of my June 2017 Affidavit.

83. In summary, the judgement in these proceedings was given in favour of the Liquidators of Bellpac and the defendant's appeal and application to the High Court for special leave were not successful.

Federal Court of New South New Wales Proceeding 2016/00120239

Signed:



Witnessed by:



84. The Liquidator has entered into a Heads of Agreement (HOA) with WCL to settle a proceeding regarding conversion of the bonds to shares by WCL for \$6.3 million with the sunset date to complete the conditions precedent in the HOA being now extended to 27 October 2017.
85. The proceedings with WCL remain adjourned to enable the parties to settle the litigation.
86. During the Relevant Period, the work of my staff and I has included:-
- (a) Liaising with the Liquidator in relation to an extension sought by WCL to the sunset date in the HOA to enable time to prepare and finalise expert reports needed for the meeting of shareholders to approve the transaction with Bellpac;
 - (b) Reviewing correspondence between the Liquidator and WCL in regard to negotiations on the agreement to the extension including the impost of interest, reviewing recommendation from the Liquidator on accepting the proposal from WCL to extend the sunset date to 14 July 2017 and responding to the recommendation;
 - (c) Review a claim from the Liquidator under the funding agreement for legal fees and Liquidator's fees incurred in regard to the \$8M Bonds claim. Review the invoices and raise queries with the Liquidator and review responses;
 - (d) Liaising with the Liquidator in relation to a further extension sought by WCL to the sunset date in the HOA to 2 October 2017 to enable more time to prepare and finalise expert reports needed for the meeting of shareholders to approve the transaction with Bellpac. Reviewing correspondence between the Liquidator and WCL in regard to negotiations on the agreement to the extension;
 - (e) Liaising with the Liquidator in relation to a further extension sought by WCL to the sunset date in the HOA to 7 February 2018 to enable more time to obtain a land valuation needed as part of the documents for the meeting of shareholders to approve the transaction with Bellpac. Reviewing correspondence between the Liquidator and WCL in regard to negotiations on the extension including a meeting held with WCL;

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Witnessed by:



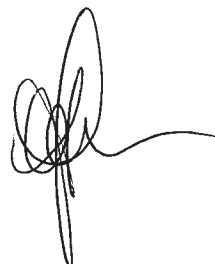
*Redemptions and distribution to Class B Unit Holders -Supreme Court of Queensland
proceeding no. 13534/16*

87. The background in relation to this claim is relevantly set out in the Investigation sections at paragraphs 117 to 119 of my June 2016 affidavit, paragraph 104 of my 17 November 2016 affidavit and paragraph 99 of my 13 June 2017 affidavit.
88. These proceedings were filed on 23 December 2016 claiming against LMIM and the Feeder Funds about \$55 million in respect of redemptions made to the Feeder Funds and seeking orders which include declarations to withhold from payments or distributions otherwise payable to the Feeder Funds the aggregate sum of about \$55M plus interest.
89. Since that time, the following progress has been made in the proceeding:
- (a) On 27 July 2017, an amended claim was filed and served on the parties which included a claim in respect of distributions made to the Feeder Funds between 1 January 2011 and 31 January 2013.
90. During the Relevant Period, the work of my staff and I has included:-
- (a) Undertaking further investigations of the Fund's records and EY work papers regarding the distributions paid to investors including the Feeder Funds prior to 1 January 2011 to consider whether a claim arises against LMIM and or the Feeder funds, which investigations included:
- (i) Reviewing the Fund's internal audit work papers to identify any records dealing with distributions & rates for the feeder funds or certification of distributable income. Review LM server financial ledgers for evidence of past distribution runs and any embedded distribution rates, to assist with responding to queries from counsel;
- (ii) Reviewing the accounting ledgers for any reductions in management fees paid by the Feeder Funds in respect of differential fee arrangements to compensate for

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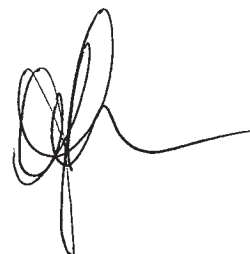
higher distribution rates and prepare a work paper on management fees paid by the feeder funds as a proportion of funds under management;

- (iii) Reviewing and summarising results from hardship redemptions investigations to assist with responding to counsels queries including the outcome of our review of hardship applications and processing by the Fund in accordance with the ASIC relief instruments;
 - (iv) Updating and finalising a file note on the outcome of investigations in relation to issue of whether a claim arises from the higher distribution rates paid to the feeder funds and liaising with my solicitors in regards to the outcome of the investigations;
- (b) Liaising and meeting with my solicitors in regards to amending the claim to include further distributions made to the Feeder Funds, the issue of further investigations in relation to quantifying the hardship redemption payments and the timing to finalise the amended claim;
- (c) Liaising and meeting with my solicitors in regards to queries and further investigations and calculations to be undertaken to assist with amending the claim;
- (d) Undertaking investigations of the Fund's records as requested by Counsel in relation to cash investments by the Feeder Funds for further units in the Fund and the capital distributions paid to the Feeder Funds in early to mid 2013. Also per the request of counsel, undertaking calculations of the entitlement of the Feeder Funds to the paid capital distributions under differing scenarios to take into account the effects if redemptions and distributions included in the claim against the Feeder Funds were unwound;
- (e) Liaising with my solicitors in regards to the results of our investigations, responses to the queries from counsel and further queries from counsel to ascertain unit holdings prior to the capital distributions, declarations or resolutions in relation to the suspension of distributions in 2011 and confirming counsel's observations from the results of our

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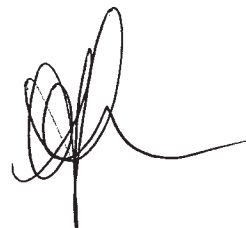
investigations. Undertaking the further investigations and responding to the queries from counsel;

- (f) Review drafts of the amended statement of claim and assist my solicitors in finalising the amended claim;
- (g) Liaising with my solicitors in regards to seeking leave from the Registrar to amend the claim, the preparation for the proposed applications under Section 500 of the Corporations Act and Section 59 of the Trusts Act (the Applications) and the service of the claim. Review the draft correspondence to the parties serving the claim and requesting confirmation the solicitors for parties accept service, review the constitution in regard to restrictions on distributions and liaise with my solicitors in regard to my query;
- (h) Liaising with my solicitors regarding numerous correspondence with the parties regarding service of the claim and correspondence with the solicitors for Receivers for the CPAIF and ICPAIF (Receivers) seeking an extension of time to respond to the confirmation they accept service of the claim. Assist my solicitors to settle correspondence in reply;
- (i) Conducting discussions with the Receivers in relation to their queries about the claim and the proposal to act as a contradictor in the proceedings with costs paid by the Fund to prosecute the proceedings. Liaise with my solicitors in relation to further correspondence from the Receivers' solicitors and assist my solicitors to settle the correspondence in reply. Meeting with the Receivers to further discuss their queries and proposals;
- (j) Liaising with my solicitors regarding the issue of determining who is to represent the interests of the CPAIF and ICPAIF in the proceedings to enable the preparation of the Applications to be finalised;
- (k) Liaising with my solicitors regarding the draft Applications and correspondence from the solicitors for the Receivers in response to whether they will accept service of the Applications and advising their clients will be seeking orders to be appointed contradictor in the

Signed:



Witnessed by:



proceedings and their costs to be paid out of the FMIF. Review the draft Applications and assist my solicitors to settle correspondence in reply;

- (l) Liaising with my solicitors regarding the draft Application and draft affidavit settled by counsel and queries from counsel in regard to a number of paragraphs in the affidavit. Consider the queries and further work to be undertaken to respond to the queries, review previous research undertaken regarding the query on the liquidity of the Fund. Undertake further research of the records of the Fund and update the draft affidavit in response to counsel's queries;
- (m) Liaising with my solicitors regarding a final query on the draft affidavit in regard to the ability to sell a certain percentage of the loans of the Fund within 365 days. Give further consideration to the query and have further discussions with my solicitors regarding the query and finalising the draft affidavit and Application;

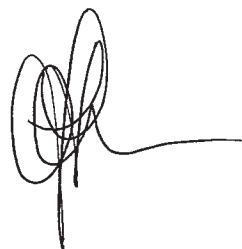
Investigations

- 91. During the course of the winding up, my staff and I have undertaken various tasks that can be described as falling within the category "*Investigations*".
- 92. This category relates to work undertaken in pursuit of my investigations, which may result in legal proceedings.
- 93. Generally, once a proceeding is started, time is then recorded and allocated to the "*Assets*" category of work.
- 94. My investigations, in summary, relate to the following categories of matters:-
 - (a) LMA/Director related claims (LMIM claim); and
 - (b) Redemptions and distributions to Class B unit holders.
- 95. In total, \$117,383.50 (exclusive of GST) in remuneration is sought for approval in respect of the "*Investigations*" category.

Signed:



Witnessed by:



96. The remuneration claimed for pursuing investigations during the Relevant Period relates to the following work as summarised below, and divided into investigations relating to discrete proceedings.
97. All of this work was necessary for the winding up of the FMIF in accordance with its constitution. The work undertaken was necessary, and undertaken with a view to investigating matters which, if commercially viable to pursue, would result in a return to the members of the FMIF.

LM Administration Pty Ltd (In Liquidation) ('LMA')/Director related claims

98. In the Relevant Period investigations continued in relation to management service agreements with LMA. Further investigations were undertaken to enable draft amendments to be prepared to the statement of claim in the LMIM claim which has been amended, filed and served. Details of the LMIM claim are provided from paragraph 153 below.

Redemptions and distribution to Class B Unit Holders

99. The background to these investigations is relevantly set out in the section above. As the amended claim was filed during the relevant period, details regarding this claim and the investigations undertaken prior to filing the amended claim is included under Assets/Court proceedings above.

Trade on

100. Generally, work is considered to be "*Trade-on*" if the work is considered to be incidental to the winding up.
101. Work undertaken in relation to trade-on may be recorded in more than one category, however, the work undertaken is only recorded once.
102. During the Relevant Period, work attributed to this category included:-
- (a) Preparation of unaudited management accounts for the year ended 30 June 2017;
 - (b) Acting as Respondent to the FTI Indemnity proceeding;

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Witnessed by: 

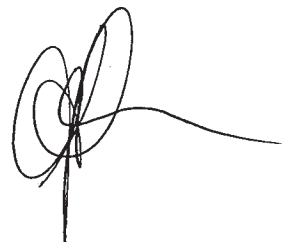
- (c) Reviewing and approving the payment of expenses and issuing payment requisitions and supporting documentation to the DB Receivers for review and final approval;
- (d) Maintenance of the Microsoft AX finance database. This involved accounting for receipts and payments, reconciling bank accounts and processing month end cash and year end adjustments;
- (e) Maintenance of the Microsoft AX loan management database, including accounting for payments, reconciling statements and processing month end and year end adjustments;
- (f) Conducting internal meetings to discuss job management issues including:-
 - (i) Maintenance of accounts and preparation of the management accounts for the year ended 30 June 2017;
 - (ii) Status of litigation matters and work to be done to progress same;
 - (iii) Status of asset realisations and strategies; and
 - (iv) Investor issues including content for my regular reports to members, status of investigations, creditor claims and my application for approval of remuneration.
- (g) Meeting with members of the BDO Audit practice group regarding the preparation of the management accounts for the year ended 30 June 2017; and
- (h) Communications with the DB Receivers and their staff regarding the continuing appointment of the DB Receivers and other matters.

103. In total, \$129,591.00 (exclusive of GST) of remuneration is sought for approval in respect of the "Trade on" category.

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Witnessed by:



Management Accounts

104. During the Relevant Period, my staff and I worked on the preparation of the management accounts for the year ended 30 June 2017.
105. During the Relevant Period, my staff and I have undertaken the following tasks in respect of completing the management accounts for the year ended 30 June 2017:-
- (a) Reviewing work papers to verify the accuracy of the management accounts;
 - (b) Reviewing summaries of the valuation of remaining assets which are expected to sell within six months of the year end accounts;
 - (c) Reviewing the provisions for selling, statutory and holding costs for each of the remaining assets and adjust the value to take into account these costs;
 - (d) Liaising with the DB Receivers to ascertain amounts that are outstanding at 30 June 2017;
 - (e) Preparing a summary of loan reductions and drawdowns to calculate the movement in loans in default;
 - (f) Calculating the net assets attributable to unitholders, movement in default loans, receivables and related party transactions;
 - (g) Preparing a summary of payable invoices
 - (i) either paid after the year end; or
 - (ii) remaining to be paid, which relate to work incurred during the financial year ending 30 June 2017,to determine the accrued expenses;
 - (h) Calculating provisions for remaining loan accounts with security property or receivable balances and updating the loan spreadsheet;

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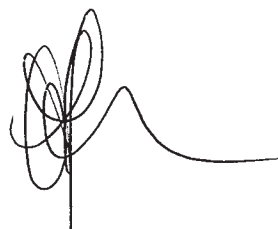
Witnessed by: 

- (i) Preparing a trial balance, and processing the:-
 - (i) Accrued expense journals;
 - (ii) Impairments journals;
 - (iii) Bank transaction journals;
 - (iv) Write off journals; and
 - (v) Relevant expenses and income journals.
- (j) Preparing work papers to support the notes to the accounts, including, but not limited to, the movement in impairments as between the periods 31 December 2016 and 30 June 2017;
- (k) Preparing the management accounts for distribution to members, which includes:-
 - (i) a statement of comprehensive income;
 - (ii) a statement of financial position;
 - (iii) a statement of changes in net assets attributable to unitholders; and
 - (iv) notes to the accounts.
- (l) Liaising with the BDO Audit practice group regarding movements in asset values, provisions and default loans between 31 December 2016 and 30 June 2017;
- (m) Reviewing and amending the trial balance in respect to changes required by the BDO Audit practice group;
- (n) Reviewing and amending financial statements in respect to changes required by the BDO Audit practice group;
- (o) Reviewing and considering disclosure requirements with reference to Australian Accounting Standards; and

Signed:



Witnessed by:



(p) Reviewing and amending the management accounts and notes in accordance with Australian Accounting Standards and recommendations by my solicitors.

106. This work was, in my opinion, necessary for the winding up of the FMIF in accordance with its constitution. By undertaking this work I am able to provide ongoing financial accounts to members and avoid incurring ongoing audit fees during the winding up.

FTI Remuneration Proceeding – FAOA in Supreme Court of Queensland proceeding 3505 of 2015

107. On 16 December 2015, the liquidators of LMIM, Mr Park and Ms Muller, filed a Further Amended Originating Application in Supreme Court proceeding 3508 of 2015 (“FTI Remuneration Proceeding”).

108. The FAOA sought approval of their remuneration as both the administrators in the period from 19 March 2013 to 31 July 2013, and as liquidators from 1 August 2013 to 30 September 2015.

109. In total, \$3,098,251.83 (excluding GST) was sought to be approved for payment from the FMIF in the FTI Remuneration Proceeding.

110. On 17 October 2017, judgment with respect to the FTI Remuneration Proceeding was delivered: *Park & Muller (liquidators of LM Investment Management Ltd v Whyte No 2* [2017] QSC 229. As a result of this decision there will be a significant reduction in the amount of the remuneration and expenses claimed by the Liquidators that would be paid from the Fund’s assets. His Honour ordered that draft orders in agreed amounts in accordance with His Honour’s reasons to give effect to the Liquidators entitlement to be paid from the FMIF for remuneration or expenses as administrators and Liquidators of LMIM be submitted and if the parties are unable to reach agreement, the matter is listed for further hearing or directions on 22 November 2017.

111. During the Relevant Period, the work of my staff and I has included:

(a) Liaising with my solicitors regarding the decision and implications for the Fund, reviewing the judgement and discussing the next steps and issue of costs of the application with my solicitors

Signed:



Witnessed by:




112. Pursuant to the Residual Powers Orders, I have been directed to take certain steps to review, and decide on, claims by LMIM with respect to expenses sought to be paid from the assets of the FMIF.
113. To date, I have received two formal claims, and been put on notice as to a third.
114. The two formal claims submitted sought the payment of:-
- (a) \$241,453.54 (the “First Claim”); and
 - (b) The second for \$375,499.78 (the “Second Claim”), from the assets of the FMIF.
115. The First Claim related to legal fees incurred by LMIM appealing the decision of Justice Dalton appointing me to wind up the FMIF. This claim was rejected in full.
116. As to the Second Claim, I accepted \$84,954.41 of this claim, rejected \$169,243.26 and deferred \$5,473.59; the liquidators withdrew the balance.
117. As a result of my refusal to pay certain amounts of the First Claim and Second Claim, LMIM and its liquidators filed an application with the Court on 20 May 2016, for declarations that LMIM is entitled to indemnity out of assets of the FMIF in respect of certain claims (“Indemnity Application”).
118. On 30 May 2017, I obtained judicial advice to the effect that I am justified in raising the “clear accounts” rule as a ground of objection to the application referred to in the preceding paragraph, by raising certain identified allegations of loss caused to or amounts by which LMIM is alleged to be liable to restore to the FMIF.
119. The Indemnity Application was heard on 19 and 20 June 2017.
120. Judgment was delivered on 17 October 2017: *Park v Muller (Liquidators of LM Investment Management Ltd v Whyte No 3* [2017] QSC 230.

Signed:



Witnessed by:



121. In paragraph [6] of His Honour's reasons, a table appears summarising five categories of expenses in respect of which indemnity was claimed, totalling \$360,650.82.
122. His Honour held that:
- (a) The legal costs of the appeal in 8895 of 2013 of \$263,127.13 and the costs of assessment of those costs in the sum of \$9,068.68 were not properly incurred and those costs should not be paid to LMIM or its Liquidators out of property of the FMIF;
 - (b) Liquidators are entitled to a direct indemnity out of property of the FMIF for the following sums by way of indemnity for expenses
 - (i) the appropriate proportion of the sum of \$80,125 for insurance premiums;
 - (ii) the appropriate proportion of the sum of \$25,480.43 for legal costs relating to the production of books and records;
 - (iii) the sum of \$11,477.43 for legal costs of the assessment of certain legal costs;
 - (i) the sum of \$6,279.86 for assessor's costs of the assessment of certain legal costs (other than the appeal costs);
 - (c) that the clear accounts rule operates to suspend LMIM's claimed right to payment from the assets of the FMIF until the resolution of the claim made in the proceeding 11560/16 (the LMIM Claim) and that LMIM's indemnity claims, to the extent that they are otherwise maintainable, should not be finally resolved until the LMIM Claim is resolved: at [143].
123. His Honour ordered that the parties are to submit draft orders in agreed amounts in accordance with His Honour's reasons as to the Liquidators entitlement to be paid from the FMIF for the expenses referred to in paragraph 122, or if agreement cannot be reached, the matter is listed for further hearing or directions on 22 November 2017.
124. The raising of the clear accounts rule and His Honour's judgment in relation to same, and the LMIM claim, may have wider significance to the winding up of the FMIF, because if the various claims

Signed: 

Witnessed by: 

made against LMIM are successful, they may be able to be relied upon as a set-off against claims made by LMIM for indemnity out of assets of the FMIF, including those claims identified through the proof of debt process or claims made by other parties, such as the MPF Trustee, seeking to subrogate to LMIM's alleged rights of indemnity.

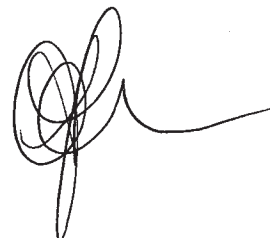
125. During the Relevant Period, the work of my staff and I has included:

- (a) Reviewing the Points of Defence document filed by FTI in the proceedings and liaising with my solicitors in regard to the document;
- (b) Liaising with my solicitors in regard to the draft amended points of claim, reviewing a draft of the document, amendments to the document and assisting my solicitors to finalise same;
- (c) Liaising with my solicitors in regard to the application for judicial advice to assist in the proceedings, reviewing drafts of the application, affidavit and submissions and assisting my solicitors to finalise the documents;
- (d) Liaising with my solicitors in regard to an additional affidavit to be filed to assist with the proceedings. Reviewing a number of drafts of the affidavit, liaising with my solicitors in regard to queries and use of the certain documents for the purposes of the proceeding, seeking consent from the Liquidator of LMA to such use, checking the factual statements in the affidavit to the records of the Fund, checking the calculations and assisting my solicitors to finalise the affidavit;
- (e) Liaising with my solicitors in regard to correspondence with FTI, negotiations with FTI and settling their claim for costs in the proceedings and arranging payment of the agreed costs;
- (f) Liaising with my solicitors regarding the proposed amendment of the BDO LM FMIF website to update investors on the proceedings and documents filed;
- (g) Liaising with my solicitors regarding the decision and implications for the Fund, reviewing the judgement and discussing the next steps and the issue of costs of the application with my solicitors.

Signed:



Witnessed by:



126. I expect to receive further indemnity claims during the course of my appointment.

Creditors

127. I am seeking approval for remuneration in the order of \$317,913.00 (exclusive of GST) in respect of work that is categorised as "*Creditors*".

128. Generally work attributed to this category includes:-

- (a) Preparing reports to members;
- (b) Attending to queries from members in relation to the reports to members;
- (c) Maintaining and updating the AX investor management database;
- (d) Investigating the investor register relating to units that were subscribed in foreign currencies;
- (e) Investigation of and ascertaining the potential claims by the liquidators of LMIM's indemnity claim against the FMIF;
- (f) Communications with the MPF in relation to the MPF Proceedings; and
- (g) Work in respect of the Austcorp Proceeding.

Reports to Members

129. During the Relevant Period, I published on the FMIF website two reports to members of the FMIF updating them as to the ongoing winding up of the FMIF. Exhibited hereto and marked:-

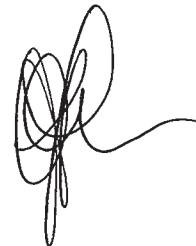
- (a) "DW-83" is a copy of the eighteenth report to members; and
- (b) "DW-84" is a copy of the nineteenth report to members.

Each of those reports contains information which is, or was at the time of the report, correct, to the best of my knowledge and belief.

Signed:



Witnessed by:



130. During the Relevant Period my staff and I were required to undertake tasks for the purposes of reporting to members of the FMIF, including:

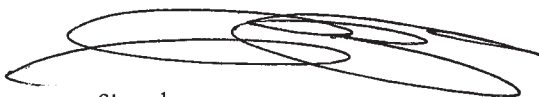
- (a) Drafting and reviewing the reports to members;
- (b) Preparing material summarising my remuneration for inclusion in the report;
- (c) Updating the asset realisation summary;
- (d) Updating the status of litigation matters;
- (e) Reconciling the cash at bank and the loan balances;
- (f) Considering and calculating the updated estimated return to members;
- (g) Considering and calculating the updated unit price as at 30 June 2017; and
- (h) For my 30 September 2017 report, setting out the actions taken in the prior 6 months period and proposed to be undertaken in the next 12 months period.

Contact with members in respect of reports to members

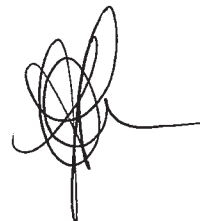
131. In addition to the reports to members set out above, my staff and I have also been contacted by email and telephone by members of the FMIF and their financial advisors. This contact required responses regarding:-

- (a) The status of the receivership and the winding up of the FMIF;
- (b) Updating contact details;
- (c) Confirming unit balances and distributions paid prior to my appointment;
- (d) The transfer of units and the documentation required to effect same; and
- (e) Queries arising from the reports to members regarding the receivership.

Signed:



Witnessed by:



132. During the Relevant Period my staff and I have also liaised with the beneficiaries and/or trustees of deceased members' estates. Where appropriate we have liaised with the beneficiaries, trustees and/or their solicitors/advisors to effect a transfer of the unit holding at the request of the investor's estate. My staff and I were required to undertake tasks including considering the request for a transfer of units, reviewing the documentation provided in support of such request, and processing such transfers.
133. Work undertaken in relation to communications with members is sometimes also recorded in the "Administration" category of work depending on the context of the call or correspondence, and the work required following that communication. However, time for carrying out any task is only recorded once.

Foreign currency units

134. During the Relevant Period my staff and I continued to investigate a discrepancy identified between the units recorded in the FMIF members register in the AX database, and the units recorded in the audited and management accounts for the 2012 financial year.
135. During the Relevant Period, my staff and I undertook the following work to investigate and progress a resolution of this issue:-
- (a) Liaising with my solicitors in regard to the proposed service request to an external IT consultant setting out the proposed steps to resolve the discrepancy in the foreign investor unit balances;
 - (b) Liaising with my solicitors regarding the form of undertakings to be signed by the IT consultant to enable compliance with undertakings given to the Court in proceeding 3383 of 2013 and resolving issues to enable a copy of the AX database to the IT consultants to enable them to commence work;
 - (c) Liaising with my solicitors regarding obtaining consent from LMIM, Trilogy and Receivers of CPAIF and ICPAIF (the Parties) to the provision of the duplicate AX database to our IT

Signed:



Witnessed by:



consultants, reviewing correspondence from our solicitors on the issue and considering same, reviewing draft correspondence to the Parties, assisting my solicitors to settle the correspondence, review correspondence from the Parties and liaise with my solicitors to prepare further correspondence to respond to queries from Trilogy;

- (d) Liaising with my solicitors in regard to the consent obtained from the Parties and an additional undertaking to be signed by the IT consultants, liaising with the IT consultant to sign the additional undertaking;
- (e) Liaising with the IT consultants as to the status of commencing the work order, the necessary platform to enable the IT consultant access to the duplicate AX database and conversion data, meeting with new staff members of IT consultant in relation to the work order, liaising with existing IT consultant on preparation of a platform for access to the duplicate AX database and issues experienced in dual access by BDO staff and the IT consultant.

AX Database

136. During the Relevant Period my staff and I were required to continue to maintain the Microsoft AX investor management database. This included work:-
- (a) Updating investor details;
 - (b) Transferring units as requested or as directed by executors of deceased estates; and
 - (c) Generating reports to attend to members' unit balance enquiries.
137. The AX Database is where the Register of Members is kept and maintained. In accordance with the Residual Powers Orders, this is a duty charged to me.
138. I consider that it is necessary for the proper administration of the winding up to keep the investors properly informed as to the progress of the winding up of the FMIF, and to try to minimise the number of direct inquiries from members of the FMIF requesting the same information.

Signed:

Witnessed by:



Austcorp Proceedings

139. The background and steps in the proceeding up until 30 April 2016 are contained in my November 2015 affidavit at paragraph 218, June 2016 affidavit at paragraph 157 and November 2016 affidavit at paragraphs 141 to 144. Further developments are set out in my June 2017 Affidavit at paragraphs 133 to 135.
140. These proceedings relate to a claim against PTAL alleging a sale of a Bellpac property at undervalue. The proceeding was ultimately discontinued, with costs awarded against the Plaintiff.
141. A right of indemnity exists from LMIM out of the FMIF's assets under the custody agreement with PTAL (the custodian of the FMIF), and accordingly, PTAL has an entitlement to the costs incurred by defending the matter prior to it being discontinued;
142. The security for costs of \$150,000 filed with the Court by the plaintiffs in favour of PTAL remained to be resolved. During the relevant period, the security was released to PTAL and PTAL paid those funds to the Fund which finalises this matter.

Work in the Relevant Period

143. During the Relevant Period, my staff and I have undertaken the following work in respect of the Austcorp Proceeding:-
- (a) Liaising with my solicitors, the Liquidators of the Austcorp entities, PTAL and PTAL's solicitors in regard to the steps taken to release the security from the court, call up the bank guarantee and remit the security funds to the Fund;
 - (b) Liaised with the Liquidators of the Austcorp entities and negotiated the assignment of the cause of action commenced by the Austcorp entities in favour of the Fund;
 - (c) Liaising with my solicitors regarding the preparation of the deeds of assignment, the provision of documents pertaining to the security, undertaking searches for the required

Signed:



Witnessed by:



documents, reviewing drafts of the deeds and assisting my solicitors to finalise the documents, preparing an instruction to PTAL for the signing of the deeds.

MPF Proceedings – Queensland Supreme Court proceedings 8032 of 2014, and 8034 of 2014

144. On 27 August 2014, KordaMentha filed two proceedings, namely, proceeding numbers 8032 of 2014, and 8034 of 2014. These proceedings were brought against LMIM, and initially sought a declaration of constructive trust against the assets of the FMIF. The claim relates to two loans allegedly assigned from the FMIF to the MPF on 28 August 2008, in the sums of \$9.7 million, and \$19.5 million.
145. At paragraphs 86 to 97 of my November 2015 Affidavit, I set out the relevant steps undertaken in the MPF Proceedings, up to the directions hearing heard on 7 December 2015.
146. At paragraphs 161 to 164 of my June 2016 Affidavit, I set out the steps undertaken in the period to 30 April 2016.
147. At paragraphs 149 to 150 of my November 2016 Affidavit, I set out the steps undertaken in the period to 30 April 2016.
148. At paragraphs 140 to 142 of my June 2017 Affidavit, I set out the steps undertaken in the period to 30 June 2017.
149. The MPF Proceedings are adjourned for further review on a date to be fixed. There were no further steps taken in the proceedings in the relevant period.
150. I believe it is necessary in the winding up of the FMIF for me to defend these proceedings, in order to fulfil my obligation to protect the interests of the FMIF in the best interests of the members, and I have been joined as a Defendant to those proceedings.

LMIM Claim

151. This claim is defined in the table at paragraph 7 above. The background in relation to investigations in regard to the claim is relevantly set out in the Investigation sections at paragraphs 96 and 97 of my 13 June 2017 affidavit.

Signed:

Witnessed by:



152. The LMIM Claim was commenced by Claim filed on 9 November 2016. It makes allegations of breach of trust and duty against LMIM by:

- (a) causing to be paid, at its direction, management fees from the assets of the FMIF in advance of performing its duties to the FMIF, and did not pay interest to the FMIF in respect of the management fees which were prepaid;
- (b) causing to be paid, at its direction, loan management fees out of property of the FMIF which were not authorised by the Constitution of the FMIF;
- (c) causing to be paid, at its direction, management fees from the assets of the FMIF in amounts which exceeded its entitlement, given the true net fund value for the periods referable to those management fees;
- (d) directing payments from the MPF to the FMIF to be paid to the Feeder Funds, in the absence of any liability due and payable or any other basis.

153. During the relevant period, an Amended Claim and Statement of Claim and Consolidated Particulars have been filed and served.

154. The quantum of each of the above claims have not yet been finally determined, although:

- (a) in relation to the claims pertaining to the loan management fees (including in respect of periods prior to the administration of LMIM) the amount claimed is presently up to \$13,720,167 plus interest;
- (b) in relation to the claims pertaining to the payments to the Feeder Funds the claim has been quantified in the amount of \$12,931,836 plus interest.

155. Subject to any directions that may be made by the Court, if the claims made in this proceeding are successful they may be able to be relied upon as a set-off against claims made by LMIM for indemnity out of assets of the FMIF, including those claims identified through the proof of debt process or

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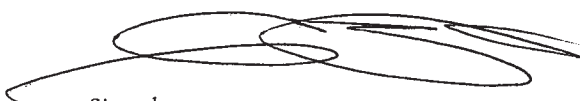
claims made by other parties, such as the MPF Trustee, seeking to subrogate to LMIM's alleged rights of indemnity.

Work undertaken by BR staff in the Relevant Period

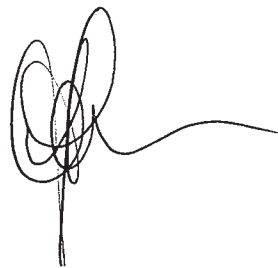
156. During the Relevant Period, the work of my staff and I has included:-

- (a) Liaising with my solicitors regarding finalising the draft amended statement of claim and draft Consolidated Particulars, checking these documents and assisting my solicitors to finalise the documents;
- (b) Liaising with my solicitors regarding seeking leave to amend the statement of claim, the granting of leave and the service of the claim;
- (c) Liaising with my solicitors regarding a further draft of the Consolidated Particulars, reviewing the amendments, liaising in relation to a number of queries, checking these documents and assisting my solicitors to finalise the document;
- (d) Liaising with my solicitors regarding correspondence with FTI regarding service of the amended claim and statement of claim and consolidated particulars, a proposal for the proceeding to be placed on the commercial list and assisting my solicitors to settle the correspondence;
- (e) Liaising with my solicitors regarding correspondence with FTI regarding whether they consent to the proceedings to be placed on the commercial list, the response from FTI and the proposed next steps in the proceeding namely to make applications under section 500 of the Act and Section 59 of the Trusts Act;
- (f) Undertaking investigations of loan management fees, management fees, resource fees and other operational charges after the appointment of FTI in March 2013, reviewing the Fund's ledgers and records and ASIC receipts and payments filed by LMA and LMIM, to reconcile the payments made out of the Fund.

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Witnessed by:



Administration

157. In my role, my staff and I have undertaken various tasks that can be described as falling within the category "Administration".
158. Generally, work attributed to this category includes:-
- (a) Work my staff and I undertook that was necessary for the proper and efficient administration of the winding up;
 - (b) Ensuring proper accounts and records were maintained;
 - (c) Preparing applications for approval of my remuneration; and
 - (d) Residual administrative functions in respect of preparing reports to members, such as organising for copying, mailing and uploading to the FMIF website.
159. In total, \$88,222.50 (exclusive of GST) of remuneration is sought for approval in respect of the "Administration" category.
160. The main tasks my staff and I undertook in the Relevant Period are set out further below.

Applications for approval of remuneration

161. For the purposes of my remuneration application filed on 9 June 2017, work was undertaken in respect of the preparation of my affidavit and distribution of notices to the members of the FMIF. My staff and I were required to liaise with, and provide instructions to, my solicitors in respect of that application and my affidavit.

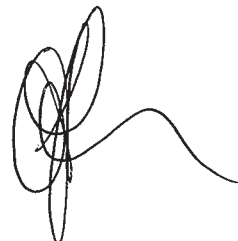
Job management

162. In the Relevant Period, my staff and I have conducted internal meetings and discussions in order to discuss:-
- (a) The progression of the job;

Signed:



Witnessed by:



- (b) Maintenance of the accounts and preparation of the management accounts for the year ending 30 June 2017;
- (c) Investor issues and content for my regular reports to members;
- (d) Status of the various investigations, claims and court proceedings;
- (e) My solicitors review of the FMIF investor forms and amendments to certain forms;
- (f) Status of creditor claims; and
- (g) Coordinating my application for approval of my remuneration.

163. I consider that such tasks are necessary for the proper administration of the winding up and to ensure the winding up is conducted in an efficient manner. These meetings also allow me to delegate tasks in accordance with the complexity of the work to be undertaken, and my staff's individual charge out rates.

Investor relations and communications

164. During the Relevant Period, my staff and I have attended to answering member enquiries both by telephone and in person. Members are updated as to the progress of the winding up, including the status of asset realisations and the expected return to members.

165. Regularly during the Relevant Period enquiries were fielded from members regarding changes to their details.

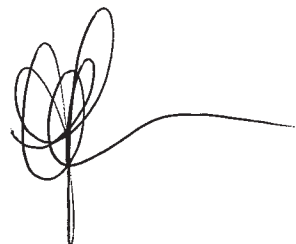
166. For the purposes of member communications, including my two reports to members exhibited to this affidavit, my staff and I have been required to collate relevant material, including:-

- (a) Documents concerning the status of the realisation of the assets and potential legal actions;
- (b) Updates as to the estimated valuation of the FMIF and estimated return to members; and
- (c) Preparing "work in progress" and remuneration reports

Signed:



Witnessed by:



167. I consider that these tasks are necessary to keep members of the FMIF properly informed as to the progress of the winding up of the FMIF.

168. Some work undertaken in relation to communications with members may be recorded in other categories, that is, under Creditors and/or Trade On, depending on the context of the phone call or correspondence. However, time for carrying out each task is only recorded once.

General

169. In addition to the above specific matters, my staff and I also conducted the following ongoing tasks and activities in the Relevant Period:-

(a) Preparation of and lodgement of receipts and payments accounts with ASIC (Form 524);
and

(b) Attending to general file administration including filing, archiving books and records and maintaining the archive books and records register

170. I consider that each of these tasks was necessary for the proper administration of the winding up so as to keep accurate records of my work, progress of the FMIF, and keeping members informed and up to date.

171. Work undertaken in respect of "*Administration*" may be recorded in other categories. However, the work undertaken is only recorded once.

Controllerships

172. In my application of 15 September 2014, I undertook to the Court that I would seek the approval for my remuneration in relation to my controllership appointments.

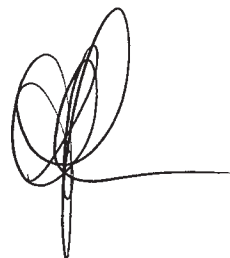
Work performed in the relevant period in relation to controllership appointments

173. Exhibited hereto and marked:-

Signed:



Witnessed by:




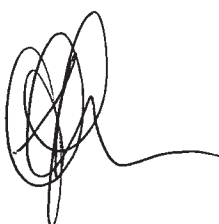
- (a) "DW-85" is a schedule of work performed by BDO staff during the Relevant Period in relation to my controllership appointment in respect of Bridgewater;
 - (b) "DW-86" is a schedule of work performed by BDO staff in the Relevant Period in relation to my controllership appointment in respect of Pinevale;
 - (c) "DW-87" is a schedule of work performed by BDO staff in the Relevant Period in relation to my controllership appointment in respect of RBLI;
 - (d) "DW-88" is a schedule of work performed by BDO staff in the Relevant Period in relation to my controllership appointment in respect of Cameo;
 - (e) "DW-89" is a schedule of work performed by BDO staff in the Relevant Period in relation to my controllership appointment in respect of OVST;
 - (f) "DW-90" is a schedule of work performed by BDO staff in the Relevant Period in relation to my controllership appointment in respect of RBLLD,
- together, (the "Controllership Schedules").

174. The Controllership Schedules show a description of each task undertaken, the name and position of the person who performed the task, the date the task was undertaken, the length of time it took and the amount charged. As was the case in relation to tasks undertaken in relation to my appointment, tasks I have undertaken in relation to my controllership role have been broken down into five categories: Assets, Creditors, Employees, Trade On and Administration where appropriate.

175. All work performed in relation to my controllership role was performed by members of the BDO BR team and BDO Tax team. I delegated to my staff the performance of certain tasks and I am satisfied that the time recorded for each of the tasks is commensurate with what was required to be undertaken and that the records are accurate.

176. A summary of the tasks undertaken, time taken and amount charged, is detailed below and broken down into the relevant assets of my controllership appointment:

Signed: 

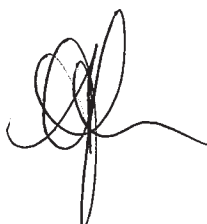
Witnessed by: 

OVST Pty Ltd		
Category/Area	Total hours	Amount (net of GST)
Trade On	44.6	15,100.00
Assets	3.3	641.50
Administration	3.4	726.00
Total	51.3	16,467.50
GST		1,646.75
Total Claim		18,114.25

Pinevale Villas Morayfield Pty Ltd		
Category/Area	Total hours	Amount (net of GST)
Trade on	2.9	580.00
Administration	3.0	706.50
Total	5.9	1,286.50
GST		128.65
Total Claim		1,415.15

Redland Bay Leisure Life Pty Ltd		
Category/Area	Total hours	Amount (net of GST)
Trade on	3.1	629.00
Administration	3.3	749.50
Total	6.4	1,378.50
GST		137.85
Total Claim		1,516.35

Signed: 

Witnessed by: 

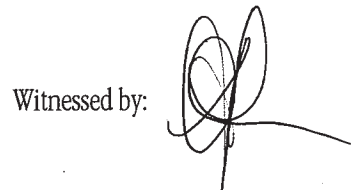
Cameo Estates Lifestyle Villages (Launceston) Pty Ltd		
Category/Area	Total hours	Amount (net of GST)
Assets	0.6	239.00
Administration	3.0	739.50
Total	3.6	978.50
GST		97.85
Total Claim		1,076.35

Bridgewater Lake Estate Pty Limited		
Category/Area	Total hours	Amount (net of GST)
Assets	1.5	780.50
Investigation	0.6	223.00
Administration	6.9	1,904.00
Total	9.0	2,907.50
GST		290.75
Total Claim		3,198.25

Redland Bay Leisure Life Development Pty Ltd		
Category/Area	Total hours	Amount (net of GST)
Administration	3.7	759.00
Total	3.7	759.00
GST		75.90
Total Claim		834.90

177. In order to further assist the Court, I set out below an explanation as to why the tasks detailed in the Controllership Schedules were undertaken, and why these tasks were necessary as part of my controllership appointments. All of the tasks detailed in the Controllership Schedules were carried out in my controllership role.

Signed: 

Witnessed by: 

178. By reference to each entity of which a loan was made, during the Relevant Period, the work I have undertaken as detailed in the Controllership Schedules above can be summarised as follows:-

- (a) Maintaining and reconciling the MYOB accounts;
- (b) Preparing and lodging statutory receipts and payments accounts with ASIC;
- (c) Preparing and lodging Business Activity Statements for the period pre and post my appointment as Controller to recover refunds; and
- (d) Reviewing outstanding matters and statutory requirements to finalise the controllerships.

Write-offs & reductions

179. I have conducted a detailed review of all time charged by BDO staff in the Relevant Period. I have reduced the amount of remuneration sought by \$21,862.50 (includes controllerships write offs).

180. The amount of the reduction represents, in summary, the value of work which I considered, while appropriate to be performed, was not directly connected to, or in furtherance of, my appointment (for example discussions and correspondence with investors of other LMIM investment funds).

Remuneration approval

Winding up

181. Given the nature and volume of the work involved in this winding up, I believe that the sum of \$1,280,897.20 inclusive of GST, represents a fair and reasonable amount for remuneration for the Relevant Period and that the work undertaken to which the remuneration relates was necessary for the proper conduct of the winding up of the FMIF pursuant to the Orders.

182. I respectfully request this Honourable Court to make orders that my remuneration in relation to my receivership appointment for the relevant period be fixed in the amount of \$1,280,897.20 inclusive of GST.

Signed:



Witnessed by:



183. As the winding up of the FMIF is ongoing, there will be a need for further applications for approval of remuneration. These will be made on a regular basis.

Controllership

184. Given the nature and volume of the work involved as canvassed above, I believe that the sum of \$26,155.25 inclusive of GST, represents a fair and reasonable amount for remuneration for the Relevant Period and that the work undertaken to which the remuneration relates was necessary for the proper conduct of my controllership appointments.

185. I respectfully request this Honourable Court to make orders that my remuneration in relation to the controllership role of Andrew Fielding and me, for the Relevant Period, be fixed in the amount of \$26,155.25 inclusive of GST.

186. As my controllership role is ongoing, there will be a need for further applications for approval of remuneration which I intend to seek on a regular basis.

Legal professional privilege


187. In this affidavit, I have referred to dealings with solicitors and Counsel in order to explain work undertaken for which I seek to be remunerated. I do not intend, in doing so, to waive any legal professional privilege that may attach to communications between me and my solicitors and Counsel.

188. All the facts and circumstances above deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my affidavit.

Sworn by DAVID WHYTE on the 9th November 2017 at Brisbane in the presence of:



Deponent



Solicitor/A Justice of the Peace

SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: 3383 of 2013

Applicants: RAYMOND EDWARD BRUCE AND VICKI PATRICIA BRUCE

AND

First Respondent: LM INVESTMENT MANAGEMENT LIMITED
(IN LIQUIDATION) ACN 077 208 461 IN ITS CAPACITY
AS RESPONSIBLE ENTITY OF THE LM FIRST MORTGAGE
INCOME FUND

AND

Second Respondent: THE MEMBERS OF THE LM FIRST MORTGAGE
INCOME FUND ARSN 089 343 288

AND

Third Respondent: ROGER SHOTTON

AND

Intervener: AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

INDEX OF EXHIBITS

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DW-82	Schedule of Work performed by staff of BDO during the relevant period	Various	14 - 387
DW-83	Eighteenth Report to Members	30.06.2017	388 - 419

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DW-85	Schedule of work performed by BDO staff in the Relevant Period in relation to my appointment in respect of Bridgewater	Various	448 - 449
DW-86	Schedule of work performed by BDO staff in the Relevant Period in relation to my appointment in respect of Pinevale	Various	450 - 451
DW-87	Schedule of work performed by BDO staff in the Relevant Period in relation to my appointment in respect of RBL	Various	452 - 453
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