
**Mayfair 101 Response to
Provisional Liquidator's Report
issued by Grant Thornton
on 24 September 2020**

4 February 2021

Background

The following information is provided in response to the Provisional Liquidator's Report ("**Report**") issued by Grant Thornton (the "**Provisional Liquidators**") dated 24 September 2020 (Annexure D) relating to M101 Nominees Pty Ltd (the "**Company**"). The Company is part of the Mayfair 101 Group (the "**Group**").

This information has been prepared and published by Mayfair 101 given the ASIC v M101 Nominees Pty Ltd case was uncontested by the Company in Court.

General Observations

1. Solvency

The Report states the "company was insolvent since inception". This statement is false and misleading. The provisional liquidator has failed to consider the actual structure of the Collateral Pool and the capability of the underlying assets to be readily realised.

The real estate assets underpinning the notes were capable of being realised within 30 days in the open market to meet liquidity requirements if so required. The assets are the trading stock of the trusts which were pledged to the Security Trustee by the Group.

At any stage a property could be sold at short notice and money returned to the Company to meet its current liabilities. Real estate is a readily realisable trading stock.

The Eleuthera Group Pty Ltd ("**Eleuthera**") Facility was capable of being repaid at any time in accordance with s3.1(b) of the Facility Agreement.

On this basis the Report must be retracted and restated.

2. Governing Documents

The Report fails to cross-reference the activities of the Company with its governing documents, those being the M Core offer document (Annexure A) and the Security Trust Deed (Annexure B).

The Report mischaracterises the financial product offered to investors, the security structure offered to noteholders and the application of funds.

The Report does not align with the documents governing the Company's activities of the Company which were consented to by all noteholders prior to investing.

The Report is therefore flawed. A thorough assessment with would find the Company operated compliantly and in line with these key documents.

On this basis the Report must be retracted and restated.

3. Return to Creditors

The Report states “the preliminary return to creditors is likely to be nil”. This statement is deficient and misleading.

The provisional liquidator was in no position to define the possible return to creditors without undertaking a valuation of the Collateral Pool which underpins the investment of noteholders. This was outside the scope of the Report and required valuations on each property held by the trusts, hence any statement relating to the return to creditors must be qualified.

On this basis the Report must be retracted and restated.

4. Loan Agreement

In eight instances the Report incorrectly labels a 10 year Facility Agreement as a 10 year loan. No such loan was in place.

The Facility Agreement specifies each drawdown advance under the Facility Agreement has a 12 month minimum term only.

This is a fundamental error which has a material impact on the findings as to solvency, liquidity profile matching, appropriate use of investor funds, and director’s duties. It has the effect of misleading the reader.

On this basis the Report must be retracted and restated.

5. Capital Management

The Report suggests payment of distributions and redemptions with other noteholder capital was disallowed, yet the disclosure in the governing M Core offer document allows for the use of M Core funds for “capital management purposes”.

The replacement of outgoing investors with incoming investors is an essential component of any debt-based financial product, and therefore application of funds in this way was standard practice and was compliant with the disclosures to noteholders.

On this basis the Report must be retracted and restated.

6. Security Structure

The security structure of the M Core product as described in the Report is fundamentally flawed. The conclusions drawn with respect to the security structure are incorrect.

The Collateral Pool was established and pledged by the Group to the Security Trustee prior to the issuing of the first note.

Not a single dollar could leave the M101 Nominees Pty Ltd bank account unless sufficient security existed in the Collateral Pool. The c\$65 million loaned to Eleuthera could not leave the Company unless the Collateral Pool held at least the equivalent dollar value. The Security Trustee verified this was the case at all times.

The Report incorrectly suggests:

- a. ***Security needed to be held over every asset purchased with noteholder money.***
This is incorrect. The Collateral Pool is an independent pool of assets pledged by the Group for the benefit of noteholders, therefore providing this was adequately pledged by the Group (i.e. at least on a dollar-for-dollar basis), funds could be deployed into other investments without the need to arrange additional security over assets funds were deployed into.
- b. ***The exclusion of real estate from the unit trust security documentation disadvantaged investors.***
This is incorrect. The structure was purposely set up in this way. The exclusion complied with the offer document, was approved by the Security Trustee, did not de-value the equity value of the units the Security Trustee held a charge over, and aligned with the Group's strategy to repay noteholders by refinancing the underlying assets as their value increased.
- c. ***The loan to Eleuthera had to be secured.***
This is incorrect. No requirement existed for this intercompany Eleuthera loan to be secured for the product to operate compliantly.
- d. ***The charges over the unit trusts were not first-ranking.***
This is incorrect. The charges registered on the Personal Properties Security Register (PPSR) are first-ranking (a PPSR search verifies this). The Security Trustee was responsible for coordinating the charges which provided first-ranking security in line with the offer documents.
- e. ***The loan to Eleuthera is the primary asset.***
This is incorrect. The primary asset securing the interests of noteholders is the Collateral Pool, not the Eleuthera loan. The report overlooks the importance of the Collateral Pool in underpinning the investment of noteholders.

Note: An almost identical assessment of the security structure was made in the Deloitte Expert's Report published by Jason Tracy on 12 June 2020. The conclusions reached were also flawed and did not align with the governing documents.

Annexure B of the Grant Thornton Report confirms the Affidavit and Exhibits of Jason Tracy were reviewed as part of preparing the Report. An accurate assessment of the security structure has been made by neither party.

On this basis the Report must be retracted and restated.

7. **Adequate Security**

The Report suggests inadequate security existed in the Collateral Pool, however during the period the M Core product was being offered, the Security Trustee's regular reports confirmed at all times adequate security was in place.

Any subsequent devaluation of the underlying assets resulting from Naplend appointing receivers and Family Islands Group becoming mortgagee in possession is a direct result of ASIC ceasing the ability for the Company to raise capital which would enable the Company to continue to function in a viable manner.

On this basis the Report must be retracted and restated.

8. **Director's Duties**

The Report is misleading in alleging potential breaches of director duties by the Director. These statements are made based on a flawed understanding of the structure and operation of the Company and the documents governing its operation.

On this basis the Report must be retracted and restated.

9. **Source and Application of Funds**

The Report confirms investor funds are accounted for and aligns with bank statements (paragraph 56).

This point is accepted.

Specific Responses

Executive Summary, Paragraph 2	<p><i>“Despite clearly advertising to potential investors that their investment would be supported by ‘first ranking, registered security’ ...this did not occur”</i></p> <p>This statement is false.</p> <p>All charges registered by the Security Trustee on the Personal Property Securities Register (PPSR) were first-ranking in accordance with the offer document and Security Trust Deed.</p>
Executive Summary, Paragraph 2	<p><i>“In reality the majority of the funds invested were provided to a related entity, Eleuthera Group Pty Ltd”</i></p> <p>This statement is misleading.</p> <p>The Collateral Pool and the application of investor monies are <u>independent of one-another</u>. Providing adequate security was in place the Company was able to deploy capital as it saw fit providing it was in accordance with the offer document, which it was at all times.</p> <p>The report suggests funds had to be directly invested by the Company in its underlying assets. No such requirement existed.</p>
Executive Summary, Paragraph 2	<p><i>“...unsecured loan...for a term of 10 years”</i></p> <p>This is a critical error. <u>No 10 year loan existed</u>.</p> <p>The Company had a Facility Agreement in place with Eleuthera with an Expiry Date of 10 years. Drawdowns under the Facility Agreement had a 12 month minimum term only. Monies advanced to Eleuthera therefore had a minimum term of 12 months, not 10 years.</p>
Executive Summary, Paragraph 2	<p><i>“The Company did not hold any security over the assets of Eleuthera.”</i></p> <p>This statement is misleading.</p> <p>The Company was <u>not</u> required to hold security over its loan to Eleuthera.</p> <p>On the advice of Mayfair 101’s lawyers who advised on the security structure, a <u>separate Collateral Pool was pledged</u> for the benefit of noteholders which the Security Trustee oversaw.</p> <p>There was a direct relationship between the raising of capital from noteholders and the deployment of the majority of that capital in real estate assets which underpinned the Collateral Pool.</p>
Executive Summary, Paragraph 3	<p><i>“...the AIIPAAP specifically excluded any real estate property. Effectively the AIIPAAP secured little to no assets for M Core</i></p>

noteholders given the primary asset of these entities/trusts was real estate property.”

This statement is incorrect and misleading.

Real estate was indeed specifically excluded in the AIIPAAP. This complied with the offer document and aligned with the Group’s investment strategy.

It did not disadvantage noteholders. The unit value of the units comprising each trust was not impacted by the exclusion. The exclusion was approved by the Security Trustee.

The exclusion allowed for the underlying assets to be leveraged to enable noteholders to be paid out from refinance proceeds as the project was developed and the equity value of the assets increased.

Mayfair 101’s investment strategy was to:

1. Completed \$250 million asset purchases in Mission Beach and Dunk Island using secured and unsecured notes;
2. Generate a conservative 30% uplift in value to the portfolio within 24 months attributable to bringing renewed awareness of the region, short supply of stock, ability to re-price the market, buying at the bottom of the market, subdivisions, development approvals, regional activation, and marketing activities;
3. Progressively re-finance the portfolio (now worth c\$325m) at a conservative 50% LVR, providing at least \$162.5m to repay noteholders and fund further development in the region;
4. Sell down assets from time-to-time for liquidity purposes, to repay debt and noteholders as required.

This strategy aligned with the average duration of the notes after factoring in noteholder retention (90%+) at a significant discount.

Noteholder monies were only to be utilised for the initial acquisition phase until sufficient equity value had been created, enabling the assets to be refinanced by introducing longer term debt from larger private and institutional investors. Noteholder funds would then be deployed elsewhere in the Group or returned to investors.

Note: Major banks are lending at 70%+ LVR in Mission Beach. The model was based on 50% LVR.

The structuring of the security in this way aligned with the Group’s overarching investment and noteholder repayment strategy.

The exclusion of real estate did not diminish the security position of noteholders as was alleged in the Report. This was confirmed by the reports provided by the Security Trustee.

Executive Summary, Paragraph 4	<p><i>“My investigations show that of the c\$63.5 million advanced to Eleuthera and the \$44.4 million advanced by M101 Nominees to Eleuthera...”</i></p> <p>This statement contains a mistake.</p> <p>It suggests \$107.9 million was advanced to Eleuthera from the Company/M101 Nominees Pty Ltd, which was never the case. The Company never raised this amount of money.</p> <p>M101 Nominees Pty Ltd should say M101 Holdings Pty Ltd.</p>
Executive Summary, Paragraph 4	<p><i>“large amount of operating expenses [\$21.7m]”</i></p> <p>This statement is incorrect.</p> <p>This statement does not take into account stamp duty or other acquisition costs associated with the real estate portfolio which was in excess of \$7 million. The investment in real estate is significantly higher than the \$62.9m stated in the report.</p>
Executive Summary, Paragraph 4	<p><i>“The Company’s key asset is the outstanding loan due from Eleuthera”</i></p> <p>This statement is incomplete and misleading.</p> <p>Noteholders were secured by a Collateral Pool pledged by the Group. It was never intended for the Eleuthera loan to be the primary asset underpinning the noteholders.</p>
Executive Summary, Paragraph 4	<p><i>“I have reviewed the financial position of Eleuthera”</i></p> <p>The assessment was made based on draft, un-finalised accounts. It cannot be relied on for public reporting purposes.</p>
Executive Summary, paragraph 5	<p><i>“The majority of entities indebted to Eleuthera are the subject of separate insolvency proceedings...”</i></p> <p>This statement is untrue.</p> <p>Just one entity is subject to separate insolvency proceedings, IPO Wealth Holdings Pty Ltd. There are otherwise no insolvency proceedings on foot with any other borrowers from Eleuthera.</p>
Executive Summary, paragraph 6	<p><i>“It is my preliminary finding that...creditors would receive no return.”</i></p> <p>This statement is misleading.</p> <p>The Collateral Pool is the primary source of return of capital for noteholders in circumstances where the security needs to be realised, not the assets of the Company itself. The paragraph does not reference</p>

	the ability for the Collateral Pool assets to provide a return to noteholders.
Executive Summary, paragraph 7	<p><i>“My overriding conclusion on the Company is that the business model of the Company was not sustainable. This is on the basis that M Core noteholders were investing predominantly for periods of 6-12 months however the loan agreement with Eleuthera had a term of 10 years.”</i></p> <p>This conclusion is wrong. The Company and its <u>underlying investment strategy was viable</u>.</p> <p>No money was borrowed for 10 years. No such loan agreement existed. It was borrowed on 12 month drawdowns per the Facility Agreement. The <u>liquidity profile matched the deployment of capital</u> under the Facility Agreement.</p>
Executive Summary, paragraph 7	<p><i>“the company has been insolvent since inception”</i></p> <p>This statement is incorrect. It does not take into consideration the fact that the Company and Group could access capital via multiple sources to meet its obligations as and when they fell do including:</p> <ul style="list-style-type: none"> (a) Raising capital (b) Calling back a loan advance; (c) Realising underlying assets held within the Collateral Pool that underpin the noteholders; and/or (d) Financing underlying assets to access capital. <p>The Profit and Loss of the Company demonstrates that aside from interest distributions <u>the Company had negligible outgoings</u>.</p> <p>The Company was therefore not insolvent since inception.</p>
Executive Summary, paragraph 8	<p><i>“It is my opinion that distributions and redemptions paid to M Core noteholders were funded out of funds raised from other M Core noteholders...”</i></p> <p>This statement is misleading as it suggests wrongdoing, which was not the case.</p> <p>The M Core offer document stated monies would be deployed for <u>“investment and capital management purposes across the Mayfair 101 group of companies”</u>. Payment of distributions and redemptions was in accordance with the application of funds disclosed to all investors in the offer document. This was a compliant use of investor funds.</p> <p><u>New investors are required to replace outgoing investors</u> whose terms have expired. Stopping incoming investors from replacing old investors by suspending capital raising activities causes significant damage to any debt-funded business, forcing them to liquidate assets often at undervalued prices.</p>

Executive Summary, paragraph 8	<p><i>“...which has masked the extent of the issue.”</i></p> <p>This statement is misleading.</p> <p>Transfers between Eleuthera and the Company were in line with meeting its liquidity requirements. Up until 11 March 2020, the date the Company’s director prudently implemented its Liquidity Prudency Policy, <u>all noteholder payments were current.</u></p>
Executive Summary, paragraph 9	<p><i>“The key asset is a c\$63.5 million loan due from a related entity”</i></p> <p>This statement is incomplete. It fails to consider the Collateral Pool which underpins noteholders.</p>
Background Information, paragraph 25)	<p>The timeline demonstrates the M Core product was active in the market for less than 6 months. This is material in assessing the viability of the Company when it had been operating for such a short period of time.</p>
Background Information, paragraph 25(b)	<p><i>“The loan term is 10 years...”</i></p> <p>This statement is wrong. The loan term was a minimum of 12 months.</p>
Background Information, paragraph 25(d)	<p><i>“PAG registered a number of securities on the Personal Property Security Register”</i></p> <p>This is correct. PAG was hired to arrange, manage and oversee the Collateral Pool for the benefit of noteholders as an independent trustee. This is an onerous_role which Mayfair 101 considered essential to <u>protect the interests</u> of noteholders when structuring the product with its legal advisers.</p>
Background Information, paragraph 25(e)	<p><i>“these properties were due to settle from December 2019 and beyond...”</i></p> <p>This statement is incorrect.</p> <p>Dunk Island was settled on 23 September 2019, prior to the Company being incorporated. <u>Numerous properties</u> were settled prior to December 2020.</p>
Background Information, paragraph 25(h)	<p><i>“11 March 2019”</i></p> <p>No mention was made of COVID-19 beginning to impact Australian capital markets in February 2019. This was a <u>significant and unexpected liquidity shock</u> that caused investors to seek to redeem to invest their funds with traditional institutions.</p>
Background Information, paragraph 25(q)	<p><i>“PAG applied to the Court regarding securities it had failed to register on the PPSR within the prescribed legal period.”</i></p>

	Correct. The Security Trustee did not fulfill their duties to noteholders.
Financial Statements, paragraph 29	<p><i>“I note the financial accounts were not adequately maintained following 30 June 2020.”</i></p> <p>This statement is misleading and suggests real-time accounts were required when they were not.</p> <p>The Provisional Liquidator was appointed on 13 August 2020. There was <u>only 43 days of outstanding transactions</u>, which mainly comprised interest accruals. The accounts were therefore adequately maintained.</p>
Financial Statements, paragraph 30	<p><i>“...not based on a sustainable business model”</i></p> <p>This statement is incorrect. <u>The business model was sustainable</u> for the reasons mentioned above.</p>
Financial Statements, paragraph 30	<p><i>“...and then on lend these funds on an unsecured 10 year basis to a related entity.”</i></p> <p>This statement is incorrect. No 10 year loan existed.</p>
Financial Statements, paragraph 31	<p><i>“Eleuthera would then either invest or lend those funds into illiquid or non-income producing assets”</i></p> <p>This statement is incorrect and misleading.</p> <p>The underlying investments in <u>residential properties are income-producing, liquid, readily realisable assets</u>, as are loans made to various other Group members. This money was <u>not</u> invested in construction finance. In 2020 several properties were sold for a gain which also provided income to the Group.</p>
Financial Statements, paragraph 31	<p><i>“...at no time did Eleuthera ever generate sufficient income from third parties to...allow for redemption requests from M Core noteholders to be satisfied.”</i></p> <p>This statement is wrong. It misleads the reader and shows a lack of understanding of the M Core product and debt-based financial products in general.</p> <p>It is <u>not standard industry practice to pay redemptions out of income</u>.</p> <p>Redemptions from any standard financial product are normally paid from either (a) asset realisation, or (b) incoming investors who refinance outgoing investors. Income is retained for distribution, not redemptions.</p>
Financial Statements, paragraph 32	<p><i>“borrowing on a short-term basis and on lending on a long term basis was never sustainable...”</i></p>

	<p>This statement is wrong. It does <u>not</u> reflect the Company's position.</p> <p>The 12-month loan to Eleuthera was aligned with the liquidity profile of the notes (6-60 months).</p>
Financial Statements, paragraph 33	<p><i>"...I note that the Company was in dispute with the Security Trustee"</i></p> <p>The Deed Poll governing the notes allowed for interest to be capitalised. The Company considered it best this occur until such time as its liquidity requirements could be addressed.</p> <p>The Security Trustee disagreed and formed the view that appointing receivers would be in the best interests of noteholders. This decision has only added unnecessary cost and has not resulted in any return to noteholders since the receiver's appointment. It was <u>unnecessary</u> and has <u>only caused further damage</u>.</p>
Financial Statements, paragraph 36(d)	<p><i>"It is unclear why the payment was not made directly to Eleuthera by Online Investments Pty Ltd"</i></p> <p>The Group's banking facility had a daily limit of \$1 million only. From time-to-time payments were made out of other related entity bank accounts, particularly where there was >\$1 million of property settlements, investment and/or operating payments to be made on a given day.</p>
Financial Statements, paragraph 36(e)	<p><i>"I do not agree with the classification of current and non-current liabilities."</i></p> <p>This statement is misleading and needed to be qualified.</p> <p>The provisional liquidator was provided with a draft trial balance. The Company had been operating less than 12 months. Formal accounts had not been finalised.</p>
Financial Statements, paragraph 37	<p><i>"the full recoverability of the loan to Eleuthera is doubtful"</i></p> <p>This statement is false and misleading.</p> <p>No proper assessment had been made of the recoverability of the Eleuthera loan. There were significant assets underpinning the Collateral Pool including <u>readily realisable real estate equal to the value of the monies raised</u> by the notes issued by the Company.</p> <p>These assets could be realised at any stage to repay funds to Eleuthera and repay noteholders.</p>
Security Trustee, paragraph 41	<p><i>"...it is implausible that the security provided to PAG excluded real estate assets."</i></p>

		<p>This statement is wrong. It is <u>entirely plausible</u> for the reasons stated above. It allowed for trust assets to be refinanced to achieve a more optimal mix of funding including repaying noteholders.</p>
Security paragraph 42	Trustee,	<p><i>“This may create a scenario that any unsecured creditors of the trusts may also have a competing claim with that of the Security Trustee...”</i></p> <p>This statement is false and misleading. It demonstrates a flawed understanding of the structure.</p> <p>The Security Trustee’s security was a first-ranking charge over the units of the unit trusts and therefore it held security equal the value of the unit trusts. Unsecured creditors of those trusts have <u>no claim to the units of the unit trusts</u>.</p>
Security paragraph 43	Trustee,	<p><i>“Any claims the Director has made to investors or potential investors regarding M Core noteholder funds being secured may be deceptive or misleading on the basis that investor funds are not supported by first-ranking, unencumbered asset security...”</i></p> <p>This statement is false. <u>The security requirements were complied with at all times.</u></p> <p>This was <u>verified by the Security Trustee</u> who was appointed to oversee the Collateral Pool and provided regular reports to the Company that confirmed the dollar-for-dollar security requirements had been met.</p> <p>Further, the Director did not personally make the claims as is indicated by the Report. <u>It is the Company</u> via its offer documents that have made the security representations. There is a significant legal distinction.</p> <p>At all times when M Core notes were offered and investor monies accepted was there adequate security in place, as was verified by the Security Trustee. No misleading or deceptive conduct had been engaged in by the Company or its Director.</p>
Security paragraph 44 table	Trustee,	<p><i>“Director’s Value as at 12 June 2020”</i></p> <p>This statement is false and misleading.</p> <p>The Security Trustee’s co-director, Mr Craig van Wegen, wrote to Mr Mawhinney on 1 June 2020 after being provided with the agreement reached with Family Islands Group for 10ha of retained land on Dunk Island. The email stated –</p> <p style="text-align: center;"><i>“For ST Report purposes: Value of Dunk Island = \$49,725,000 Less loan = (\$16,000,000) Value retained by Sunseeker Units = \$33,725,000</i></p>

	<p>The Trustee acknowledged the revision in value to Dunk Island based on there being an <u>arm's length transaction at fair market value</u>.</p>
<p>Security Trustee, paragraph 45(a)</p>	<p><i>"properties owned by these entities are overvalued..."</i></p> <p>This statement is incorrect and misleading.</p> <p>All mainland properties were recorded at cost and excluded stamp duty.</p> <p>Recent valuations conducted September 2020-January 2021 for first mortgage purposes confirm the properties were purchased at fair and reasonable prices. The valuations confirm considerable value still exists within the Collateral Pool underpinning the notes.</p>
<p>Security Trustee, paragraph 45(b)</p>	<p><i>"The Director revalued the entire Dunk Island based upon a contingent sale agreement for 10 hectares...for \$4.5 million."</i></p> <p>The revaluation of Dunk Island was reasonable under the circumstances and acknowledged by the Security Trustee.</p> <p>Family Islands Group had agreed to reduce the liability by \$4.5m in exchange for an additional 10ha retained land. By extrapolating this out it is reasonable to value the remaining 130 hectares at \$58,500,000 given it was an arm's length market transaction. Further, the 10 hectares sold was at the back of Dunk Island on land which is arguably significantly lower value.</p> <p>The Director suggested a 15% discount factor to the revaluation of the freehold land to which the trustee acknowledged (see email above from Craig van Wegen).</p>
<p>Security Trustee, paragraph 45(c)</p>	<p><i>"...include a "fair value adjustment" increase of 4%..."</i></p> <p>A <u>conservative valuation uplift</u> was applied as agreed with the Security Trustee to reflect the uplift in value in the region following the Group's activities. This was <u>supported by RP Data reports</u> which demonstrated a far higher (15%+) average increase in value in the region had occurred. The Security Trustee has a copy of the RP Data reports to substantiate this.</p>
<p>Security Trustee, paragraph 45(g)</p>	<p><i>"...given their [Family Islands Group] interest rate is substantially lower."</i></p> <p>This statement is misleading.</p> <p>There was no interest payable on the Family Islands Group loan.</p>
<p>Security Trustee, paragraph 46</p>	<p><i>"...is the subject of legal proceedings between the various vendors and the purchasing entities."</i></p>

	<p>This statement is untrue.</p> <p>No legal proceedings were on foot against any of the unit trusts. The report did not list any such action as there was none on foot.</p>
Eleuthera, paragraph 51	<p><i>"I have obtained a draft Xero expert of the Balance Sheet of Eleuthera as at 30 June 2020..."</i></p> <p>This was voluntarily provided in a draft un-finalised format and should not have been relied on for the purposes of publishing this report. The Group's accountants had resigned on 6 June 2020 so qualifying statements were not included.</p>
Eleuthera, table paragraph 52(b)	<p><i>"101 Investments - \$31,832,377"</i></p> <p>This records the monies drawn by 101 Investments Ltd under its Facility Agreement with Eleuthera to settle the purchase of 21,250,000 Accloud shares for \$19.46 million. The balance is for investments held by 101 Investments Ltd in an Accloud Revenue Share agreement and Paymate India which were funded under the same Facility Agreement.</p> <p>The liquidators of IPO Wealth Holdings have no entitlement to these assets given they were purchased by 101 Investments Ltd with noteholder funds.</p>
Eleuthera, paragraph 52(b)(i)	<p><i>"I note that there are Receivers and Managers appointed over several of the entities..."</i></p> <p>This statement is incorrect. Managers were not appointed over the unit trusts. Receivers (only) were appointed. Grant Thornton themselves are the receivers.</p>
Eleuthera, paragraph 52(b)(ii)	<p><i>"...the majority of these funds were used to make part payments to acquire Dunk Island"</i></p> <p>This statement is incorrect. The Dunk Island freehold was already acquired on 23 September 2019. Any further payments after settlement are loan repayments, not part payments.</p>
Eleuthera, paragraph 52(b)(iii)	<p><i>"from my discussions with the Receivers/Liquidators of the IPO Wealth Group, I understand the cash movements between Eleuthera and the IPO Wealth Group have netted off or close to netted off."</i></p> <p>This is not the case. According to Eleuthera's updated accounts IPO Wealth Holdings Pty Ltd currently owes \$5,925,344.19 to Eleuthera. Eleuthera is an unsecured creditor.</p>
Eleuthera, paragraph 52(c)	<p><i>"Accounts payable totalling \$7,576,354"</i></p>

		<p>This includes bills entered on behalf of other Group entities where Eleuthera pays on their behalf. The Accounts Payable balance is therefore heavily overstated.</p>
Eleuthera, paragraph 55(b)		<p><i>“This [Accloud] investment was made through IPO Wealth Holdings Pty Ltd with funds advanced from Eleuthera...”</i></p> <p>This statement is wrong. Refer to Response to Dye & Co Circular to Creditors dated 23 January 2021.</p> <p>IPO Wealth Holdings Pty Ltd is just one of five Group entities that held Accloud shares prior to them being consolidated into IPO Wealth Holdings No 3 Pty Ltd and sold to 101 Investments Ltd.</p> <p>Eleuthera did not provide any funding to IPO Wealth Holdings for it to buy Accloud shares. Eleuthera financed 101 Investments’ purchase of 21,250,000 Accloud shares under its Facility Agreement with 101 Investments Ltd.</p>
Eleuthera, paragraph 55(b)		<p><i>“I understand there is a share agreement”</i></p> <p>There is no ‘share’ agreement. There is a ‘Revenue Share Agreement’ in place between 101 Investments Ltd and Accloud PLC.</p>
Eleuthera, paragraph 55(b)		<p><i>“Despite the noteholders effectively funding this investment, they do not hold any security over the investment and/or 101 Investments...”</i></p> <p>This statement is misleading and misrepresents the security structure that was in place that noteholders subscribed to.</p> <p>The M Core offer document and corresponding Security Deed do <u>not</u> require there to be any security over assets purchased with noteholder monies providing the Collateral Pool pledged by the Group to the Security Trustee meet its dollar-for-dollar requirement.</p> <p>The Company was <u>not</u> required to pledge security over the Accloud Revenue Share agreement or any other asset if the Group had already provided adequate security in the Collateral Pool.</p> <p>The report fails to reference the fact that <u>the majority of this funding was provided by the unsecured noteholders</u> of M101 Holdings Pty Ltd. The Group plans to repay unsecured noteholders via the realisation of these assets.</p>
Eleuthera, paragraph 55(b)		<p><i>“From my review of the historical financial statements of Accloud, it has never been profitable and has limited equity value on its Balance Sheet.”</i></p> <p>Accloud is currently undertaking a pre-IPO capital raise at GBP1.00 per share. This suggests company has a value of in excess of AUD320 million.</p>

	<p>It is expected to list within the next 12 months. This is expected to provide a significant liquidity event for the Group which will enable it to return capital to noteholders.</p>
Eleuthera, paragraph 55(d)	<p><i>"...these expenses were significant relative to the scale of the operations"</i></p> <p>The statement is incorrect and based on a draft balance sheet. The actual number is significantly lower. The Group had approximately 70 full-time equivalent at the time across its controlled subsidiary companies. Its Head Office operation employed approximately 12 staff and therefore maintained a relatively low cost base.</p>
Eleuthera, paragraph 56	<p><i>"I note that the source and application analysis that I have been provided with appears at a high level to reconcile to the bank statement transactions of the Company"</i></p> <p>This statement confirms the appropriate application of investors monies by the Company's Director.</p>
Eleuthera, Paragraph 58,	<p><i>"...neither of Eleuthera's two major creditors (M101 Holdings or M101 Nominees)...hold a registered security interest over the assets of Eleuthera."</i></p> <p>This statement is misleading. No security interest was required to be in place. Eleuthera is a Group member with a common director. The statement implies a security interest had to be in place, when it <u>did not and was not required</u> for it to comply with M Core and M+ offer documents.</p>
Eleuthera, Paragraph 58	<p><i>"...the loan agreement amount is not due to be repaid by Eleuthera until October 2029."</i></p> <p>This statement is incorrect. It follows the provisional liquidator's misclassification of the 10 year Facility Agreement as a 10 year loan. The term of each drawdown is a 12 month minimum term.</p>
Eleuthera, Paragraph 59 (a)	<p><i>"...the majority of entities that are indebted to Eleuthera are the subject of separate insolvency proceedings..."</i></p> <p>This statement is untrue. As stated above, only one of the borrower's from Eleuthera is subject to insolvency proceedings (IPO Wealth Holdings Pty Ltd).</p>
Value of Assets of the Company, Paragraph 63 (a)	<p><i>"PAG holds first ranking security over this account on behalf of the M Core noteholders."</i></p> <p>Correct. This statement confirms compliance with this requirement as arranged by the Security Trustee per the M Core offer document.</p>

Value of Assets of the Company, Paragraph 65 (a)	<p><i>“...the majority of entities that are indebted to Eleuthera are the subject of separate insolvency proceedings...”</i></p> <p>This statement is untrue. See above.</p>
Value of Assets of the Company, Paragraph 71	<p><i>“The Company in its own capacity does not hold any direct security over the real property owned by the trusts.”</i></p> <p>This statement is misleading as it leads the reader to think such security was required according to M Core offer documents, when this was <u>not</u> a requirement.</p>
Value of Assets of the Company, Paragraph 72	<p><i>“No formal loan agreement between Sunseeker Trust and the Company as the Company had been advised by their former accountant, Pinnacle, that it was not required...I do not agree with this view”</i></p> <p>This statement is misleading. There is no statutory requirement to have a Loan Agreement between related parties. Further, there is no lender/borrower relationship between Sunseeker and M101 Nominees. Had the opportunity been provided to finalise the accounts this transaction would have been reflected within the Eleuthera loan drawdowns which is covered by a Facility Agreement.</p>
Value of Assets of the Company, Paragraph 73	<p><i>“The key assets of the Sunseeker Trust are the units in the above Mission Beach trusts which are mortgaged to third party lenders.”</i></p> <p>This statement is flawed. The unit trusts are <u>not</u> mortgaged to any third party lenders. It is not possible to “mortgage” a unit trust or any part of it. A mortgage relates to real estate only.</p> <p>The Security Trustee holds first-ranking charges over the units of the unit trusts.</p>
Value of Assets, Paragraph 75(d)	<p><i>“...I was advised that here was no financial statements available for this entity [Sunseeker]”</i></p> <p>This statement is false. Sunseeker maintains a full set of accounts.</p>
Solvency Review, paragraph 91	<p><i>“...[The Company] did not have the capacity to generate any income in its own capacity as it did not hold any income generating assets in its own name.”</i></p> <p>This statement is false.</p> <p>The Company <u>directly held a \$65 million loan</u> with Eleuthera which provided 8.0% per annum return. This represents a gross margin of over 2.0% per annum on cost of funds, and more than a 25% gross margin.</p>

		<p>This investment alone had the capacity to generate sufficient income to meet its obligations and provide the Company a return. Any statement to the contrary shows no regard for the Company's key asset.</p> <p>The Company was <u>not</u> required to hold any other assets.</p>
Solvency general	Review,	The financial accounts relied on for the report were provided on demand and at short notice. The final balances and allocations had not been finalised, hence the assessment is based on incomplete information.
Solvency paragraph 97	Review	<p><i>"The Mayfair 101 Group had placed deposits on a number of properties (presumably using the funds raised by the Company from M Core noteholders)"</i></p> <p>This is incorrect. The majority of deposits were paid using monies raised in the unsecured notes as the majority of properties were contracted between July-October 2019, and the Company was only incorporated on 18 October 2019.</p>
Solvency paragraph 101(a)	Review	<p><i>"The Company did not maintain adequate current assets to be able to meet its current liabilities as and when they fell due."</i></p> <p>This statement is false and misleading. It shows no understanding of the structure that was in place.</p> <p>The real estate assets contained within the Collateral Pool are <u>readily realisable</u> within 30 days. The assets are the trading stock of the trusts pledged to the Security Trustee which secured the notes. The assets were capable of being realised in the open market, just as they had been acquired.</p> <p><u>Unequivocally</u> there were sufficient current assets available to meet current liabilities.</p>
Solvency paragraph 101(b)	Review,	<p><i>"I have concerns over the recoverability of the Company's main asset, the loan from Eleuthera."</i></p> <p>This statement is based on hypothesis rather than a detailed assessment. It is not relevant for assessing the security provided to noteholders, which from inception comprised the Collateral Pool rather than the Eleuthera loan.</p>
Solvency paragraph 101(c)	Review,	<p><i>"The structural impediment created by virtue of the Company having borrowed funds primarily on 6-12 month terms but advanced the majority of those funds on a 10 year facility to a related party."</i></p> <p>This statement is untrue. The funds were <u>not</u> advanced for a 10 year term as the statement implies.</p>

Solvency Review, paragraph 101(d)	<p><i>“at no point from November 2019 did the Company hold sufficient cash to attend to the payment of its current liabilities.”</i></p> <p>The Company met its current liability requirements including distributions and redemption of noteholders <u>at all times</u> until it was required to implement its Liquidity Prudency Policy on 11 March 2020.</p> <p>The implementation of this Policy was essential to manage the ramifications of COVID-19.</p>
Solvency Review, paragraph 101(f)	<p><i>“special arrangements were entered into with M Core noteholders...”</i></p> <p>This is not true. The capitalisation of interest was provided for in the Deed Poll governing the notes.</p>
Solvency Review, paragraph 101(g)	<p><i>“Mayfair 101 Group’s inability to raise additional funds has a direct flow-on effect within the Company...”</i></p> <p>This statement is correct. It highlights the <u>significant damage caused by suspending the capital raising activities</u> of a business that offers debt products to finance its investment activities.</p> <p>The Report fails to mention that it was ASIC’s application to Court that caused this to occur.</p> <p>The Group had a strong history of capital raising with over \$24 million being raised in February 2020 and c\$130 million raised in note products in less than 9 months.</p> <p>The cessation of this fundraising and noteholder replacement activity caused unforeseen liquidity and solvency issues within the Group.</p>
Solvency Review, paragraph 101(h)	<p><i>“The Company did not have any income-producing assets in its own right...”</i></p> <p>This statement is false.</p> <p>The Company <u>directly held a \$65 million loan</u> with Eleuthera which provided 8.0% per annum return. This represents a gross margin of over 2.0% per annum on cost of funds, and more than a 25% gross margin on funds raised.</p> <p>This investment alone had the capacity to generate sufficient income to meet its obligations and provide the Company a return. Any statement to the contrary shows no regard for the Company’s key asset.</p> <p>The Company was <u>not</u> required to hold any other assets.</p>
Financial Records, paragraph 106(a)	<p><i>“[I have not received] all emails of the Company...”</i></p>

	<p>This statement is misleading. The Company holds no email accounts.</p>
<p>Financial Records, paragraph 106(b)</p>	<p><i>“[I have not received] up to date valuation for all the properties held by Mayfair 101 Group entities...”</i></p> <p>This statement is false.</p> <p>The provisional liquidator was provided unfettered access to the Group’s CRM system and Google Drive folder. These systems contained current valuations undertaken on the vast majority of the properties within the past 12 months.</p> <p>Valuations were only required to be undertaken on the Collateral Pool on an annual basis. As at the date of the report 12 months had not yet passed. In any event, any valuation would be focused on the unit trusts themselves in addition to Lot 999 Seaview St.</p>
<p>Financial Records, paragraph 106(c)</p>	<p><i>“[I have not received] ...[the] most recent financial statements [of] Sunseeker Trust, Jarrah Lodge Trust, and M101 Holdings Pty Ltd”</i></p> <p>This statement is misleading. The Provisional Liquidator’s appointment is over the Company only, not the entities specified. They had no entitlement to information over entities they were not appointed to.</p> <p>Eleuthera’s financials were provided voluntarily by the Director for the purposes of demonstrating the compliant application of investor funds.</p>
<p>Financial Records, paragraph 107</p>	<p><i>“...to date the full books and records of the Company have not been provided.”</i></p> <p>This statement is false and misleading. The Director is not aware of any documentation which had not been provided. The liquidator is welcome to submit a formal request for further information specifying the information it considers is missing.</p>
<p>Breaches of the Corporations Act, paragraph 115(a)</p>	<p><i>“[I have concerns over the Director’s acts and dealings]...entering not a loan with Naplend...on unfavourable terms...significantly diminishing the equity available to noteholders/PAG”</i></p> <p>This statement is baseless. No such breach occurred.</p> <p>There was <u>adequate equity</u> within the unit trusts to enter into the Naplend facility whilst remaining compliant with the dollar-for-dollar security representations made to noteholders. The Security Trustee verified this in their regular reports to the Company.</p> <p>The Naplend facility was entered into the week prior to Christmas as the Director expected a slower Christmas/January period for inflows yet had a significant volume of properties to settle in January. The facility</p>

	<p>enabled the Group to continue its settlement activities using a short-term bridging facility provided by Naplend.</p> <p>The interest rate was industry standard for short term funding facilities. When balanced with the Group’s cost of funds at c5.8% p.a. (excluding customer acquisition costs) the blended average cost of capital meant this was a sound commercial decision.</p> <p>The capital raising capabilities and track record of the Group meant that it was forecast that <u>Naplend could be paid out from normal monthly inflows before the end of the facility term.</u> 30 days of standard fundraising activities would have been sufficient to have Naplend paid out in full.</p>
<p>Breaches of the Corporations Act, paragraph 115(b)</p>	<p><i>“[I have concerns over the Director’s acts and dealings]...Not taking appropriate steps to ensure that the Mayfair 101 Group entities had sufficient assets available to meet their liabilities...as an example, the...loan agreement with Naplend, as the Mayfair 101 Group had insufficient cash resources to meet upcoming settlements of properties...”</i></p> <p>This statement is flawed and misleading.</p> <p><u>The upcoming settlements were not liabilities.</u> They were contractual commitments.</p> <p>The Naplend facility was entered into in late December to provide funding for forthcoming settlements over the quieter Christmas period. The Naplend facility supplemented the Group’s own fundraising activities.</p> <p>Borrowing from a 3rd party financier to meet settlement obligations is <u>standard practice</u> and enabled momentum to be maintained in the project. This assisted in supporting the underlying asset values.</p>
<p>Breaches of the Corporations Act, paragraph 115(c)</p>	<p><i>“[I have concerns over the Director’s acts and dealings]...Failing to ensure appropriate first-ranking mortgage were issued to PAG over the individual real estate assets...the AllPAAP charges provided to the Security Trustee specifically excluded real estate as part of the collateral.”</i></p> <p>This statement is fundamentally wrong. No such breach occurred.</p> <p>There was <u>no obligation</u> to provide first-ranking mortgage security over the properties in the Collateral Pool.</p> <p>This demonstrates is a <u>flawed understanding</u> of the security structure which is also found in the Deloitte Experts Report which ASIC relied on in its ex parte application to wind up the Company.</p>

	<p>It was the Security Trustee’s obligation to ensure the security obligations to noteholders were met at all times. The Director appointed a Security Trustee for this specific purpose.</p> <p>As mentioned above, the exclusion of real estate was a valid and commercial decision which the Security Trustee supported. It did not devalue the security as the security was in the value of the units themselves, not the real estate.</p>
Breaches of the Corporations Act, paragraph 115(d)	<p><i>“[I have concerns over the Director’s acts and dealings]...revaluing the Dunk Island asset by c\$18.2 million...”</i></p> <p>This statement fails to account for the industry standard valuation methodology suggested and agreed to by the Security Trustee (i.e. extrapolating and applying a discount based on an arm’s length market transaction). No such breach occurred.</p> <p>The revaluation method was consistent with the Mayfair 101 Group’s Operating Manual which details the basis for revaluing unlisted assets.</p> <p>No formal independent valuation was required nor was it requested by the Security Trustee.</p>
Breaches of the Corporations Act, paragraph 115(e)	<p><i>“[I have concerns over the Director’s acts and dealings]...transferring funds between entities...in circumstances where it does not appear due care of consideration was given as to that entity’s ability to repay the loan.”</i></p> <p>This statement is false. No such breach occurred.</p> <p>The funds were invested appropriately. The assets invested in were capable of being readily realised to repay noteholders. For example, 10 properties totalling \$1 million were sold at or above purchased price in 2020 at short notice and during COVID-19 to provide liquidity.</p>
Breaches of the Corporations Act, paragraph 115(f)	<p><i>“[I have concerns over the Director’s acts and dealings]...providing loans to family members from Mayfair 101 Group’s funds.”</i></p> <p>This statement is false. No such breach occurred.</p> <p>There are no loans to family members.</p>
Breaches of the Corporations Act, paragraph 115(g)	<p><i>“[I have concerns over the Director’s acts and dealings]...Using funds advanced from the Company to Eleuthera for the Director’s personal expenses...”</i></p> <p>This statement is unsubstantiated and misleading.</p>

<p>Breaches of the Corporations Act, paragraph 115(g)(i)</p>	<p><i>“Examples: Ubereats, Myer, Woolworths...”</i></p> <p>These are everyday purchases incurred in the normal course of business.</p> <p>They do not constitute a breach of director’s duties.</p>
<p>Breaches of the Corporations Act, paragraph 115(g)(i)</p>	<p><i>“During the period of 1 January 2020 to 31 March 2020 c\$85k of travel expenses were incurred which appear to relate to business class airfares and five star hotels.”</i></p> <p>This statement is misleading. No such breach occurred.</p> <p>The Group employed approximately 70 staff across offices in 5 locations including London and held investments in 10 countries.</p> <p>The inference suggesting these were solely the Director’s own business expenses is misleading.</p>
<p>Breaches of the Corporations Act, paragraph 116(a)</p>	<p><i>“Deposits totalling \$715,000 between 15 January 2019 and 12 March 2020 into the Director’s personal bank account.”</i></p> <p>This statement is incorrect and misleading.</p> <p>The Director has been providing funding to the Group for a considerable period of time. The Director is entitled to be paid for managing the Group’s operations and investments.</p> <p>A reconciliation of the Director’s personal bank statement for these 14 months confirms the following:</p> <ul style="list-style-type: none"> • Payment received from Group entities - \$603,508.08 • Payment made to Group entities - \$313,595.80 • Net payments received = <u>\$289,912.28</u> <p>On this basis no such breach occurred.</p>
<p>Breaches of the Corporations Act, paragraph 116(b)</p>	<p><i>“Advances to the Director’s partner...which were used to acquire two properties in Mission Beach”</i></p> <p>The Company did not advance any funds to the Director’s partner. Mr Mawhinney provided personal funding to his family members to put toward deposits to acquire properties in Mission Beach. This is recorded as his taxable remuneration and is in line with internal policy.</p> <p>The Director’s decision to do this was to ensure a steadfast commitment from his family to a significant project for noteholders and the Mission Beach community. The decision has assisted with retaining a core team at Mission Beach whilst the Group undertakes its restructure.</p> <p>No such breach therefore occurred.</p>

<p>Breaches of the Corporations Act, paragraph 117</p>	<p><i>“[Director may be in breach of Section 180 of the Act as a result of]...Failing to advise unsophisticated investors of the risks of the products offered.”</i></p> <p>This assertion is incorrect.</p> <p>The offer documents were prepared and reviewed by the Company’s lawyers for compliance purposes at the request of the Director to ensure adequate risk closures were provided to potential investors.</p> <p>The M Core offer document disclosed the risks of investing in the Frequently Asked Questions section. The risks were adequately disclosed in line with legislative requirements for investment products offered to investors complying with s708 Corporations Act.</p> <p>ASIC’s Regulatory Guide 234 was taken into account in the preparation of the risk disclosures. The document is published by ASIC as a guide for retail investment products which have a more onerous disclosure requirement than the M Core product which was a wholesale-only offering.</p> <p>RG234.42 suggests “Information about the risks of a product should be clear, and not hidden or difficult to understand, and should be given sufficient prominence to information about returns and benefits.” <u>The offer document complied with these requirements.</u></p> <p>Further, the Director was not obligated to assess the literal level of sophistication of investors. Providing investors qualified with s708 Corporations Act wholesale investor requirements the Company was in a position to accept their investment. <u>Every single noteholder qualified to invest</u> in line with legislative requirements.</p> <p>Any suggestion that s708 “sophisticated” investors are “unsophisticated” is an objective rather than legal view which the Director was not required to assess at any stage. <u>The Director only accepted investment from compliant investors.</u></p>
<p>Breaches of the Corporations Act, paragraph 118(a)</p>	<p><i>“...misled into thinking the product offered...was similar to that of bank term deposits and had no risks”</i></p> <p>This assertion is false and misleading for the following reasons. The M Core offer document clearly specified:</p> <ul style="list-style-type: none"> • Heading - “Tired of term deposits?” which in itself implies the product is not a term deposit; • Disclaimer - Mayfair Platinum and its related companies are not deposit-taking institutions in Australia, the United Kingdom or elsewhere, and are not authorised to conduct retail banking activities under the Banking Act 1959 (Cth);

	<ul style="list-style-type: none"> • Product feature – <i>Early redemption available (subject to liquidity...).</i> • FAQ question - <i>“Is the issuer a bank?” The answer is “<u>No</u>...many M Core investors have chosen to move away from the banks”</i> • FAQ question - <i>“What are the risks?” The answer is “Investors should be mindful that, like all investments, there are risks associated with investing in our M Core Fixed Income product. Risks to take into consideration include general investment, lending, <u>liquidity</u>, asset, interest rate, cyber, related party transactions and currency risk.”</i> • FAQ question - <i>“Is the M Core Fixed Income product covered by the Australian Government’s Financial Claims Scheme (FCS)?” The answer is “The...FCS doesn’t cover investments in our M Core product”</i> • Section 10 Application Form – <i>“The abovementioned Applicant(s) applies for...secured redeemable promissory notes...”</i> • Section 10 Application Form - <i>“the Company will issue the Notes...”</i> <p>These statements plus other representations made in marketing material all had external legal sign-off for compliance purposes. The representations made clearly specified there were risks associated with investing. There was <u>no requirement</u> to detail every imaginable risk.</p> <p>It was made very clear from the Group’s marketing activities that it <u>was not a bank nor desired to be bank</u>.</p> <p>No such breach therefore occurred.</p>
<p>Breaches of the Corporations Act, paragraph 118(a)</p>	<p><i>“in reality, the funds invested into the Company were advanced...on terms which put investor funds at significant risk”</i></p> <p>This assertion is incorrect. No such breach occurred.</p> <p>Funds could not be advanced by the Company unless <u>adequate security existed in the Collateral Pool</u> underpinning the notes.</p> <p>No money left the Company unless the requisite security had been provided by the Group to the Security Trustee.</p> <p>Ultimately the funds advanced were secured by a series of trusts that held <u>readily realisable Australian real estate assets</u>. These assets were acquired in the open market in line with a logical, viable, hands-on investment strategy.</p>

	<p>In addition, the monies were also applied to other investments locally and internationally in line with the Group’s overarching investment strategy which provided considerable diversification and multiple sources of repayment over time.</p> <p>Noteholder money was applied appropriately, diligently, and in line with M Core offer documents at all times.</p>
<p>Breaches of the Corporations Act, paragraph 118(b)</p>	<p><i>“Not ensuring that M Core noteholders were given security over the assets their funds were used to purchase.”</i></p> <p>This assertion is wrong. It demonstrates a <u>fundamental misunderstanding</u> of the security structure that was in place. No such breach occurred.</p> <p>There was no obligation for the Company to provide direct security any investments other than the Collateral Pool. This is explained in the FAQ <i>“How is the M Core Fixed Income product secured?”</i> contained within the M Core offer document.</p> <p>Providing the Group had pledged sufficient assets to the Security Trustee to meet the dollar-for-dollar requirement, funds raised by the Company could be deployed as it saw fit without the need to provide further security.</p> <p>Note: the same conclusion was reached in the Deloitte Experts Report ASIC commissioned and relied on in its ex parte application to appoint provisional liquidators to the Company. Deloitte’s assessment was flawed yet ASIC relied on it.</p>
<p>Breaches of the Corporations Act, paragraph 118(b)</p>	<p><i>“...the assets were clearly not “unencumbered” as mortgages were held by Naplend and Family Islands Group over the real estate.”</i></p> <p>This assertion is wrong. No such breach occurred.</p> <p>The units pledged to the Security Trustee by Sunseeker (the owner of the unit trusts) were <u>not</u> encumbered by any other security interests that ranked ahead of the Security Trustee. The Security Trustee held <u>first-ranking</u> security over these assets.</p> <p>The assets of the unit trusts are not the same as the units that make up the trusts themselves. The units have a unit price that was to be revalued at least annually in line with the offer document. Such a valuation would take into account the assets and liabilities of the unit trusts.</p> <p>The assets of the unit trusts were capable of being encumbered themselves providing the dollar-for-dollar security requirement was met, which the Security Trustee confirmed it was.</p>

Breaches of the Corporations Act, paragraph 118(c)	<p><i>“...failing to ensure that a number of AllPAPs were registered by PAG on the PPSR within the prescribed period...”</i></p> <p>This confirms the Security Trustee was <u>derelict in their duties</u> of registering, managing and overseeing the security on behalf of noteholders.</p> <p>This responsibility rests with the Security Trustee whom the Director engaged and relied on to perform this function.</p> <p>On this basis no such beach occurred.</p>
Breaches of the Corporations Act, paragraph 118(d)	<p><i>“Failed to ensure that the appropriate security was taken out...in the loan provided to Eleuthera...given the significant sums advanced to Eleuthera...”</i></p> <p>This assertion is baseless. No such breach occurred.</p> <p>There is <u>no requirement</u> to register a security interest over an intercompany loan, particular in circumstances where:</p> <ul style="list-style-type: none"> (a) A Facility Agreement is already in place which specifies the loan is unsecured; (b) It is a related party borrower; and (c) The creditors/noteholders of the Company already have a Collateral Pool underpinning their investment on a dollar-for-dollar basis.
Breaches of the Corporations Act, paragraph 118(e)	<p><i>“Continuing to advance further funds to Eleuthera in 2020...at a time when Eleuthera was not meeting its interest payment obligations.”</i></p> <p>This assertion is not correct. No such breach occurred.</p>
Breaches of the Corporations Act, paragraph 118(f)	<p><i>“Paying redemptions of noteholders from other noteholder investments.”</i></p> <p>The statement demonstrates a lack of understanding of the characteristics and <u>circulatory nature of debt</u>. No such breach occurred.</p> <p>Noteholder replacement is an <u>essential characteristic</u> of any debt-funded businesses. As note terms expire noteholders are either renewed for a further term or replaced by incoming noteholders.</p>
Breaches of the Corporations Act, paragraph 118(f)	<p>The utilisation of funds as described in this sub-paragraph were in accordance with the “capital management purposes” disclosed to noteholders in the offer document.</p>
Breaches of the Corporations Act, paragraph 120(a)	<p><i>“[Breach of Section 181 of the Act as a result of]...Entering into the loan agreement with Eleuthera with no security or ability to enforce...”</i></p> <p>This statement is false. No breach occurred.</p>

	<p>The Eleuthera loan agreement was entered into with a <u>proper purpose</u>. Noteholders were provided with the requisite security from the Collateral Pool prior to any money being advanced under the facility.</p> <p>There was no obligation under s181 or otherwise to have this secured.</p>
<p>Breaches of the Corporations Act, paragraph 120(a)</p>	<p><i>“...continuing to advance funds to Eleuthera during 2020 where it would have become apparent to a ‘reasonable person the ability to recover any such further advanced would be limited...”</i></p> <p>This statement is incorrect. No such breach occurred.</p> <p>A reasonable person in the Director’s position would understand that the funds had been appropriately deployed in underlying assets, and these assets were capable of being readily realised to repay the Eleuthera loan.</p>
<p>Breaches of the Corporations Act, paragraph 122(a) and (b)</p>	<p><i>“[may be in breach of Section 182 of the Act as a result of]...entering into the loan agreement with Eleuthera with no security...[and] continuing to advance funds to Eleuthera during 2020...”</i></p> <p>These statement are false. No such breaches occurred.</p> <p>See reasons given above.</p>
<p>Breaches of the Corporations Act, paragraph 126(a) and (b)</p>	<p><i>“[may be in breach of Section 184 of the Act as a result of]...entering into the loan agreement with Eleuthera with no security...[and] continuing t advance funds to Eleuthera during 2020...”</i></p> <p>These statement are false. No such breaches occurred.</p> <p>See reasons given above.</p>
<p>Breaches of the Corporations Act, paragraph 131</p>	<p><i>“I have not been provided with all records, namely [Company emails], and [Up to date valuation of the properties] and [financial statements for Sunseeker Trust, Jarrah Lodge Unit Trust and M101 Holdings Pty Ltd]”</i></p> <p>This statement is wrong. All books and records have been provided. No such breach occurred.</p> <p>The provisional liquidator had unfettered access to all current valuations undertaken in the CRM and Google Drive link provided.</p> <p>There was <u>no obligation</u> on the Director to obtain updated valuations of the properties for the provisional liquidator, particularly given the expense (\$120,000+) and time this would incur (2-3 months to value 100+ properties plus Dunk Island freehold).</p>

Breaches of the Corporations Act, paragraph 135	<p><i>“On the evening of 14 August 2020, my office became aware of a press release by the Director on behalf of the Company...”</i></p> <p>This statement is false and misleading. The press release was not issued by the Company. It was issued by another entity within the Group.</p> <p>On this basis the Director did not exercise his powers in relation to the Company on an unauthorised basis. No such breach occurred.</p>
Breaches of the Corporations Act, paragraph 138	<p><i>“...on 31 August...an email chain showed that the Company had been continuing to liaise with creditors (noteholders) throughout the period of my appointment...”</i></p> <p>This was rectified immediately upon being advised by the liquidator that the Director was no longer entitled to liaise with noteholders on behalf of the Company. This limited activity does not warrant a breach of the Corporations Act under s471A.</p>
Breaches of the Corporations Act, paragraph 139	<p><i>“...on 3 September 2020...I became aware that the Company had sent monthly statements to M Core noteholders...”</i></p> <p>This statement has no footing. Statements are automatically generated by a platform. In any event noteholder statements are an essential part of client retention and satisfaction.</p> <p>On this basis no such breach occurred.</p>
Breaches of the Corporations Act, paragraph 144	<p><i>“...it is my opinion the Company has been trading insolvent since incorporation...”</i></p> <p>This statement is incorrect and flawed.</p> <p>The Company holds a <u>substantial asset</u> (the Eleuthera loan) and a <u>substantial off-balance sheet asset</u> which comprises readily realisable underlying assets (Australian real estate).</p> <p>The company has been, and continues to be, <u>capable of earning an income</u> through its activities.</p> <p>Further, this assessment has been made based on a 10 year loan that does not exist and draft accounts for a business that had been operating less than 12 months. <u>The Company was solvent</u> and therefore no such breach occurred.</p>
Breaches of the Corporations Act, paragraph 145	<p><i>“...the Company did not have sufficient Current Assets to discharge its Current Liabilities...”</i></p> <p>This statement is incorrect. The Eleuthera loan is a <u>significant current asset</u>.</p>

	No such breach occurred.
Breaches of the Corporations Act, paragraph 150-153	<p><i>“...the Director has been slow in delivering the records of the Company to me as an when requested...”</i></p> <p>Every request has been met, albeit some delay may have occurred.</p> <p>On this basis no such breach occurred.</p>
Breaches of the Corporations Act, paragraph 158(a)	<p><i>“...rendering the statement that ‘the assets re otherwise unencumbered’ false.”</i></p> <p>This is incorrect. No such breach occurred.</p> <p>The Security Trustee held first-ranking charges over the assets it was provided by the Group (the unit trusts that held readily realisable real estate). The Security Trustee reported on this and it satisfied the dollar-for-dollar requirement disclosed to investors.</p> <p>First-ranking security provided over the properties dos <u>not</u> rank ahead of units. It is an <u>entirely different asset</u> pledged to Naplend as it was to the Security Trustee.</p>
Breaches of the Corporations Act, paragraph 158(b)	<p><i>“They were assured by the Company that it was a term deposit product with no risk”</i></p> <p>This statement is not true. No representative of Mayfair 101 made such representations.</p>
Breaches of the Corporations Act, paragraph 158(c)	<p><i>“...being the first web link when potential investors search for ‘term deposits’”</i></p> <p>Advertising a product among alternative products that customers may be searching for is a <u>standard advertising practice</u>. It occurs in numerous industries, including numerous sectors within the financial services industry.</p> <p>It is not misleading or deceptive to advertise a product or service in this way.</p> <p><i>Example 1</i> – an individual may search for ‘rolls Royce for sale’ and be shown an advertisement for a BMW 7-series. The individual enquires about the BMW and ultimately purchases the vehicle. <u>This conduct is not misleading or deceptive.</u></p> <p><i>Example 2</i> – an individual may search for a ‘financial adviser’ and be shown an advertisement for a fund manager. After clicking on the ad for the fund manager the individual enquires and ultimately invests based on their acceptance of the fund manager’s offer documents. <u>This conduct is not misleading or deceptive.</u></p>

	<p>An advertisement on a web page is no different to an advertisement in a newspaper. By placing the advertisement strategically in front of potential clients it can be an effective form of customer acquisition, keeping in mind the potential client in the financial services industry can only invest once it has received, reviewed and accepted an offer document.</p> <p><u>No current, former or prospective investors were ever offered a term deposit. Investors were only ever offered either a M Core or M+ note.</u></p> <p>At <u>no stage of the customer journey</u> did the Company, its Director or the Group engage in any misleading or deceptive conduct.</p> <p>No financial services laws were breached by the Director for advertising the Company’s products in locations where potential customers were looking.</p> <p>No breach therefore occurred.</p> <p>Note: The Company itself did <u>not</u> advertise on Google. It was a related party that undertook the advertising. No such breach has therefore occurred by the Company or its Director.</p> <p>***Annexure C contains screenshots of M Core advertisements compared to those run by other industry participants in early 2020.</p>
<p>Breaches of the Corporations Act, paragraph 161(c)</p>	<p><i>“...For the reasons outlined at paragraphs 114 to 157 above, it is my finding that the Company did not act honestly and fairly...”</i></p> <p>This statement is incorrect. Paragraphs 114 to 157 are refuted in their entirety. No such breach occurred.</p>
<p>Conclusion, paragraph 163(a)-(e)</p>	<p>All points have been addressed above. The conclusions reached by the provisional liquidator is incorrect and misleading for the reasons stated above.</p>

Annexure A



M Core Fixed Income

A secured, asset-backed, term-based investment opportunity exclusively available to wholesale investors



MELBOURNE | SYDNEY | LONDON

Tired of low interest rates?

Activate your idle money and earn monthly distributions from a secured, asset-backed, term-based investment product.

Investing in our M Core Fixed Income product is a smart and effective way of earning **competitive rates of return** and **monthly income** whilst interest rates are at record lows. We invite you to invest in M Core Fixed Income, a **secured, asset-backed term-based investment product** offered by a forward-thinking group that is working to **drive positive change** in the financial services and investment industry.

Current Rates

INVESTMENT	FIXED INTEREST RATE
6 months	3.25%
12 months	3.95%
24 months	4.25%
36 months	4.50%
60 months	4.95%

These rates are available for wholesale investors investing in our M Core Fixed Income product.

Mayfair Platinum is the manager of our M Core Fixed Income product, which is issued by M101 Nominees Pty Ltd (the **Issuer**). Investment funds raised under our M Core Fixed Income product are used for ongoing investment and capital management purposes across the Mayfair 101 group of companies, a **regulated international investment and corporate advisory group** with offices in Melbourne, Sydney and London.

We invite you to visit www.mayfair101.com for more information.

Key Features

- Supported by first-ranking, unencumbered asset security (see FAQs)
- A\$250k minimum investment
- Fixed interest rates
- Monthly interest payments
- No setup or maintenance fees
- Dedicated Client Relationship Manager
- Individual, Company, Trust & Self-Managed Superannuation Fund (SMSF) compatible
- Available exclusively to wholesale investors
- Early redemption available (subject to liquidity and other applicable terms)

Disclaimer: This document is issued by Mayfair Wealth Partners Pty Ltd (t/a 'Mayfair Platinum') (ABN 74 168 878 779, AFSL Auth. Rep. No. 001 276 207 of Quattro Capital Group Pty Ltd (ABN 88 128 914 965, AFSL 334653)). Mayfair Platinum's authority under its appointment by Quattro Capital Group Pty Ltd under the Corporations Act 2001 (Cth) is limited to the provision of financial services to wholesale clients only, including general financial product advice relating to deposit products, foreign exchange contracts, derivatives, interests in management investment schemes and securities. Mayfair Platinum and its related companies are not deposit-taking institutions in Australia, the United Kingdom or elsewhere, and are not authorised to conduct retail banking activities under the Banking Act 1959 (Cth). Mayfair Platinum is a related party of M101 Nominees Pty Ltd (ACN 636 908 159) (the issuer of the M Core Fixed Income product) and its corporate group, and has a beneficial interest in the issue of the M Core Fixed Income product.

V10-15042020

How to Get Started

Step 1

Once you have read the Frequently Asked Questions section please complete the Application Form on pages 5–8 and return a copy by email to apply@mayfairplatinum.com.au or by fax on (03) 8080 6471 along with:

- **Certified copy of ID** (either driver's license or passport); and
- **Accountant's Certificate** to verify your status as a 'wholesale investor'.
(Accountant's Certificate must be no more than 2 years old. We can provide you a template for your accountant to sign if required.)

Step 2

Your application for our M Core Fixed Income product will be reviewed and, if accepted, counter-signed to confirm acceptance by the Issuer.

Step 3

Invest with us.

Transfer your investment amount to the following ANZ bank account:

Name: M101 Nominees Pty Ltd
BSB: 013-030
Account No: 423270918

Or send your cheque made out to

M101 Nominees Pty Ltd to:
Mayfair Platinum
Level 27, 35 Collins Street
Melbourne VIC 3000

Step 4

You will be issued with an electronic Note Certificate confirming your investment in our M Core Fixed Income product. Please keep this on file.

Step 5

Receive your interest payments to your nominated bank account within 5 business days after the end of each month.

Need assistance? Our team is available to take your call 24/7 on 1800 101 500.

Update to Investors

In the current circumstances of the COVID-19 global crisis, the Mayfair 101 Group of companies feels it appropriate to remind investors that:

- Mayfair 101 is not a bank, and nor are any of the companies in the Mayfair 101 Group. Therefore, the Mayfair 101 Group is not regulated by the Australian Prudential Regulation Authority (APRA) and investment in its products is not covered by the Australian Government's Financial Claims Scheme (colloquially known as the 'Government Bank Guarantee' which covers deposits up to A\$250,000 per depositor, per bank).
- As with all investment products, there are risks in investing in the Group's products.
- Investing in the products offered by the Mayfair 101 Group is not the same as depositing money in a term deposit offered by a bank. Investing in Mayfair 101 Group products has a higher level of risk compared to investing in a bank term deposit.
- In certain circumstances, the Group can exercise the right to suspend some or all redemptions at the end of the fixed term. The Group exercised this right on 11 March 2020. As such, all redemptions are currently suspended until such time as management agrees to lift the suspension and process redemptions.

Frequently Asked Questions

Do I qualify as a wholesale investor?

If you meet any of the following criteria there is a high probability you are eligible to invest:

- investing A\$500k or more; or
- net assets of A\$2.5m or above; or
- gross income of A\$250k or above each year for the last 2 years.

Our team is here to assist you with assessing your eligibility - call us on 1800 101 500.

How is the M Core Fixed Income product secured?

The M Core Fixed Income product is secured by a pool of assets in respect of which first-ranking, registered security interests have been granted. The assets are otherwise unencumbered, and are made up of Australian real estate, assets held by Mayfair 101 Group entities, and cash from investors held in the Issuer's dedicated M Core Fixed Income bank account. Such cash will only be used where there is dollar-for-dollar secured asset support.

A third party security trustee, PAG Holdings Australia Pty Ltd, (ACN 636 870 963, AFSL Auth. Rep. No. 001278649) of Perpetuity Capital Pty Ltd (ABN 60 149 630 973, AFSL 405364), as trustee of the Mayfair Platinum Secured Notes Security Trust, administers the secured pool of collateral assets on behalf of investors, and the assets are revalued at least yearly to ensure dollar-for-dollar secured asset support for each dollar of M Core Fixed Income notes.

Why should I choose Mayfair Platinum?

The Mayfair 101 group was established in 2009 and has assets spanning 10+ countries across a diverse range of sectors, including financial services, wealth management, technology, property and emerging markets. Our capital management strategy provides considerable geographic, industry & sector, business maturity, and currency diversification, which is a key reason why investors entrust their funds with us.

Is Mayfair Platinum regulated?

Yes. Mayfair Wealth Partners Pty Ltd (t/a Mayfair Platinum) is a corporate authorised representative (#00176207) of Quattro Capital Pty Ltd, which holds an Australian Financial Services Licence (#334653).

How can you pay fixed interest rates higher than the banks?

The interest rates we offer our investors are facilitated by the Mayfair 101 group's capital management strategy. The group carefully selects opportunities to invest in that provide strong yields and refinancing opportunities that enable us to support principle and interest repayments to our investors.

Are my returns tied to the Issuer's investment performance?

No. The Issuer is obligated to pay the quoted rates of interest and principal on the M Core Fixed Income product, regardless of the performance of its investments.

Is the Issuer a bank?

No. However, many M Core Fixed Income investors have chosen to move away from the banks due to historically low interest rates. We operate by accessing capital from third parties (our investors), paying our investors for access to that capital, and utilising that capital to grow the Mayfair 101 group.

How long has Mayfair 101 been around?

The Mayfair 101 group was established in 2009 (see www.mayfair101.com). The group includes a range of companies that provide financial products and services including:

- Funds management
- Corporate advisory
- Business credit
- Wealth management
- Corporate bonds

What are the risks?

Investors should be mindful that, like all investments, there are risks associated with investing in our M Core Fixed Income product. Risks to take into consideration include general investment, lending, liquidity, asset, interest rate, cyber, related party transactions and currency risks.

Does the Issuer pay third party commissions?

Whilst we have the ability to pay third party commissions, we cap these at 3%. We rarely use financial advisors, planners and other third party advisors to promote our products which means your money is put directly to work.

Can I withdraw my money out early if I need to?

Yes, although redemptions are subject to liquidity and other applicable terms. Please note this may be subject to a 1.5% early withdrawal and liquidity fee. Please provide 30 days' notice in writing for amounts up to A\$1m. For amounts above A\$1m simply email your Client Relationship Manager and they will advise a repayment schedule within 2 business days.

Is the M Core Fixed Income product covered by the Australian Government's Financial Claims Scheme (FCS)?

The Australian Government's Financial Claims Scheme (FCS) (or 'Government Guarantee') doesn't cover investments made in our M Core Fixed Income product. The Financial Claims Scheme has a limit of A\$250k for each account holder per bank, and the banks have a bailout limit of just A\$20b per bank. Be mindful that bank investments above A\$250k aren't covered by the Financial Claims Scheme, which is a reason why M Core Fixed Income is worth considering for larger investment amounts.

Application Form

1. INVESTMENT DETAILS

Note Term	Interest Rate (p.a.)	Note Class Name	Please select
6 months	3.25%	6M325	
12 months	3.95%	12M395	
24 months	4.25%	24M425	
36 months	4.50%	36M450	
60 months	4.95%	60M495	

Amount A\$

2. INVESTOR QUALIFICATION

Wholesale Confirmation

Yes, I/we confirm the Applicant is a 'wholesale investor' not requiring disclosure under section 708 of the *Corporations Act 2001*(Cth).

Yes, I/we have provided an accountant's Certificate

3. INVESTOR TYPE

Individual or joint investor/s

Super Fund

Company

Trust

4. INVESTOR NAME

4A. Individual investor/joint investors/sole traders

Investor 1			
Surname			
Full given name(s)			
Title (Mr / Mrs / Miss / Ms)	Date of birth	/	/
Business Name of sole trader (if applicable)			

Investor 2			
Surname			
Full given name(s)			
Title (Mr / Mrs / Miss / Ms)	Date of birth	/	/
Business Name of sole trader (if applicable)			

4B. Super fund/Trust/Australian company/Foreign company/Other

Name of entity

5. CONTACT DETAILS

This is the address where all correspondence will be sent.

Contact Person	
Address	
Best contact number	
Email	

6. TAX INFORMATION

6A. Individual investor or entity

6B. investor 2 (joint investors)

TFN		TFN	
Tax exemption*		Tax exemption*	
ABN			

6C. Non-residents

Mayfair Platinum will not accept investment into the M Core Fixed income product from persons not resident in Australia for tax purposes.

*Please note, you are not required to provide your Tax File Number (TFN), but if you decide not to, tax may be taken out of your distributions at the highest marginal tax rate (plus Medicare levy).

7. PAYMENT OPTIONS

Please indicate how you will be making your investment.

Transfer your investment amount to the following ANZ bank account:

Name: M101 Nominees Pty Ltd
BSB: 013-030
Account No: 423270918

Or send your cheque made out to **M101 Nominees Pty Ltd** to:

Mayfair Platinum
Level 27, 35 Collins Street
Melbourne VIC 3000

8. INTEREST DISTRIBUTIONS

Please credit my/our nominated bank account provided in section 9 with my/our interest distributions

Please reinvest my/our interest distributions

If no election is made, interest will be reinvested.

9. NOMINATED BANK ACCOUNT (MUST BE AN AUSTRALIAN FINANCIAL INSTITUTION)

Bank Account (for your interest and principal payments)

Account Name	
BSB	
Account Number	
Bank Name	

Prospective investors please note: The ability to redeem at the end of an investment term is subject to available liquidity. Mayfair Platinum reserves the right to suspend redemptions for liquidity management purposes and investors should consider this prior to making a decision to invest in Mayfair Platinum's products.

10. DECLARATION AND APPLICANT(S) SIGNATURE(S)

- **Applicant / Notes** - The above-mentioned Applicant(s) applies for, and requests M101 Nominees Pty Ltd (the **Company**) to allot and issue to it, the M Core Fixed Income product, being secured redeemable promissory notes of the Company (the **Notes**), in the amount specified above, on and subject to the terms of the Secured Promissory Note Deed Poll governing the M Core Fixed Income product dated 24 October 2019 entered into by the Company (the **Note Deed**) and the Security Trust Deed relating to the Notes dated on or about the date of the Note Deed entered into by the Company and other parties (the **Security Trust Deed**).
- **Note Class** - The Notes will be part of the Note Class Name selected above.
- **Application Monies** - The Applicant agrees to advance to the Company an amount equal to the aggregate face value to all Notes which it has subscribed for (**Application Monies**).
- **Offer** - This Application Form is an irrevocable offer by the Applicant to subscribe for Notes of the Company and to advance the Application Monies.
- **Company's discretion** - The Applicant acknowledges and agrees that the Company may in its discretion (but subject to clause 3.4 of the Note Deed):
 - all - accept the Applicant's Application Form to subscribe for all of the Notes applied for;
 - part - accept the Applicant's Application Form to subscribe for a lesser number of Notes than the number applied for; or
 - none - reject the Applicant's Application Form.
- **Acceptance** - If the Company accepts this Application Form, it will notify the Applicant of the number of Notes that will be issued to it, the amount to be advanced by the Applicant for those Notes and the due date, by completing and returning to the Applicant a signed acceptance notice (**Acceptance**).
- **Counter-signing** - This Application Form will only be deemed accepted by the Company when the Company has completed and countersigned the Acceptance.
- **Closing date** - The Applicant agrees to advance to the Company the amount specified in the Acceptance by the due date specified in the Acceptance.
- **Note issue** - The Applicant acknowledges and agrees that, subject to the Applicant advancing the amount specified in the Acceptance by the due date, the Company will issue the Notes within five (5) Business Days after the Acceptance.
- **Binding** - The Applicant agrees to the terms of, and to be bound by, the Note Deed and the Security Trust Deed.
- **Bank account** - The Applicant provides the bank account details above for payment of interest and other monies owing by the Company.

10. DECLARATION AND APPLICANT(S) SIGNATURE(S) CONTINUED

Executed by the applicant as a deed poll:

Where the applicant is / applicants are individual(s):

Investor 1

Applicant Signature		Date	/	/
Applicant Surname				
Applicant Given Name(s)				
Witness Signature		Date	/	/
Witness Full Name				

Investor 2 (joint investor)

Applicant Signature		Date	/	/
Applicant Surname				
Applicant Given Name(s)				
Witness Signature		Date	/	/
Witness Full Name				
Signing authority	Please tick to indicate signing requirements for future instructions (e.g. withdrawals, change of accounts details, etc.)			
	<input type="checkbox"/> Only one required to sign.	<input type="checkbox"/> All required to sign.		

Where the applicant is a body corporate (including as trustee of a trust / SMSF):

Investor

Company Name				
Trust Name (if relevant)				
Director Signature		Date	/	/
Director Full Name				
Director / Company Secretary Signature		Date	/	/
Director / Company Secretary Full Name				

Office Use Only

Application accepted when countersigned by the Company:

Name: _____ Signature: _____ Date: _____ / _____ / _____

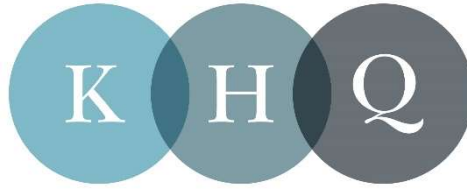
LONDON (HEAD OFFICE)
70 PALL MALL, ST JAMES'S
LONDON SW1Y 5JG, UK

MELBOURNE
LEVEL 27, 35 COLLINS ST
MELBOURNE, VIC 3000

SYDNEY
LEVEL 36, 1 MACQUARIE PLACE
SYDNEY, NSW 2000

T: 1800 101 500
F: (03) 8080 6471
E: ENQUIRIES@MAYFAIRPLATINUM.COM.AU

Annexure B



L A W Y E R S

Security Trust Deed

REGARDING

**Mayfair 101 Nominees
Pty Ltd**

- Secured Promissory Notes

ENTERED INTO BY

the parties described in Schedule 1 as

- (1) **Company**
- (2) **Security Trustee**

AND

- (3) **Initial Security Providers**

KHQ Lawyers
Level 4, 600 Bourke Street
Melbourne, Victoria 3000
PO Box 597
Collins Street West, Victoria 8007
Australia

+61 (0)3 9663 9877
contact@khq.com.au
www.khq.com.au

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Security Trust Deed

This **Security Trust Deed** is entered into on the day and year first (1st) set out in Schedule 1 (*Key Terms*) by the parties described in Schedule 1 (*Key Terms*) as (1) Company, (2) Security Trustee and (3) Initial Security Providers, for the benefit of the Security Beneficiaries.

Background

- A. Company / Noteholders / Security Providers - The Company has or will have financial obligations under the Notes to the Noteholders, the payments in respect of which the Security Providers have agreed to secure by means of providing Securities.
- B. Security Trustee - The Security Trustee agrees to act as trustee on behalf of the Security Beneficiaries in respect of Securities provided by each Security Provider, and will hold (among other things) all its right, title and interest in, to and under the Securities on trust for the Beneficiaries, in accordance with, on the terms of, and *subject* to the conditions set out in, this deed.

Terms and Conditions

In consideration of the mutual promises contained in this deed, and for other good and valuable consideration, it is agreed as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed, *unless* the context otherwise requires:

“**ABN**” means Australian Business Number;

“**Accession Deed (Security Provider)**” means a deed in, or substantially in, the form of Annexure A (*Accession Deed (Security Provider)*) (or in any other form that the parties from time to time agree) under which a New Security Provider becomes a party to this deed in accordance with clause 10.2 (*New Security Provider*);

“**ACN**” means Australian Company Number;

“**Addition Deed (Security Property)**” means a deed in, or substantially in, the form of Annexure C (*Addition Deed (Security Property)*) (or in any other form that the parties from time to time agree) under which specified Security Property becomes subject to this deed in accordance with clause 10.4 (*Changing Security Property*);

“**Attorney**” means an attorney appointed under any Security;

“**Business Day**” means a day (not being a Saturday, Sunday or public holiday) on which Australian banks (as defined in section 9 (*Dictionary*) of the Corporations Act) are open for general banking business in:

- (a) notices - for the purposes of clause 12 (*Notices*), the city where the notice or other communication is received; and
- (b) otherwise - for all other purposes, the capital city of the State;

“**Claims**” includes all direct (but not indirect) claims, allegations, demands, notices, actions, liens, proceedings, suits, litigation, prosecutions, arbitrations, investigations, judgments, awards and Losses of any kind made against a person concerned, however arising, on any basis whatsoever (including under to or in connection with this deed or its subject matter); whether present, unascertained, immediate, future or contingent; whether based in contract (including under any acknowledgement, agreement, certification, warranty or indemnity or any other breach, actual or anticipatory), in restitution in tort (including negligence), strict liability, under statute, on an ‘as much as he has earned’ basis, under quasi- contract, for unjust enrichment or under any other principle of statute, law or equity; and whether involving a third party or a party to this deed or otherwise;

“**Collateral Security**” means any present or future Security Interest, Guarantee or other document or agreement created or entered into by a Security Provider or any other person as security for, or to enhance the credit of, the payment of any of the Secured Moneys;

“**Company**” means the party described as such in Schedule 1 (*Key Terms*);

“**Controller**” has the meaning given to the word ‘controller’ in section 9 (*Dictionary*) of the Corporations Act, and includes any Personnel of such persons;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**Default**” means:

- (a) actual - an Event of Default; or
- (b) potential - a Potential Event of Default;

“**Default Notice**” has the meaning given in clause 8.8(a)(i) (*notice*);

“**Departure Deed (Security Provider)**” means a deed in, or substantially in, the form of Annexure B (*Departure Deed (Security Provider)*) (or in any other form that the parties from time to time agree) under which a Security Provider ceases to be a party to this deed in accordance with clause 10.3 (*Departing Security Provider*);

“**Determination Date**” means the date on which one (1) of the following occurs:

- (a) Controller - the Security Trustee appoints a Controller under a Security;
- (b) enforcement - the Security Trustee otherwise enforces a Security; or
- (c) as agreed - any other event agreed in writing to be an event for the purposes of this paragraph (c) by the Company and the Security Trustee;

“**Dollars**”, “**A\$**” and “**\$**” means the lawful currency of the Commonwealth of Australia;

“**Event of Default**” means a ‘default’ or ‘event of default’ (however so described) under any Finance Document;

“**Exposure**” means:

- (a) secured moneys - in the case of the Security Trustee, the Secured Moneys which the Security Providers are at that time actually or contingently liable to pay to or for the account of it (but not Secured Money payable to it for the account of any other secured creditor or in any other capacity); and

- (b) Noteholder - in the case of a Noteholder, the aggregate amount of principal and accrued unpaid interest outstanding under its Notes;

“Finance Document” means:

- (a) deed - this deed;
- (b) Securities - any Security;
- (c) IM - the Information Memorandum;
- (d) SPNDP - the Secured Promissory Note Deed Poll;
- (e) defined - any ‘Finance Document’ as defined in the Security Promissory Note Deed Poll;
- (f) by agreement - any other document or agreement which the Company, the Security Trustee and a Security Provider agree is a Finance Document;
- (g) other document - any other document or agreement which is or becomes a ‘Finance Document’ as defined in, or in accordance with the provisions of, any document or agreement referred to in the preceding paragraph (e) of this definition; or
- (h) other - any other document or agreement entered into for the purposes of amending or novating any of the above, *except* to the extent prohibited by this deed,

and a reference to the **“Finance Documents”** is to all of them;

“Further Losses”:

- (a) included - *includes* indirect, incidental, consequential, special, exemplary or punitive loss or damage arising from a breach of contract, tort (*including* negligence), under statute or any other basis under statute, law or equity, whether actual or potential and whether or not foreseeable, *including*: loss or anticipated loss of, or failure to realise, income, revenue, profits and/or anticipated savings; economic loss, loss of or failure to realise anticipated savings or benefits, loss or denial of business, bargain, contract, expectation, opportunity, goodwill, rental or other benefit; loss of use; loss of production; loss of access to markets; loss of reputation, future reputation or publicity; damage to credit rating; remote, abnormal or unforeseeable loss, or any similar loss; special, exemplary, punitive, incidental, indirect or other similar forms of loss or damage; loss or damage arising out of any delay, postponement, or interruption to business, *including* the cost of overheads incurred during business interruption; any other loss or anticipated loss or damage whatsoever in the nature of, or consequential upon, in relation to or arising out of the foregoing; but
- (b) not included - *excludes* loss or damage directly resulting from, or which a party is aware could be a direct result of, or which would have been in the contemplation of reasonable businesspeople as directly resulting from, a breach of this deed, however caused, such as:
- (i) *expenses* - additional expense incurred by the Security Trustee in having security provided by others;
- (ii) *time* - management time expended due to the breach of the Transaction Document; and

(iii) *costs* - cost of implementing remedial measures to work around the breach;

“Governmental Agency” means a government or government department, commission, authority, agency, court, tribunal, public, regulatory or other person or body, a governmental, semi-governmental, quasi-governmental, statutory, administrative, fiscal or judicial person, body or entity or a person, body or entity who is charged with the administration of any law, *including* any self-regulatory organisation established under statute or any securities exchange, and *including* the Australian Securities and Investments Commission (ASIC), the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Australian Prudential Regulation Authority (APRA), the Reserve Bank of Australia (RBA), the Therapeutic Goods Administration (TGA) and any Taxation Authority;

“GST” means the goods and services tax levied under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

“Guarantee” means any guarantee, suretyship, letter of credit, letter of comfort or any other obligation:

(a) funding - to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;

(b) indemnity - to indemnify any person against the consequences of default in the payment of; or

(c) responsibility - to be responsible for,

any debt or monetary liability or obligation (whether or not it involves the payment of money) of another person or the assumption of any responsibility or obligation in respect of the insolvency or the financial condition of any other person;

“Information Memorandum” means the information memorandum, by whatever name called (such as brochure, disclosure or offer document), issued from time to time by the Grantor to prospective or actual Noteholders regarding the details of arrangements relating to the Notes;

“Initial Security Providers” means the parties described as such in Schedule 1 (*Key Terms*);

“Interest Expense” means interest and amounts in the nature of, or having a similar purpose or effect to, interest and *includes*:

(a) discounts - the discount on a bill of exchange or other instrument;

(b) fees - fees and amounts incurred on a regular or recurring basis, such as line fees; and

(c) capitalised amounts - capitalised amounts of the same or similar name to the foregoing;

“Losses” means all losses, liabilities, debts, accounts, damages, payments, Costs, disbursements, charges, expenses (*including* legal fees and disbursements, on a full indemnity basis), Costs of investigation, litigation, settlement, judgment, Taxes, interest, penalties and fines, incurred by or awarded against the person concerned, however arising; whether directly or indirectly; whether present, unascertained, immediate, future or contingent; whether based in contract, tort or statute; and whether involving a third party or a party to this deed or otherwise, and *including* (for the avoidance of doubt) any Further Losses;

“**Negative Action**” means action or inaction of fraud, evasion, dishonesty, unconscionability, lack of good faith, negligence, maliciousness, criminal conduct, willful misconduct, misleading or deceptive conduct, breach of obligations (*including* in respect of this deed) or trust, and/or intentional or reckless failure to exercise care and diligence;

“**New Security Provider**” means, at any time, a person who is not an existing Security Provider at that time, and who becomes a Security Provider after that time in accordance with this deed;

“**Note**” means a secured, redeemable promissory note issued by the Company from time to time in accordance with the Secured Promissory Note Deed Poll;

“**Noteholder**” means the registered holder of a Note;

“**Noteholder Secured Moneys**” means that part of Secured Moneys owing to, or incurred by or on account of, any one (1) or more of the Noteholders or the Security Trustee (on behalf of one (1) or more of the Noteholders) under or in relation to the Finance Documents, *including* the amount of principal and unpaid interest outstanding under the Notes and any other amounts owing to any one (1) or more of the Noteholders or the Security Trustee (on behalf of one (1) or more of the Noteholders);

“**Noteholder Share**” means in respect of a Noteholder at any time, the Noteholder Secured Moneys of that Noteholder at that time expressed as a percentage of the aggregate Noteholder Secured Moneys of all Noteholders at that time;

“**Notice**” has the meaning given in clause 12.1 (*How to give a notice*);

“**Officer**” means:

- (a) beneficiary - in relation to a Security Beneficiary, if the Security Beneficiary is a:
- (i) *person* - natural person, the person; or
 - (ii) *corporate* - body corporate, any person whose title contains the term 'Director', 'Managing Director', 'Manager' or 'Vice President',
- or any duly appointed agent or attorney and any other person appointed by the Security Beneficiary to act as its authorised officer for the purposes of this deed; and
- (b) Company / provider - in relation to the Company or a Security Provider, a director or a secretary, or a person notified by the Company or the Security Provider (as the case maybe) to the Security Trustee to be an authorised officer, of the Company or the Security Provider (as the case may be) under any other Finance Document;

“**Over-arching Obligations**” means the obligations described as such in Schedule 1 (*Key Terms*);

“**Personnel**” means a party’s Officers, employees, agents, representatives, delegates, consultants and/or advisers;

“**Potential Event of Default**” means a ‘potential default’ or ‘potential event of default’ (however so described) under any Finance Document;

“**Power**” means any right, power, authority, discretion or remedy conferred on the Security Trustee, a Controller or an Attorney by any Finance Document or any applicable law;

“**PPS Law**” means:

- (a) Act - the *Personal Property Securities Act 2009* (Cth) (the “**PPS Act**”);
- (b) regulations - any regulations made at any time under the PPS Act;
- (c) provisions - any provision of the PPS Act or regulations referred to in paragraph (b) of this definition;
- (d) amendments - any amendment to any of the above, made at any time; or
- (e) other - any amendment made at any time to any other legislation as a consequence of a PPS Law referred to in paragraphs (a) to (d) (*inclusive*) of this definition;

“**Recovered Moneys**” means the aggregate amount received or recovered by the Security Trustee under the Finance Documents or under clauses 4.5 (*Payment of Secured Moneys*) or 6.2 (*Receipt of money after Determination Date*) on or after a Determination Date;

“**Related Body Corporate**” has the meaning given to 'related body corporate' in section 50 (*Related bodied corporate*) of the Corporations Act;

“**Secured Moneys**” means all debts and monetary liabilities of the Company to any Security Beneficiary or the Security Trustee (on behalf of one (1) or more of the Security Beneficiaries) under or in relation to any Finance Document and in any capacity, irrespective of whether the debts or liabilities:

- (a) timing - are present or future;
- (b) nature - are actual, prospective, contingent or otherwise;
- (c) identification - are at any time ascertained or unascertained;
- (d) providers - are owed or incurred by or on account of the Company alone or severally or jointly with any other person;
- (e) beneficiaries / trustee - are owed to or incurred for the account of any Security Beneficiary or the Security Trustee (on behalf of one (1) or more of the Security Beneficiaries), alone, or severally, or jointly with any other person;
- (f) agents - are owed to any other person as agent (whether disclosed or not) for or on behalf of a Security Beneficiary or the Security Trustee (on behalf of one (1) or more of the Security Beneficiaries);
- (g) reason - are owed or incurred as principal, interest, fees, charges, Taxes, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account; or
- (h) combination - comprise any combination of the above,

and *includes*:

- (i) *Notes* - in relation to Noteholders, the Noteholder Secured Moneys;
- (ii) *trustee* - in relation to the Security Trustee in its personal capacity as Security Trustee, the Security Trustee Secured Moneys;

“**Secured Promissory Note Deed Poll**” means the Secured Promissory Note Deed poll dated on or about the date of this deed and entered into by the Company under which the Company may issue Notes from time to time;

“**Security**” means, at any time, each of the following which has been granted at that time:

- (a) defined - any ‘Security’ or ‘Security Document’ as defined in a Finance Document;
- (b) security interest - any Security Interest entered into by or granted in favour of the Security Trustee (as trustee under this deed), or the benefit of which the Security Trustee acquires after the date of this deed, as security for (among other things) the payment of any of the Secured Moneys;
- (c) collateral - any Collateral Security; and
- (d) by agreement - any other document which the Security Trustee and the Security Providers agree at any time, now or in the future, is a Security for the purposes of this deed;

“**Security Beneficiaries**” means:

- (a) Notes - all and each of the Noteholders from time to time; or
- (b) trustee - the Security Trustee in its personal capacity as Security Trustee;

“**Security Interest**” means a charge, mortgage, pledge, lien or other security interest securing the payment of a debt or other monetary obligation or any other obligation of any person or any other agreement or arrangement having a similar effect;

“**Security Property**” means any assets subject to a Security;

“**Security Provider**” means:

- (a) grantor - a person who has granted a Security and *includes*, on the date of this deed, the Initial Security Providers; or
- (b) defined - any other entity, now or in the future, defined as an ‘Obligor’ or a ‘Security Provider’ in a Finance Document which has granted, or in the future grants, a Security;

“**Security Trustee**” means the party described as such in Schedule 1 (*Key Terms*), or any replacement security trustee under this deed;

“**Security Trustee Secured Moneys**” means that part of Secured Money owing to, or incurred by, or on account of, the Security Trustee in its personal capacity as Security Trustee, *including* all outgoings, costs, charges, fees and remuneration (*including* any GST);

“**State**” means the territory of the Commonwealth of Australia described as such in Schedule 1 (*Key Terms*);

“**Statement**” means a statement referred to in clause 5.2(a)(i) (*Details of Secured Moneys*);

“**Subsidiary**” has the meaning given in section 9 (*Dictionary*) of the Corporations Act;

“**Subtraction Deed (Security Property)**” means a deed in, or substantially in, the form of Annexure D (*Subtraction Deed (Security Property)*) (or in any other form that the parties from time to time agree) under which specified Security Property ceases to be subject to this deed in accordance with clause 10.4 (*Changing Security Property*);

“**Tax**” or “**Taxation**” means any tax, (*including* any consumption tax, goods and services tax and value added tax), duty (*including* stamp duty, financial institutions duty, transaction duty and bank account debt tax), levy, charge, impost, rates, fee, deduction, compulsory loan or withholding tax, however it is described, which is (or is able to be) assessed, levied, imposed or collected by or payable to any Taxation Authority, wherever chargeable and whether of Australia or any other jurisdiction and *includes* any interest, fine, penalty, charge, fee, expense or other amount imposed or made on or in respect of any of the above;

“**Taxation Authority**” means the Australian Taxation Office (ATO) in Australia, the State Revenue Office (SRO) or equivalent of any state or territory of Australia, and any other governmental agency or other authority whatsoever competent to impose any Taxes, whether in Australia or elsewhere;

“**Tax Invoice**” *includes* any document or record treated by the Commissioner of Taxation as a tax invoice or as a document entitling a recipient to an input tax credit; and

“**Trust Fund**” means:

- (a) A\$10 - the sum of ten dollars (A\$10) referred to in clause 4.1 (*Holding of Trust Fund on trust*);
- (b) trustee’s interest - all right, title and interest of the Security Trustee under the Securities and the other Finance Documents (*other* than, in the case of other Finance Documents, those held in a personal capacity), *including* all money recovered under them (whether on enforcement or otherwise), *including* all Recovered Moneys;
- (c) money - all money paid to the Security Trustee under this deed for application in accordance with this deed; and
- (d) property - all other property acquired by the Security Trustee and intended to be held for the benefit of the Security Beneficiaries on the trusts of this deed.

1.2 Interpretation

In this deed, *unless* the context otherwise requires:

- (a) headings - the index and any headings are for ease of reference only and do not affect the interpretation of this deed;
- (b) inclusion - specifying anything in this deed after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included, *unless* there is express wording to the contrary;
- (c) examples - if an example is given of anything (*including* a right, obligation or concept), such as by saying it *includes* something else, the example does not limit the scope of that thing;
- (d) references - a reference to a clause, party, attachment, exhibit, Schedule or Annexure is a reference to a clause of, and a party, attachment, exhibit, schedule and annexure to, this deed and a reference to this deed *includes* any schedule, exhibit, annexure and attachment;
- (e) attachments - the background, the execution page, the Schedules and the Annexures (if any) are each incorporated in and form part of this deed;
- (f) number - a reference to the singular *includes* the plural and the other way around;

- (g) gender - a reference to a given gender *includes* all other genders;
- (h) grammar - other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (i) definitions - words or phrases appearing in a certain context in this deed which, when used in a similar context in the Corporations Act would have a particular meaning as at the date of this deed, have that meaning in this deed;
- (j) person - a reference to a person or party *includes* a natural person, a company or any other type of entity or body recognised by law, whether or not it is incorporated or has a separate legal identity, and any executor, administrator, successor in law, permitted substitutes and permitted assigns of the person (and, where applicable, the person's legal personal representatives);
- (k) legislation - a reference to any legislation or legislative provision *includes* any statutory modification or re-enactment of, or legislation or legislative provision substituted for, that legislation or legislative provision, and *includes* all subordinate legislation, regulations or instruments issued under it;
- (l) government - a reference to any governmental or statutory body *includes* any body which replaces, succeeds to the relevant powers and functions of, or which serves substantially the same purposes or objects as such body;
- (m) documents - a reference to any agreement or document (*including* this deed) is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time, *except* to the extent prohibited by the agreement or document;
- (n) agreement - a reference to an agreement *includes* an undertaking or other binding arrangement or understanding, whether or not in writing;
- (o) thing - a reference to any thing (*including* a right, obligation or concept) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one (1) or more of them, but nothing in this clause 1.2(o) (*thing*) implies that performance of part of an obligation constitutes performance of the obligation;
- (p) writing - a reference to writing *includes* any mode of reproducing words, figures or symbols in tangible and permanently visible form and *includes* a facsimile transmission but *excludes* electronic mail, and any notification, demand, agreement, consent, approval or other communication required under this deed must be in writing;
- (q) information - a reference to information is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programs, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets;
- (r) currency - a reference to Australian dollars, dollars, \$, A\$, \$A or AUD is a reference to the lawful currency of the Commonwealth of Australia;
- (s) time
 - (i) *general* - a reference to time is to local time in the capital city of the State; and

- (ii) *timing* - the expression 'at any time' *includes* reference to past, present and future time and the performance of any action from time to time;
- (t) periods - if a period of time dates from a given day or the day of an act or event, it is to be calculated *exclusive* of that day;
- (u) action - if the time for performing an obligation under this deed ends on a day which is not a Business Day, then:
 - (i) *payment* - if the act involves a payment that is due on demand, the person must do it on or by the previous Business Day; and
 - (ii) *other* - in any other case, the person must do it on or by the next Business Day;
- (v) construction - no provision of this deed will be construed adversely to a party solely on the ground that the party was responsible for proposing or preparing it or because that party relies on it to protect itself;
- (w) language - the language in all parts of this deed will be in all cases construed in accordance with its fair and common meaning and not strictly for or against any of the parties;
- (x) conduct - a reference to conduct *includes* an omission, statement or undertaking, whether or not in writing;
- (y) liability - *unless* the contrary intention appears:
 - (i) *binding* - if a party consists of *more* than one (1) person, this deed binds each of them separately and any two (2) or more of them jointly; and
 - (ii) *benefit* - an obligation, statement, representation, warranty, covenant, undertaking, promise, inducement, agreement, forecast or guarantee:
 - (A) FOR - in favour of *more* than one (1) person is for the benefit of them separately and jointly; and
 - (B) BY - given or made by two (2) or more persons binds all of them jointly and each severally.
- (z) legal terms - a reference to any Australian legal term for any action, remedy, method or form of judicial proceeding, legal document, legal status, court, official or any other legal concept or thing will, in respect of any jurisdiction outside Australia relevant to the transactions contemplated by or the terms of this deed, be deemed to *include* a reference to the corresponding or most similar legal term in that jurisdiction.

1.3 Communications by Security Beneficiaries

All communications by a Security Beneficiary (in its capacity as a Security Beneficiary) to a Security Provider in connection with any Security, the Trust Fund or this deed, must be made through the Security Trustee.

1.4 Security Provider's agent

- (a) Company - All communications under the Finance Documents to and from the Security Providers may be sent to or by the Company.

- (b) Appointment of agent - Each Security Provider (*other* than the Company) by its execution of this deed or an Accession Deed (Security Provider) irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
- (i) *information* - the Company on its behalf to supply all information concerning itself contemplated by this deed or any other Finance Document to the Security Trustee and/or any Security Beneficiary;
 - (ii) *receiving communications* - the Company on its behalf to give and receive all notices and instructions under the Finance Documents;
 - (iii) *documents* - the Company on its behalf to agree and sign all documents under or in connection with the Finance Documents (*including* any amendment, supplement or variation to any Finance Document) without further reference to, or the consent of, that Security Provider; and
 - (iv) *giving communications* - each Security Beneficiary to give any notice, demand or other communication from that Security Beneficiary under the Finance Documents to the Company,

and, in each case, the Security Provider will be bound by any act of the Company under this clause 1.4 (*Security Provider's agent*).

1.5 Noteholders

- (a) Condition - It is a condition of a Noteholder receiving any rights or benefits in connection with this deed that the Noteholder is bound by this deed and performs all of the obligations and complies with all subordinations, restrictions and limitations under this deed applicable to, or in connection with, the Noteholder or the Noteholder Secured Money (without needing to become a party to this deed).
- (b) Binding- In addition, for the avoidance of doubt, it is noted that:
- (i) *deed poll* - each Noteholder, in order to become a Noteholder, has executed an Application Form (within the meaning of the Secured Promissory Note Deed Poll) as a deed poll, under which it has agreed to be bound by the terms of the Secured Promissory Note Deed Poll and this deed; and
 - (ii) *attorney* - under the Secured Promissory Note Deed Poll, each Noteholder, for consideration received, appoints the Security Trustee and each Officer for the time being and from time to time of the Security Trustee severally its attorney, in its name and on its behalf, to do all things and execute, sign, seal and deliver (conditionally or unconditionally in the attorney's discretion) all documents, deeds and instruments necessary or desirable in respect of this deed.

4. DECLARATION OF TRUST

4.1 Holding of Trust Fund on trust

The Security Trustee declares that it holds the sum of ten dollars (A\$10) in the State and will hold the Trust Fund on trust for the Security Beneficiaries from time to time on the terms of this deed.

4.2 Name

The trust established under this deed is to be known by the name stated in Schedule 1 (*Key Terms*).

4.3 Period

The trust established under this deed begins on the date first written in Schedule 1 (*Key Terms*) and, *unless* ended at an earlier date, ends on the earlier of:

- (a) 80 years - the day before the eightieth (80th) anniversary of the date of this deed; and
- (b) discharge / distribution - the date on which all the Securities have been fully and finally discharged according to their terms (or, if discharged at different times, the date on which the last is fully and finally discharged) and all Recovered Moneys have been distributed in accordance with this deed.

4.4 Acknowledgment

The Company acknowledges to the Security Trustee its indebtedness in respect of the Secured Moneys due by it and agrees to comply with all of its obligations under the Finance Documents.

4.5 Payment of Secured Moneys

- (a) Payment by - The Company must pay the Secured Moneys due by it in accordance with the Finance Documents and each other obligation under which the Secured Moneys due by it are payable.
- (b) Payment to - The Company must pay the Secured Moneys due by it to the Security Trustee as and when they are due for payment.
- (c) Additional obligation - Clause 4.5(b) (*Payment to*) is an additional, independent and separate obligation to any obligation of the Company to pay to a Security Beneficiary the Secured Moneys due by the Company to that Security Beneficiary in a Finance Document or otherwise, but:
 - (i) *payment to trustee* - payment by the Company to the Security Trustee of any such Secured Moneys operates in satisfaction of the obligation of the Company to pay the amount to the Security Beneficiary; and
 - (ii) *payment to beneficiary* - payment by the Company to a Security Beneficiary in accordance with the Finance Documents of any Secured Moneys of the Security Beneficiary operates in satisfaction of the obligation of the Company to pay the amount to the Security Trustee.
- (d) No derogation - Nothing in clause 4.5(b) (*Payment to*) affects or derogates from the Company's obligations to pay Secured Moneys to a Security Beneficiary (*subject* to clauses 4.5(c)(i) (*payment to beneficiary*) and 4.5(c)(ii) (*payment to trustee*)).
- (e) Money secured - Any Secured Moneys paid to a Security Beneficiary or the Security Trustee by the Company are paid as money secured by the Securities.

5. DETERMINATION OF SECURED MONEYS

5.1 Determination of Secured Moneys

To determine the Secured Moneys of a Security Beneficiary on any date for the purposes of this deed:

- (a) currency - amounts in a foreign currency must be translated into Dollars at the rate of exchange determined by the Security Trustee in accordance with the Finance Documents to which it is party or, if not prescribed in such Finance Documents, then as that rate of exchange at which the Security Trustee could have, on that date, purchased from another person in the normal course of business in dealing with currencies that amount of foreign currency with Dollars;
- (b) contingent liabilities - any liability which is contingent must be *included* at its face value; and
- (c) interest - any Interest Expense due but unpaid and any Interest Expense accrued but not yet due must be *included*.

5.2 Details of Secured Moneys

- (a) Information - The Security Trustee may at any time request the Company to provide, and the Company must then, within a reasonable time, provide:
 - (i) Statement - a statement (a "**Statement**") signed by an Officer of the Company setting out the amount of the Secured Moneys owing to a given Security Beneficiary at the date of the Statement or as at any other date requested by the Security Trustee; and
 - (ii) calculations - any information the Security Trustee reasonably requests in respect of the calculation of the amounts referred to in clause 5.2(a)(i) (Statement).
- (b) Full details - The information provided under clause 5.2(a) (Information) must *include* full details of how the Company has applied the provisions of clause 5.1 (Determination of Secured Moneys) in calculating the amounts referred to in clause 5.2(a)(i) (Statement).
- (c) Reliance - As between the Company, the Security Trustee, the Security Providers and the Security Beneficiaries, the Security Trustee may rely on a Statement given by the Company as sufficient evidence of its contents and the respective amounts of Secured Moneys owing to the relevant Security Beneficiary as at the date set out in the Statement, *unless* it is manifestly incorrect or the contrary is proved.
- (d) Binding - Any Statement is binding on all Security Beneficiaries, *subject* to any contrary determination by the Security Trustee or manifest error, for the purposes of determining the Exposure or the Noteholder Share of each Security Beneficiary under this deed as at the date of the Statement.
- (e) Failure to provide - If the Company does not provide a Statement, the Security Trustee may determine the Secured Moneys owing to any relevant Security Beneficiary in accordance with clause 5.1 (Determination of Secured Moneys) and issue an alternative Statement which will be taken as the Statement relevant to that Security Beneficiary for the purposes of this clause 5.2 (Details of Secured Moneys).

6. RECEIPT OF MONEY

6.1 Money not forming part of Recovered Moneys

- (a) Suspense account - Where any Finance Document permits or requires money to be placed to the credit of a suspense account:
- (i) *preservation* - in order to preserve the rights to prove in the bankruptcy or liquidation of any person; or
- (ii) *otherwise* - because amounts are contingently due or for any other reason, that money will not, *unless* otherwise decided by the Security Trustee form part of the Recovered Moneys until, in accordance with the terms of the Finance Documents, the money is paid to or for the account of the Security Trustee or one (1) or more Security Beneficiaries (at which time it becomes Recovered Moneys).
- (b) Interest - Where money is placed in a suspense account referred to in clause 6.1(a)(*Suspense account*), any interest earned and credited to the account becomes Recovered Moneys when the balance of the money in the suspense account becomes Recovered Moneys in accordance with clause 6.1(a) (*Suspense account*).

6.2 Receipt of money after Determination Date

- (a) Notification - *Subject* to clause 6.2(b) (*Non-application*), if, after a Determination Date, a Security Beneficiary receives (whether by way of voluntary or involuntary payment or by way of set-off, combination or amalgamation of accounts or otherwise) any Secured Moneys, the Security Beneficiary must within a reasonable time notify the Security Trustee.
- (b) Non-application - Clause 6.2(a) (*Notification*) does not apply to money received by a Security Beneficiary from the Security Trustee under this deed.

7. SHARING BETWEEN SECURITY BENEFICIARIES

7.1 Payments before Determination Date

- (a) Demand - If, before a Determination Date, a Noteholder directs or Noteholders direct the Security Trustee to demand payment from a Security Provider of Secured Moneys which are then due and payable to the Noteholder or Noteholders, the Security Trustee must promptly make that demand.
- (b) Moneys received - On receipt of any money from that Security Provider, the Security Trustee holds it on trust for the Noteholder or Noteholders who made the request and must pay the full amount received to that Noteholder or Noteholders or as otherwise required by a Finance Document.
- (c) Early receipt - *Subject* to the Finance Documents, if, before a Determination Date, the Security Trustee otherwise receives any Secured Moneys due and payable to a Security Beneficiary, it must promptly pay that money to that Security Beneficiary.
- (d) Payability - A demand or payment under clause 7.1(a) (*Demand*) is not required for money to be made payable or for any enforcement action (*including* appointment of a Controller or declaring that money is due and payable) under the Finance Documents,

as long as the money is payable or the enforcement action can be taken under the Finance Documents.

7.2 Payments after Determination Date

- (a) Application of Recovered Moneys - On or after a Determination Date, the Recovered Moneys must, as between the Company, the Security Trustee, each Security Provider and the Security Beneficiaries, be applied by the Security Trustee in the following order and manner:
- (i) *first (1st)* - in payment of all amounts which, to the extent required by law, have priority over the payments specified in the balance of this clause 7.2(a) (*Application of Recovered Moneys*);
 - (ii) *second (2nd)* - in payment of all costs, charges and expenses (*including* any GST) of the Security Trustee, any Controller or any Attorney incurred in, or incidental to, the exercise or performance or attempted exercise or performance of any Power;
 - (iii) *third (3rd)* - in payment of the Security Trustee Secured Moneys;
 - (iv) *fourth (4th)* - equally and without preference, and ratably, in or towards payment or repayment to each Noteholder of its Noteholder Share (calculated as at the date of the distribution) of the Noteholder Secured Moneys (calculated as at the date of the distribution) then due and payable to each relevant Noteholder, until each such Noteholder has received its Noteholder Secured Moneys in full (noting, for the avoidance of doubt, that as at a given Determination Date, all of the Noteholder Secured Moneys may not be then due and payable to all Noteholders);
 - (v) *fifth (5th)* - in payment of any other outgoings due to a Controller or Attorney; and then
 - (vi) *sixth (6th)* - in payment of the surplus, if any, without interest to the applicable Security Providers, and the Security Trustee and any Controller or Attorney may pay the surplus to the credit of an account in the name of the applicable Security Provider in the books of any bank carrying on business in the jurisdiction of incorporation of the Security Provider which is capable of being operated by the Security Provider and having done so is under no further liability in respect of that surplus.
- (b) Crediting of moneys - In applying any money towards satisfaction of the Secured Moneys in the manner contemplated by this clause 7.2 (*Sharing after Determination Date*), the relevant Security Provider will be credited only with as much of the money available for that purpose as is actually received by the Security Trustee or any Controller and is not required to be disgorged. *Subject* to clause 6.1 (*Money not forming part of Recovered Moneys*), any credit will date from the time of receipt.
- (c) Currency - To the extent that Recovered Moneys available for distribution in or towards payment or repayment of the Secured Moneys are paid or are denominated in a currency *other* than Dollars, then in determining the “share” of such amount payable or repayable to Security Beneficiaries under clause 7.2(a) (*Application of Recovered Moneys*), such amount must be notionally translated into Dollars at the rate of exchange determined by the Security Trustee in accordance with the Finance Documents to which

that Security Beneficiary is a party, or if not prescribed in such Finance Documents, then as that rate of exchange at which the Security Trustee could have, on the date of distribution, purchased from another person in the normal course of business in dealing with currencies that amount of currency with Dollars.

8. SECURITY TRUSTEE'S RIGHTS AND RESPONSIBILITIES

8.1 Security Trustee entitled to exercise all rights

Subject to this deed, the Security Trustee:

- (a) Powers - is entitled to exercise all Powers under the Securities (*including* those Powers conferred on trustees generally by statute and those conferred on trustees generally by law or equity in respect of the Securities) as if the Security Trustee were the sole beneficial owner of the Securities and, without limiting any of the foregoing, the Powers of the Security Trustee *include*:
 - (i) *notification* - to make demands and give notices under the Securities or any of them;
 - (ii) *proceedings* - to begin and pursue legal proceedings and take action to enforce the Securities or any of them or to protect any property or its interest in any property which is *subject* to a Security;
 - (iii) *sale* - to sell any property *subject* to any Security Interest which is a Security;
 - (iv) *Controllers* - to appoint and instruct Controllers under all or any of the Securities; and
 - (v) *other* - to exercise all and any other rights under any Security which are expressed in the relevant Security to be exercisable by the party named in that Security as mortgagee or chargee;
- (b) determinations - may in its absolute discretion determine:
 - (i) *enforcement* - whether or not to take any steps to enforce a Security or to otherwise seek to recover any money payable under a Security; and
 - (ii) *method* - the manner of the enforcement (*including* the terms of any sale under a Security and the identity of any Controller appointed under a Security);
- (c) Securities - is irrevocably appointed and authorised by the Security Beneficiaries to enter into the Securities and other Finance Documents to which it is expressed to be a party and act as trustee for the Security Beneficiaries and to enforce the rights under or in relation to the Securities and those other Finance Documents on behalf of the Security Beneficiaries in accordance with the Finance Documents;
- (d) Finance Documents - has all rights and powers expressly delegated to it by the Finance Documents together with all other powers reasonably incidental to those powers; and
- (e) duties - has no duties or responsibilities to the Security Beneficiaries, *except* those expressly set out in the Finance Documents.

8.2 Instructions and extent of discretion

- (a) Action - *Subject* to the other terms of this deed:
- (i) *capacity* - and *except* in respect of amounts due to the Security Trustee in its personal capacity as Security Trustee, the Security Trustee agrees to act in accordance with this deed and each other Finance Document; and
 - (ii) *instructions* - the Security Trustee must, and is only obliged to, act in respect of matters relating to specific Notes held by Noteholders, if, and only if, it receives clear instructions to do so from a majority (by value) of those Noteholder, and otherwise in accordance with the terms of the Finance Documents;
- (b) Action without instructions - The Security Trustee is not obliged to act in the absence of instructions from the relevant Security Beneficiaries in the manner contemplated by clause 8.2(a)(ii) (*instructions*), but may so act in what it (in its sole discretion) considers to be the best interests of any relevant Security Beneficiaries.
- (c) Authorisation - Each Security Beneficiary authorises the Security Trustee to give any consent and do anything else necessary or appropriate for it to give effect to any instructions given in accordance with the Finance Documents.
- (d) Binding - Any action taken or decision made by the Security Trustee in accordance with any Finance Document is binding, as between the Company, the Security Trustee, the Security Providers and the Security Beneficiaries, on all the Security Beneficiaries.

8.3 Exercise of Powers to waive or amend

The Security Trustee:

- (a) no waiver - must not, in its capacity as trustee, waive breaches of, or any Default under, or otherwise excuse the performance of any obligation of a Security Provider under, a Finance Document without the prior instructions of a majority (by value) of the Security Beneficiaries to whom such Default or obligation relates;
- (b) exercise / waiver - must exercise or refrain from exercising a Power and must waive or excuse performance of a Security if so instructed:
- (i) *majority* - by a majority (by value) the Security Beneficiaries to whom such Power or performance relates; or
 - (ii) *otherwise* - where a Finance Document provides for such instructions from the Security Beneficiaries on a different basis, by the Security Beneficiaries on that basis; and
- (c) changes - must not amend or vary any Finance Document, *unless* instructed to do so:
- (i) *majority* - by a majority (by value) the Security Beneficiaries to whom such Finance Document relates; or
 - (ii) *otherwise* - where a Finance Document provides for such instructions from the Security Beneficiaries on a different basis, by the Security Beneficiaries on that basis,

but is not obliged to effect any such amendment or variation to the extent it would increase the personal liability of the Security Trustee or derogate from any of its rights under the Finance Documents.

8.4 Matters requiring instructions from Security Beneficiaries

The following matters require instructions from a majority (by value) of the Security Beneficiaries:

- (a) adverse effect - an amendment to this deed which adversely affects the rights of any Security Beneficiary under this deed by changing the commercial terms or a Security Beneficiary's right to or interest in a Security;
- (b) specific clauses - an amendment to clause 7 (*Sharing between Security Beneficiaries*), clause 8.3 (*Exercise of Powers to waive or amend*) or this clause 8.4 (*Matters requiring instructions from all Security Beneficiaries*);
- (c) releases - *subject* to clause 8.5(e) (*Administrator*), before any Determination Date, the giving of a direction to the Security Trustee to release (either in whole or in part) any Security (*except* where such release is required by law or under the Finance Documents, *including* on full and final repayment of all Secured Moneys); and
- (d) approval - the exercise of any right, power or discretion under a Finance Document that expressly requires the approval of a majority (by value) of the Security Beneficiaries.

8.5 Exercise of enforcement and other powers

- (a) On instructions - Following the occurrence of an Event of Default which subsists relating to specific Notes held by Noteholders, the Security Trustee must, if, and only if, it receives clear instructions to do so from a majority by value of those Noteholders, and otherwise in accordance with the terms of the Finance Documents:
 - (i) default notice - give notice in writing to a Security Provider declaring that the Event of Default has occurred;
 - (ii) payability notice - give notice in writing to a Security Provider declaring that the relevant Secured Moneys are immediately due and payable or, if so provided for under a Finance Document, payable on demand (upon which they will be payable on demand);
 - (iii) Controllers - appoint, or remove, a Controller under a Security;
 - (iv) enforcement - otherwise enforce or take steps to enforce a Security as directed in writing by a majority (by value) of the relevant Noteholders; or
 - (v) all - do any one (1) or more of the things in the above paragraphs of this clause 8.5(a) (*On instructions*).
- (b) Controller - If, and only if, so instructed by a majority (by value) of the relevant Noteholders, the Security Trustee must, if entitled by law to do so, appoint, or remove, a Controller under the Corporations Act to a Security Provider.
- (c) Administrator - If, but (*subject* to clause 8.5(g) (*Controller appointment*)) only if, instructed to do so by a majority (by value) of the relevant Noteholders, the Security Trustee must, if entitled by law to do so, appoint an administrator under the Corporations Act to a Security Provider.

- (d) Further action - The Security Trustee must at any time after action under clauses 8.5(a), 8.5(b) or 8.5(c) has been taken, do any other things it considers appropriate (or as instructed by a majority (by value) of the relevant Noteholders) to enforce the whole or any part of the Security in respect of which that first (1st) mentioned action was taken and to exercise its Powers under that Security.
- (e) Releases - The Security Trustee must not:
- (i) *instructed* - *unless* so instructed by a majority (by value) of the relevant Noteholders; or
- (ii) *required* - *unless* required by law or by the express provisions of a Finance Document to do so,
- release or discharge:
- (A) SECURITY - any Security (in full or in part); or
- (B) ASSETS - all or any assets from any Security.
- (f) Controller selection - If the Security Trustee is directed by a majority (by value) of the relevant Noteholders to appoint, or to change the appointment of, a Controller under a Security, it must appoint a Controller selected by a majority (by value) of the relevant Noteholders.
- (g) Controller appointment - If an administrator is appointed under Part 5.3A (*Administration of a company's affairs with a view to executing a deed of company arrangement*) of the Corporations Act to a Security Provider which has granted a Security over the whole, or substantially the whole, of the Security Provider's property and the Security Trustee has not received instructions under this clause 8.5 (*Exercise of enforcement and other powers*) in time to enable it to appoint a Controller under the relevant Security within the "decision period" (as defined in the Corporations Act) then, despite any other provision of this deed, the Security Trustee must appoint a Controller within that decision period.
- (h) Notice not required - A notice under clause 8.5(a)(i) (*default notice*) is not required for money to be made payable or for any enforcement action (*including* appointment of a Controller or declaring that money is due and payable) under the Finance Documents as long as the money is payable or the enforcement action can be taken under the Finance Documents.

8.6 Limits on obligations

- (a) No duties - The Security Trustee:
- (i) *responsibility* - is not responsible in respect of financial accommodation (if any) provided by any Security Beneficiary to the Company or a Security Provider;
- (ii) *application* - is not bound or concerned to see the due application of any financial accommodation provided by any Security Beneficiary to the Company or Security Provider;
- (iii) *title problems* - is not responsible for, or liable to any person in respect of, any absence of, or defect in, title or for its inability to exercise any of its Powers under a Security arising from any absence of, or defect in, title; and

- (iv) *execution of Securities* - need not give notice to any person of the execution of any Security nor obtain any licence, consent or other authority for the execution of any Security and is not liable to any person for failure to do so.
- (b) Action without liability - The Security Trustee:
 - (i) *documents* - may rely on any certificate, notice or other document (*including* any electronic mail or facsimile transmission) it believes to be genuine and correct and to have been signed or sent by or on behalf of the proper or authorised person or persons;
 - (ii) *advice* - may rely on any advice or statements of solicitors, independent accountants or other experts selected by the Security Trustee with reasonable care; and
 - (iii) *storage* - must place any Security, title document or other document, deed or certificate relating to a Security for the time being in its possession in any properly and safely maintained safe deposit, safe or receptacle selected by it, or with any bank or financial institution or person whose business *includes* undertaking the safe custody of documents, or with any lawyer or firm of lawyers,

in any such case, without being responsible, or liable, to any person for any loss occasioned by doing so.

8.7 **Right to appoint agent, delegates**

- (a) Agents - The Security Trustee, instead of acting personally, may employ an agent to do any act required or permitted to be done under this deed or in relation to the Finance Documents.
- (b) Delegates - The Security Trustee may at its own cost:
 - (i) *Powers* - delegate any of its Powers under this deed or in relation to the Finance Documents, either wholly or partially or *subject* to any limitations or restrictions, to any person (*including* any Security Beneficiary) as it thinks fit, proper or appropriate in its absolute discretion, if that delegate agrees to be bound by the terms of this deed as if it was a party to it;
 - (ii) *execution* - for the purpose of any delegation under clause 8.7(b)(i) (*Powers*), execute such powers of attorney or other instruments as it thinks proper; and
 - (iii) *revocation* - revoke any delegation under clause 8.7(b)(i) (*Powers*) or power or instrument under clause 8.7(b)(ii) (*execution*), from time to time.
- (c) Enquiries - No person dealing with the Security Trustee, or any delegate referred to in clause 8.7(b) (*Delegates*), is bound to enquire whether the delegation remains in force.
- (d) Reliance - The Security Trustee may act or rely on the opinion, certificate or advice of, or information obtained from, any agent, delegate or adviser appointed by it. The Security Trustee is not responsible for any loss occasioned by doing so, if the Security Trustee has acted in good faith and has not been guilty of Negative Action in so acting.

- (e) Security Trustee responsible - Despite an appointment under clause 8.7(b) (*Delegates*), but *subject* to clause 8.15(a)(ii) (*Personnel*), the Security Trustee remains liable for any act or omission of any appointee as if such act or omission was of the Security Trustee.

8.8 Awareness of Events of Default and other events

- (a) Knowledge - The Security Trustee is not to be regarded as having knowledge of:
- (i) Default - the occurrence of any Default, *unless* the Security Trustee:
- (A) NOTICE - has received notice (“**Default Notice**”) from the Company, a Security Provider or Security Beneficiary referring to this deed or the relevant Finance Document and stating that a Default has occurred and describing the event; or
- (B) AWARENESS - is actually aware that a Default has occurred; or
- (ii) other - any other matter or thing relating to the Trust Fund or the Finance Documents, until Personnel of the Security Trustee (or a Related Body Corporate of the Security Trustee) having day-to-day responsibility for the administration or management of the transactions contemplated by the Finance Documents has actual knowledge of that matter or thing.
- (b) Notification - If the Security Trustee receives a Default Notice or becomes actually aware that a Default has occurred, the Security Trustee must promptly notify all relevant Security Beneficiaries of the occurrence.
- (c) Default subsisting - If the Security Trustee receives a Default Notice, the Security Trustee may consider the Default to be subsisting until it has received a further notice from the party giving the original notice stating that the Default is no longer subsisting. The Security Trustee may rely on the second (2nd) notice for all purposes under this deed and the Finance Documents.

8.9 No monitoring

The Security Trustee is not required to:

- (a) Company’s actions - keep itself informed as to the performance or observance by the Company of its obligations under any Finance Document or any other document or agreement to which the Company is a party;
- (b) Defaults - investigate whether or not a Default has occurred or is subsisting; or
- (c) Company / Security Providers - inspect the properties or books of the Company or any Security Provider or to assess or keep under review the business, operations, financial condition, creditworthiness or status of the affairs of the Company or any Security Provider.

8.10 Information

- (a) No checking - The Security Trustee is not obliged to review or check the accuracy or completeness of any report, notice or other document it forwards to any Security Beneficiary or other person.
- (b) Forwarding other information - *Except* for any notices, reports, accounts or other documents or information which the Security Trustee is required to provide under any

Finance Document, the Security Trustee has no duty or responsibility, but is authorised in its absolute discretion, to provide any Security Beneficiary with any credit or other information concerning the assets, liabilities, financial condition or business of the Company and/or any Security Provider or any of its and/or their respective Subsidiaries, which may come into the possession of the Security Trustee.

- (c) Disclosure - Nothing in any Finance Document obliges the Security Trustee to disclose any information relating to the Company and/or any Security Provider if the disclosure would or might constitute a breach of any law or duty of secrecy or confidence.

8.11 **Security Trustee to have same rights as Security Beneficiaries**

The Security Trustee, in its capacity as a Security Beneficiary (if it is or becomes one), has the same Powers under this deed as any other Security Beneficiary and may exercise the same as if it were not acting as the Security Trustee.

8.12 **Security Trustee may contract**

- (a) Actions - Despite any rule of statute, law or equity to the contrary, *provided that* it acts in good faith, nothing in this deed or any Finance Document prevents the Security Trustee or any of its Related Bodies Corporate (all being *included* in references to the 'Security Trustee' in this clause 8.12) from:
- (i) *beneficiary* - being a Security Beneficiary;
 - (ii) *arrangements* - entering into any contract or arrangement or transacting any kind of business with any Security Provider or Security Beneficiary as if it were not the Security Trustee;
 - (iii) *services* - providing any advice or services to any Security Provider or Security Beneficiary; or
 - (iv) *interests* - being interested in any such contract or transaction.
- (b) No accounting for benefits - The Security Trustee will not be in any way liable to account to any Security Provider or Security Beneficiary or any other person for any fee, remuneration or profit received or accruing from or in connection with any such transaction.

8.13 **Exercise of Powers**

The Security Trustee or any of its members or Personnel may be interested as a member or Personnel of, or may otherwise stand in a fiduciary position in relation to, any party to this deed or any other person and that interest or fiduciary position does not preclude the Security Trustee from exercising any Power (*including* where an exercise of that Power may benefit that party or person).

8.14 **Application to court for direction**

The Security Trustee may apply to a court for directions in relation to any question relating to its duties under this deed or to its Powers.

8.15 Security Trustee not liable

- (a) No liability - The Security Trustee is not, and its Personnel, successors or attorneys are not, liable to any party for:
- (i) *Powers* - any loss or damage occurring as a result of it exercising, failing to exercise or purporting to exercise any Power under this deed or in relation to a Finance Document;
 - (ii) *Personnel* - any act of any Personnel of the Security Trustee, *except* to the extent that the Security Trustee would be liable for such act or omission if such act or omission was of the Security Trustee;
 - (iii) *other* - any other matter or thing done, or not done, by it in relation to this deed or a Finance Document;
 - (iv) *defects* - any absence of, or defect in, title or any inability to exercise any of its Powers under a Security;
 - (v) *failures* - any failure by a Security Provider to perform its obligations under a Finance Document;
 - (vi) *condition* - the financial condition or solvency of the Company or a Security Provider;
 - (vii) *statements* - any statement, representation or warranty of the Company or a Security Provider being incorrect or misleading in any respect;
 - (viii) *acting on instructions* - acting in accordance with the instructions of one (1) or more, or a majority (by value), or all of any relevant Security Beneficiaries (as applicable) in accordance with this deed, or for refraining from acting in accordance with the instructions of one (1) or more, or a majority (by value), or all of any relevant Security Beneficiaries (as applicable) in accordance with this deed, or where there are no instructions which are required by this deed for the Security Trustee to act or refrain from acting;
 - (ix) *acting on notices* - acting on any written communication, notice or other document containing a direction or instructions purporting to have been given by one (1) or more, or a majority (by value), or all of any relevant Security Beneficiaries (as applicable), which the Security Trustee believes to be genuine and correct and to have been signed by, or sent by or on behalf of, the proper person;
 - (x) *acting on resolutions* - acting on any written communication, notice or other document containing a direction or instructions purporting to have been given by one (1) or more, or a majority (by value), or all of any relevant Security Beneficiaries (as applicable) passed at a meeting of the relevant Security Beneficiaries at which minutes were made and signed, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any other reason the resolution was not valid or binding on any of the Security Beneficiaries whom it purported to bind, or on the Security Trustee; or

- (xi) *documents* - the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Security, Finance Document or any other certificate or document given under any of them,

to the extent that the Security Trustee and its Personnel have not been guilty of Negative Action.

- (b) No instructions - Failure by the Security Trustee to act due to lack of instructions or lack of proper instructions from one (1) or more, or a majority (by value), or all of any relevant Security Beneficiaries (as applicable) required to be given under this deed (as applicable) does not amount to Negative Action of the Security Trustee.
- (c) Changes to Finance Documents - The Security Trustee is not bound by any waiver, amendment, supplement or modification of any Finance Document, *unless* it gives its prior written consent as Security Trustee under the Finance Document.
- (d) Security Beneficiary performance - The Security Trustee is not liable to the Company or any Security Provider because a Security Beneficiary fails to perform its obligations under a Finance Document.

8.16 Indemnity

- (a) Indemnity
- (i) *rights* - Without prejudice to any right of indemnity given to it by statute, law or equity; and
- (ii) *other indemnities* - in addition to, and without prejudice to, any other indemnity in any other Finance Document,

the Security Trustee is entitled to be indemnified out of any money from time to time received by the Security Trustee under the Securities or otherwise forming part of the Trust Fund in respect of:

- (A) COSTS - all liabilities and expenses (*including* any money paid or to be paid for the employment or appointment of any agent) incurred by any of them in the exercise or purported exercise of the Powers under this deed or in relation to the other Finance Documents; and
- (B) CLAIMS / LOSSES - all Claims and/or Losses arising in relation to this deed or any other Finance Document,

and the Security Trustee may from time to time retain and pay out of any money recovered from the Securities or otherwise forming part of the Trust Fund an amount to satisfy that indemnity.

- (b) Shortfall - For the avoidance of doubt, if there is insufficient money available for the Security Trustee to satisfy its indemnity under clause 8.16(a) (*Indemnity*), no Security Beneficiary will be liable for indemnifying or otherwise covering the Security Trustee for any such amount.
- (c) Shortfall indemnity - However, each Security Provider jointly and severally indemnifies the Security Trustee against any insufficiency of money being available for the Security Trustee to satisfy its indemnity under clause 8.16(a) (*Indemnity*), on demand.

- (d) Payment in advance - If the Security Trustee proposes to exercise a right arising in its capacity as Security Trustee or take any other action (whether or not at the instruction of the Security Beneficiaries) or the Security Trustee is directed by one (1) or more, or a majority (by value), or all of any relevant Security Beneficiaries (as applicable) to exercise a right or take any action in its capacity as Security Trustee, and the Security Trustee reasonably considers this could result in there being an insufficiency of money being available for the Security Trustee to satisfy its indemnity under clause 8.16(a) (*Indemnity*), the Security Trustee:
- (i) *payment* - may request the relevant Security Beneficiaries to pay to it an amount (at *least* equal to the amount the Security Trustee reasonably determines would be the insufficiency); and
- (ii) *no action* - need not act until the relevant Security Beneficiaries do so.

8.17 **Protection of third parties**

No person dealing with the Security Trustee (*including* any Security Provider) is bound to enquire whether the Security Trustee:

- (a) appointment - has been properly appointed under this deed; or
- (b) Power - has the requisite Power under this deed or another Finance Document,

and any person dealing with the Security Trustee may assume that anything purported to be done by the Security Trustee under this deed or another Finance Document has been duly authorised by this deed and the Security Beneficiaries.

8.18 **Exclusions of law where permitted**

- (a) Obligations limited - To the maximum extent permissible by law, the Security Trustee's obligations, duties and responsibilities are expressly limited to those set out in the Finance Documents.
- (b) Implied responsibilities negated - All liabilities and responsibilities which may from time to time be imposed on the Security Trustee by statute, law or equity are, to the extent permitted by statute, law or equity (as applicable), and, *except* to the extent provided to the contrary in this deed, expressly negated and waived by the other parties.

8.19 **Independent decisions by Security Beneficiaries**

- (a) Own investigations - Each Security Beneficiary acknowledges that it has, independently and without reliance on the Security Trustee or any other Security Beneficiary, and based on the documents and information it has considered appropriate, made its own investigation into the affairs and financial condition of the Company and each Security Provider and the value, validity, effectiveness, genuineness and enforceability of each Finance Document.
- (b) Own decisions - Each Security Beneficiary must independently and without reliance on the Security Trustee or any other Security Beneficiary, and based on the documents and information it considers appropriate, continue to make its own analysis and decisions in relation to its rights and obligations under any document or agreement to which it is a party or under which it gains right or benefit.

- (c) No liability - The Security Trustee is not liable if a Security Beneficiary fails to do, or suffers loss or damage as a result of doing, anything referred to in clause 8.19(a) (*Own investigations*) or 8.19(b) (*Own decisions*).

8.20 Variation

The provisions of this clause 8 (*Security Trustee's rights and responsibilities*), other than clause 8.16 (*Security Trustee not liable*), may be amended from time to time by written agreement between the Security Trustee and a majority (by value) of the Security Beneficiaries, *without* the approval of the Security Providers and so long as the amendment does not increase the liability of any other party or derogate from the rights of any other party.

8.21 Uncontrolled events

Despite any other provision of this deed, the Security Trustee need not act (whether or not on instructions from one (1) or more, or a majority (by value), or all of any relevant Security Beneficiaries (as applicable)) if it is impossible to act or to act lawfully due to any cause beyond its control (*including* war, riot, natural disaster, labour dispute or law taking effect after the date of this deed).

8.22 Additional matters

- (a) Rights in addition - The rights and obligations of the Security Trustee under this deed are in addition to, and without prejudice to, its rights and obligations under the other Finance Documents.
- (b) STD prevails - If there is any inconsistency between the rights and obligations of the Security Trustee under this deed and the rights and obligations of the Security Trustee under any other Finance Document, those under this deed prevail to the extent of the inconsistency.

8.23 Security Trustee Fees

The Company (and otherwise the Security Providers jointly and severally) must pay to the Security Trustee for its own account the fees in the amounts, and on the dates and circumstances, specified in any applicable fee letters or on such other terms as the Company and the Security Trustee may from time to time agree in writing.

9. ENDING OF SECURITY TRUSTEE'S APPOINTMENT

9.1 Ending of appointment

- (a) Resignation - The Security Trustee may resign at any time by giving at *least* twenty (20) Business Days' notice to that effect to the Company, the Security Providers and each Security Beneficiary, or their representatives.
- (b) Removal - The Security Trustee may be removed at any time:
- (i) *Company* - by the Company, with the approval of a majority (by value) of the Security Providers; or
- (ii) *Noteholders* - by a majority (by value) of the Noteholders
- giving to the Security Trustee, the Company and the Security Providers or their representatives at *least* twenty (20) Business Days' notice to that effect.

- (c) Notification - If a majority (by value) of the Noteholders give a notice under clause 9.1(b) (*Removal*), they must, as soon as reasonably practicable after giving the notice, provide a copy of the notice to the Company, the Security Providers, all other Security Beneficiaries, or their representatives.
- (d) Release - On the ending of the Security Trustee's appointment, whether by resignation, removal or otherwise, the Security Trustee is released from any further obligations as Security Trustee under this deed and the other Finance Documents from the time of that ending, but the release does not prejudice any liability in respect of any default arising before the ending of appointment.

9.2 Assurances

Despite clause 9.1 (*Ending of appointment*) and the terms of any Finance Document, no resignation, removal or release of the Security Trustee takes effect, *unless*:

- (a) successor appointment - a successor Security Trustee has been appointed in accordance with clause 9.3 (*Appointment of successor Security Trustee*);
- (b) successor undertaking - the successor Security Trustee undertakes to act as Security Trustee and be bound in that capacity by the terms of this deed and each Finance Document to which the Security Trustee is a party; and
- (c) successor title - the successor Security Trustee obtains title to each Security and the Trust Fund in its capacity as Security Trustee.

9.3 Appointment of successor Security Trustee

- (a) Appointment by Noteholders - If the appointment of the Security Trustee is ended by resignation, removal or otherwise, a majority (by value) of the Noteholders (or, in the case of the Company removing the Security Trustee in accordance with clause 9.1(b)(i) (*Company*), a majority (by value) of the Security Providers) may appoint a successor Security Trustee.
- (b) Appointment by Security Trustee - If no successor Security Trustee is appointed by a majority (by value) of the Noteholders (or the Security providers, as the case may be), or accepts the appointment, within twenty (20) Business Days after:
 - (i) *notification* - notice of resignation or removal is given in accordance with clause 9.1 (*Ending of appointment*); or
 - (ii) *other ending* - the Security Trustee's appointment is otherwise ended, the departing Security Trustee may, on behalf of each Security Beneficiary, appoint a successor Security Trustee on the same terms as the departing Security Trustee.
- (c) Binding – The Company, each Security Provider and each Security Beneficiary is bound by the terms of any appointment made under this clause 9.3 (*Appointment of successor Security Trustee*).
- (d) Making appointment - The appointment of a successor Security Trustee may be made:
 - (i) *instrument* - by instrument in writing executed by or on behalf of the person or persons authorised to make the appointment;
 - (ii) *deed* - by deed of appointment; or

- (iii) *other* - by any other method permitted by law.
- (e) Further assurances - The Security Trustee, the Company, each Security Provider and each Security Beneficiary must do all things reasonably necessary, *including* executing any deeds or other documents, to ensure that the appointment of any successor Security Trustee is properly and promptly effected and to ensure that all assets and property of the Trust Fund are vested in the successor Security Trustee.
- (f) Rights as if original party - When a successor Security Trustee is appointed, the new Security Trustee and each other party to the Finance Documents has the same rights and obligations among themselves as they would have had if the new Security Trustee had been an original party to the Finance Documents (*other* than in relation to any accrued rights against the departing Security Trustee for default under the Finance Documents).
- (g) Attorney - Each Security Beneficiary and each other party to this deed (*other* than the Security Trustee), for consideration received, appoints the Security Trustee and each Officer for the time being and from time to time of the Security Trustee severally its attorney, in its name and on its behalf, to do all things and execute, sign, seal and deliver (conditionally or unconditionally in the attorney's discretion) all documents, deeds and instruments necessary or desirable for the appointment of a successor Security Trustee under this clause 9.3 (*Appointment of successor Security Trustee*) and to vest in that successor Security Trustee all of the Trust Fund or any part of it, and agrees to ratify anything an attorney does under clause 9.3(g).
- (h) Delegation - The power in clause 9.3(g) 7.3(g) (*Attorney*) may be delegated or a sub-power may be given, and any delegate or sub-attorney may be removed by the attorney appointing it.

9.4 **Costs and expenses - change of Security Trustee**

The Company and the Security Providers jointly, must indemnify the outgoing Security Trustee and the Security Beneficiaries for all costs and expenses of ending and replacing the Security Trustee under this clause 9 (*Ending of Security Trustee's appointment*), *except* that in the case of:

- (a) resignation - resignation of the Security Trustee under clause 9.1(a) (*Resignation*), the Security Trustee will bear its own costs; and
- (b) removal - removal of the Security Trustee due to the Security Trustee's Negative Action, all reasonable costs and expenses of the removal and replacement of the Security Trustee will be borne by the Security Trustee.

10. **CHANGES TO SECURITY BENEFICIARIES, SECURITY PROVIDERS AND SECURITY PROPERTY**

10.1 **Changes to Security Beneficiaries**

- (a) Benefit - This deed is for the benefit of all and each of the Securities Beneficiaries from time to time.
- (b) Changes - It is acknowledged that the Notes are for different terms, that persons may be Noteholders for different terms, that such terms maybe different to the term of this

deed, and that therefore the identity of the Security Beneficiaries may change from time to time.

- (c) Documentation - It is not necessary for a Noteholder to execute any document (*other* than an Application Form (within the meaning of the Secured Promissory Note Deed Poll), under which it agrees to be bound by the terms of the Secured Promissory Note Deed Poll and this deed), to accede to or retire from this deed in order to be bound by the obligations, and to receive the benefit, of this deed as a Security Beneficiary, for such time as it is a Noteholder.

10.2 New Security Provider

Immediately after a person who is not already a Security Provider grants a Security, each Security Provider must ensure that, if the person is a Related Body Corporate of that Security Provider, the person becomes a party to this deed as a Security Provider by executing an Accession Deed (Security Provider).

10.3 Departing Security Provider

- (a) Request for release - A Security Provider may from time to time request in writing, and the Security Trustee may (but is not required to) agree (in its absolute and unfettered discretion), to be released from its obligations under this deed.
- (b) Departure - if the Security Trustee agrees to a written request from a Security Provider to be released from its obligations under this deed under clause 10.3(a) (*Request for release*), the requesting Security Provider must execute a Departure Deed (Security Provider).
- (c) Security release - Following execution and exchange of any Departure Deed (Security Provider) in respect of a departing Security Provider, the relevant departing Security Provider may request of the Security Trustee, and the Security Trustee must promptly grant, a release of all Security provided by that departing Security Provider.

10.4 Changing Security Property

- (a) Request for change - The Company or a Security Provider may from time to time request in writing, and the Security Trustee may (but is not required to) agree (in its absolute and unfettered discretion), that:
- (i) *grant* - a Security Provider *provide* a particular new Security constituted by a Security Interest in particular property, in favour of the Security Trustee (as trustee under this deed), as security for (among other things) the payment of any of the Secured Moneys; and/or
- (ii) *release* - a Security Provider *release* a particular existing Security constituted by a Security Interest in particular property, provided by a Security Provider in favour of the Security Trustee (as trustee under this deed), or the benefit of which the Security Trustee acquires after the date of this deed, as security for (among other things) the payment of any of the Secured Moneys.

- (b) Documentation - If the Security Trustee agrees to a written request from the Company or a Security Provider:
- (i) *grant* - under clause 10.4(a)(i) (*grant*) that any particular existing Security be *provided*, the relevant Security Provider must execute:
- (A) DEED - an Addition Deed (Security Property); and
- (B) OTHER - any other documentation necessary or desirable in the Security Trustee's opinion to create the relevant Security; and/or
- (ii) *release* - under clause 10.4(a)(ii) (*release*) that a particular new Security be *released*, the relevant Security Provider must execute:
- (A) DEED - a Subtraction Deed (Security Property); and
- (B) OTHER - any other documentation necessary or desirable in the Security Trustee's opinion to release the relevant Security.

10.5 **Attorney**

The Company, each existing Security Provider and each Security Beneficiary, for consideration received, irrevocably appoints the Security Trustee, and each Officer for the time being and from time to time of the Security Trustee, severally its attorney to execute for and in the name of the Company, the Security Provider or the Security Beneficiary (as applicable):

- (a) accession - any Accession Deed (Security Provider);
- (b) departure - any Departure Deed (Security Provider); and
- (c) property - any documents required to be executed under clause 10.4(b) (*Documentation*),

and agrees to ratify anything an attorney does under this clause 10.5 (*Attorney*).

10.6 **Over-arching Obligations**

Despite anything else in this clause 10 (*Changes to Security Beneficiaries, Security Providers and Security*), the remainder of this deed or any other Finance Document, the Company must procure that at all times the Over-arching Obligations are complied with.

11. **SAVINGS PROVISIONS**

11.1 **Continuing indemnities**

- (a) Indemnities continue - Each indemnity contained in this deed and each other Finance Document is a continuing obligation despite:
- (i) *settlements* - any settlement of account; or
- (ii) *other* - the occurrence of any other thing,
- and remains in full force and effect until:
- (A) PAYMENT - all money owing, contingently or otherwise, under any Finance Document has been paid in full; and

(B) DISCHARGE - each Finance Document has been finally and irrevocably discharged.

(b) Indemnities additional - Each indemnity in this deed and each other Finance Document is an additional, separate and independent obligation and no one (1) indemnity limits the general application of any other indemnity.

11.2 Non-avoidance

The provisions of this deed are not affected by anything which, but for this provision, might have that effect, *including*:

- (a) document timing - the respective times and dates on which, or the order in which, any of the Finance Documents were executed, delivered and/or registered;
- (b) financial timing - the respective times and dates on which, or the order in which, the debts and monetary liabilities comprising all or any part of any of the Secured Moneys are incurred or become due;
- (c) documents - anything contained in any of the Finance Documents;
- (d) enforcement / exercise - the enforcement or attempted enforcement of, or the exercise or attempted exercise of any other Power under, any of the Finance Documents;
- (e) repayment - the repayment from time to time of all or any part of any of the Secured Moneys;
- (f) financial changes - the fluctuation (*including* the reduction and subsequent increase) from time to time of all or any part of any of the Secured Moneys;
- (g) beneficiaries - a Security Beneficiary being or not being from time to time obliged to:
 - (i) *performance* - perform its obligations under any Finance Document at the request, or for the benefit, of any Security Provider; or
 - (ii) *action* - do anything which may cause money to become due by any Security Provider to that Security Beneficiary;
- (h) conditionality - that all or any part of the Secured Moneys are contingent or prospective;
- (i) appointments - the appointment of a liquidator, Controller or other similar officer to a Security Provider or to all or any part of the assets of a Security Provider;
- (j) liquidation - the liquidation of a Security Provider;
- (k) changes - a person becoming or ceasing to be a Security Provider or a Security Beneficiary; or
- (l) law - any provision of any statute or any rule of law or equity to the contrary.

11.3 Exclusion of moratorium

To the extent not *excluded* by law, a provision of any legislation which at any time directly or indirectly lessens, stays, postpones, prevents or otherwise prejudicially affects the exercise of any Power, is negated and *excluded* from this deed, and all relief and protection conferred on the Company or a Security Provider by or under that legislation is also negated and *excluded*.

11.4 Liability

Neither the Security Trustee nor any Security Beneficiary is liable to the Company or any Security Provider for any Claims and/or Losses which the Company or a Security Provider (as the case may be) may suffer, incur or be liable for arising out of or in connection with the Security Trustee or a Security Beneficiary exercising any Power, *except* to the extent specifically set out in a Finance Document.

11.5 No merger of security

- (a) No effect on - Nothing in this deed merges, extinguishes, postpones, lessens or otherwise prejudicially affects:
- (i) *rights* - any Security Interest or indemnity in favour of any Security Beneficiary or the Security Trustee; or
 - (ii) *Power* - any Power.
- (b) No lessening - No Security Interest or Finance Document which a Security Beneficiary or the Security Trustee has the benefit of in any way prejudicially affects any Power.

11.6 Consents

- (a) Discretion - Whenever the doing of anything by the Company or a Security Provider is dependent on the consent of the Security Trustee or a Security Beneficiary, the Security Trustee or the Security Beneficiary may withhold its consent or give it conditionally or unconditionally in its absolute discretion, *unless* expressly stated otherwise in this deed or any other Finance Document.
- (b) Conditions - Any conditions in respect of the giving of a consent imposed on the Company or a Security Provider by the Security Trustee or a Security Beneficiary under clause 11.6(a) (*Discretion*) must be complied with by the Company or the Security Provider (as the case may be).

11.7 Principal obligations

This deed is:

- (a) principal - a principal obligation and is not ancillary or collateral to any other Finance Document or other obligation; and
- (b) independent - independent of, and unaffected by, any other Finance Document or other right or obligation which the Security Trustee or any Security Beneficiary may hold at any time in respect of the Secured Moneys.

11.8 No reliance or other obligations and risk assumption

The Company and each Security Provider acknowledges and confirms that:

- (a) no reliance - it has not entered into any Finance Document in reliance on any representation, warranty, promise or statement made by or on behalf of the Security Trustee or any Security Beneficiary, *other* than those expressly set out in the Finance Documents; and

- (b) no other obligations - in respect of the transactions evidenced by the Finance Documents, neither the Security Trustee nor any Security Beneficiary has any obligations, *other* than those expressly set out in the Finance Documents.

11.9 Reinstatement of rights

- (a) Voidness - Whenever a claim is made that a transaction (*including* a payment) in connection with the Secured Moneys is void or voidable and that claim is upheld, conceded or compromised, then:
- (i) entitlement - the Security Trustee and each other Security Beneficiary immediately becomes entitled against the Company and each Security Provider to all rights in respect of the Secured Moneys to which it was entitled immediately before the transaction; and
- (ii) actions – the Company and each Security Provider must immediately do or cause to be done everything the Security Trustee requests to restore each Security Beneficiary to the position it held with respect to the Company and such Security Provider immediately before the transaction.
- (b) Continuing - The obligations under this clause 11.9 (*Reinstatement of rights*) are continuing obligations, independent of the Company's and the Security Providers' other obligations under this deed, and survive the discharge of this deed and the other Finance Documents.

11.10 Set-off authorised

If the Company or a Security Provider does not pay any amount when due and payable by it to the Security Trustee or a Security Beneficiary under a Finance Document, the Security Trustee and that Security Beneficiary may:

- (a) application of balances - apply any credit balance in any currency in any account of the Company or the Security Provider (as the case may be) with the Security Trustee or that Security Beneficiary in or towards satisfaction of that amount; and
- (b) conversion - effect any currency conversion which may be required to make an application under clause 11.10(a) (*application of balances*).

12. NOTICES

12.1 How to give a notice

A notice, demand, agreement, consent, approval or other communication under this deed (a "**Notice**") may be made or given by a party or the lawyer for that party, and is only effective if it is:

- (a) nature - in English, in legible writing, signed by or on behalf of the person giving it or their authorised Officer;
- (b) address - addressed to the person to whom it is to be given; and
- (c) method - either:
- (i) delivery / mail - delivered or sent by pre-paid express post (by airmail, if the addressee is overseas) to that person's address; or

- (ii) *fax* - sent by facsimile message to that person's facsimile number; or
- (iii) *email* - sent by electronic mail to that persons email address.

12.2 When a notice is given

A Notice that complies with this clause 12 is regarded as given and received:

- (a) delivery - if it is delivered in person or by being left at the party's address for service, upon delivery;
- (b) mail - if it is sent by mail:
 - (i) *domestic* - within Australia: two (2) Business Days after posting; or
 - (ii) *foreign* - to or from a place outside Australia: ten (10) Business Days after posting;
- (c) fax - if it is delivered or sent by facsimile, upon receipt of a report from the sender's machine that states that the facsimile was sent in full; or
- (d) email - if it is delivered or sent by electronic mail, one (1) hour after being sent, *unless* the sender receives a report from the sender's electronic mail server that states that the electronic mail message was not sent by the sender or received by the addressee,

but if the delivery or receipt occurs on a day which is not a Business Day or at a time after 5:00 pm (both the day and time being in the place of receipt) it is regarded as having been received at 9:00 am on the next following Business Day.

12.3 Address for notices

For the purposes of this clause 12, a person's address for service is that set out in Schedule 1, or as the person notifies the sender.

12.4 Serving documents

Without preventing any other method of service any document in a court action may be served on a party by being delivered or left at that party's address for service of notice set out in this deed.

12.5 Reliance

A Notice given in accordance with this clause 12 can be relied on by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

12.6 Facsimile transmission

A facsimile transmission is regarded as legible, *unless* the addressee telephones the sender within six (6) hours after the transmission is received or regarded as received under this clause 12 and informs the sender that it is not legible.

13. GENERAL

13.1 Confidentiality

Each party agrees not to disclose information provided by any other party that is not publicly available in relation to:

- (a) documents - a Finance Document; or
- (b) providers - any information about any Security Provider,

except:

- (i) *changes* - in connection with an actual or proposed change of:
 - (A) TRUSTEE - Security Trustee under clause 9 (*Ending of Security Trustee's appointment*); or
 - (B) BENEFICIARIES - Security Beneficiary under clause 10 (*Changes to Security Beneficiaries and Security Providers*); or

in each case, where the disclosure is made on the basis that the recipient of the information will comply with this clause 13.1 (*Confidentiality*) in the same way that the disclosing party is required to do;

- (ii) *advisers* - to any professional or other adviser consulted by it in relation to any of its rights or obligations under the Finance Documents;
- (iii) *agencies* - to any Governmental Agency requiring or requesting disclosure of the information;
- (iv) *enforcement* - in connection with the enforcement of its rights under the Finance Documents;
- (v) *related parties* - on a confidential basis to any of its Personnel, affiliates or Related Bodies Corporate, or any Personnel of such affiliate or Related Body Corporate;
- (vi) *public / not protected* - where the information is already in the public domain, or where the disclosure would not otherwise breach any duty of confidentiality;
- (vii) *required* - if required by law or regulation or any requirement or request of any applicable Governmental Agency or regulatory authority or any order of any court of competent jurisdiction or to rating agencies or securities exchanges to the extent required or requested by them; or
- (viii) *consent* - otherwise with the prior written consent of the relevant Security Provider (such consent not to be unreasonably withheld or delayed).

13.2 GST

- (a) Application - If GST is or will be imposed on a supply made under or in connection with this deed by the Security Trustee or a Security Beneficiary, the Security Trustee or a Security Beneficiary (as applicable) may, to the extent that the consideration otherwise

provided for that supply is not stated to *include* an amount in respect of GST on the supply:

- (i) *gross-up* - increase the consideration otherwise provided for that supply under this deed by the amount of that GST; or
 - (ii) *recovery* - otherwise recover from the recipient of the supply the amount of that GST.
- (b) Invoice – The Security Trustee or relevant Security Beneficiary (as applicable) must issue a Tax Invoice to the recipient of the supply no later than five (5) Business Days after payment to the Security Trustee or relevant Security Beneficiary (as applicable) of the GST-*inclusive* consideration for that supply.
- (c) Credits - Any indemnity or reimbursement required to be made by the Company or a Security Provider under this deed for a cost, expense or other amount paid or incurred by the Security Trustee a Security Beneficiary will be limited to the total cost, expense or other amount *less* the amount of any input tax credit to which the Security Trustee or the relevant Security Beneficiary (as applicable) is entitled for the acquisition to which the cost, expense or other amount relates.

13.3 PPS Law

If:

- (a) application - a PPS Law applies, or will at a future date apply, to any of the Finance Documents or any of the transactions contemplated by them, or the Security Trustee determines that a PPS Law applies, or will at a future date apply, to any of the Finance Documents or any of the transactions contemplated by them; and
- (b) adverse effect - in the opinion of the Security Trustee (acting reasonably), the PPS Law adversely affects or would adversely affect the security position of the Security Trustee or a Security Beneficiary or the rights or obligations of the Security Trustee or Security Beneficiary (as applicable) under or in connection with the Finance Documents,

the Security Trustee may give notice to the Company and each Security Provider requiring the Company and each Security Provider to do anything (*including* amending any Finance Document or executing a new Finance Document) that in the Security Trustee's reasonable opinion is necessary to ensure that, to the maximum extent, the security position, and rights and obligations, of the Security Trustee or relevant Security Beneficiary are not adversely affected (or that any such adverse effect is overcome), and the Company and each Security Provider must comply with the requirements of that notice promptly.

13.4 Anti-money laundering

- (a) No progression of transaction - Each party agrees that the Security Trustee may delay, block or refuse to process any payment or transaction in connection with the Finance Documents without incurring any liability if it suspects that:
 - (i) *illegal* - the transaction may breach any laws or regulations within Australia or any other applicable jurisdiction;
 - (ii) *sanctions* - the transaction involves any person (natural, corporate or governmental) that is itself sanctioned or is connected, directly or indirectly, to any person that is sanctioned under economic and trade sanctions imposed by

Australia, the United States or America, the European Union or any other applicable jurisdiction; or

(iii) *unlawfulness* - the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful within Australia or any other applicable jurisdiction.

(b) Information - Each party must provide all information to the Security Trustee which it reasonably requires in order to manage its anti-money laundering, terrorism-financing or economic and trade sanctions risk or to comply with any laws or regulations in Australia or any other applicable jurisdiction. Each party agrees that the Security Trustee may disclose any information concerning it to any law enforcement, regulatory agency or court where required by any such law or regulation in Australia or any other applicable jurisdiction, as well as any correspondent the Security Trustee uses to make the payment for the purpose of compliance with any such law or regulation.

13.5 Performance by Security Trustee of obligations

If the Company or a Security Provider defaults in fully and punctually performing any obligation contained or implied in any Finance Document, the Security Trustee may, without prejudice to any Power, do all things necessary or desirable, in the Security Trustee's opinion, to make good or attempt to make good that default to the Security Trustee's satisfaction.

13.6 Company and Security Providers to bear cost

Except as otherwise expressly provided in a Finance Document, anything which must be done by the Company or a Security Provider under any Finance Document is to be done at the cost of the Company or the Security Provider (as the case may be).

13.7 Prohibition and enforceability

(a) Prohibition - Any provision of, or the application of any provision of, any Finance Document or any Power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.

(b) Enforceability - Any provision of, or the application of any provision of, any Finance Document which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

13.8 Waivers

(a) Form - Waiver of any right arising from a breach of this deed or of any Power arising on default under this deed or on the occurrence of a Default must be in writing and signed by the party granting the waiver.

(b) Exercise - A failure or delay in exercise, or partial exercise, of:

(i) *rights* - a right arising from a breach of this deed or the occurrence of a Default; or

(ii) *Powers* - a Power created or arising on default under this deed or on the occurrence of a Default,

does not result in a waiver of that right or Power.

- (c) Delay / non-exercise - A party is not entitled to rely on a delay in the exercise or non-exercise of a right or Power arising from a breach of this deed or on a default under this deed or on the occurrence of a Default as constituting a waiver of that right or Power.
- (d) Conduct - A party may not rely on any conduct of another party as a defence to exercise of a right or Power by that other party.
- (e) This provision - This clause 13.8 may not itself be waived, *except* by writing.

13.9 Variation

- (a) Form - *Subject* to clause 8.20 (*Variation*) and this clause 13.9 (*Variation*), a variation of any term of this deed must be in writing and signed by the parties.
- (b) Security Trustee - The Security Trustee may sign a variation of any term of this deed on behalf of the Security Beneficiaries where it is permitted to do so in accordance clause 8 (*Security Trustee's rights and responsibilities*) or any other provision of a Finance Document.
- (c) Company - The Company may sign a variation of any term of this deed on behalf of the Security Providers where it is permitted to do so in accordance with this deed.

13.10 Cumulative rights

The Powers are cumulative and do not *exclude* any other right, power, authority, discretion or remedy of the Security Trustee or any Controller or Attorney.

13.11 Consents of Security Trustee

Despite the terms of any other Finance Document, to be binding or effective a consent or approval given by the Security Trustee must be in writing signed by an Officer of the Security Trustee.

13.12 Relationship

Except where this deed expressly states otherwise, it does not create a relationship of employment, trust, agency or partnership between the parties.

13.13 Survival after ending

Any provision of this deed which by its nature or intention is intended to survive ending of this deed continues to apply after expiration or other ending of this deed, and a provision of this deed which can and is intended to operate after its end will remain in full force and effect.

13.14 Payments

Except to the extent expressly provided to the contrary in this deed or agreed to by the parties, all:

- (a) direction - references in this deed to payments to a party will be construed to *include* payments to another person upon the direction of that party; and
- (b) manner - payments to be made under this deed must be made:
 - (i) *method* - by cash, electronic funds transfer, unendorsed bank cheque or other immediately available funds;

- (ii) *amount* - without any set-off or counterclaim; and
- (iii) *deductions* - *excluding* in respect of interest, free of all deductions and withholdings, *except* those required by law (in which event such deduction or withholding must not exceed the minimum amount required by law).

13.15 Counterparts

- (a) Instrument - This deed may consist of a number of counterparts and, if so, the counterparts taken together constitute one (1) and the same instrument.
- (b) Copies - A copy of a counterpart sent by facsimile machine or electronic mail in portable document format (PDF):
 - (i) *original* - must be treated as an original counterpart;
 - (ii) *execution* - is sufficient evidence of execution of the original; and
 - (iii) *evidence* - may be produced in evidence for all purposes in place of the original.

13.16 Attorneys and representatives

Where this deed is executed on behalf of a party by an attorney or representative, that attorney or representative by executing this deed declares and warrants that he or she:

- (a) appointment - has been duly appointed; and
- (b) revocation - has no notice of the power of attorney or other authorisation under the authority of which he or she executes this deed having been revoked.

13.17 Governing law and jurisdiction

- (a) Law - This deed is governed by the laws of the State.
- (b) jurisdiction - The parties irrevocably submit to the non-exclusive jurisdiction of the courts of and in the State, and courts competent to hear appeals from the same.
- (c) Location - The Company and each Security Provider irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Waiver of immunity - The Company and each Security Provider irrevocably waives any immunity in respect of its obligations under this deed that it may acquire from the jurisdiction of any court or any legal process for any reason, *including* the service of notice, attachment before judgment, attachment in aid of execution or execution.
- (e) Process agent - Each Security Provider which is not incorporated under the laws of any State or Territory of Australia appoints the Company in relation to proceedings in any State or Territory of Australia as its agent to receive service of any legal process on its behalf without *excluding* any other means of service permitted by the law of the relevant jurisdiction and agrees failure by the process agent to notify it or any other Security Provider of the process will not invalidate the proceedings concerned. The Company irrevocably accepts each such appointment.

Signing

EXECUTED as a deed on the date first (1st) written in Schedule 1 (*Key Terms*).

(1) Company:

SIGNED, SEALED and DELIVERED as a)
DEED by **M101 NOMINEES PTY LTD (ACN**)
636 908 159), in accordance with)
section 127(1) of the *Corporations Act 2001*)
(Cth):)



Signature of Witness

JOW ALCO

Name of Witness
(Please print)



Signature of sole Director / Company Secretary
(Delete as applicable)

JAMES MAWHANEY

Name of sole Director / Company Secretary
(Please print)

(2) Security Trustee:

SIGNED, SEALED and DELIVERED as a)
DEED by **PAG HOLDINGS (AUSTRALIA)**)
PTY LTD (ACN 636 870 963), in accordance)
with section 127(1) of the *Corporations Act*)
2001 (Cth):)

Signature of Director

Signature of Director / Company Secretary
(Delete as applicable)

Name of Director
(Please print)

Name of Director / Company Secretary
(Please print)

Signing

EXECUTED as a deed on the date first (1st) written in Schedule 1 (*Key Terms*).

(1) Company:

SIGNED, SEALED and DELIVERED as a)
DEED by **M101 NOMINEES PTY LTD (ACN**)
636 908 159), in accordance with)
section 127(1) of the *Corporations Act 2001*)
(Cth):)

Signature of Witness


Signature of sole Director / Company Secretary
(Delete as applicable)

Name of Witness
(Please print)


Name of sole Director / Company Secretary
(Please print)

(2) Security Trustee:

SIGNED, SEALED and DELIVERED as a)
DEED by **PAG HOLDINGS (AUSTRALIA)**)
PTY LTD (ACN 636 870 963), in accordance)
with section 127(1) of the *Corporations Act*)
2001 (Cth):)



Signature of Director



Signature of Director / Company Secretary
(Delete as applicable)

CRAG VAN WEGEN
Name of Director
(Please print)

NORA FAIRBANKS
Name of Director / Company Secretary
(Please print)

(3) Initial Security Providers:

(3.1) Initial Security Provider 1 (Company)

SIGNED, SEALED and DELIVERED as a)
DEED by **M101 NOMINEES PTY LTD (ACN**)
636 908 159), in accordance with)
section 127(1) of the *Corporations Act 2001*)
(Cth):)

Signature of Witness



Name of Witness
(Please print)

Jon Alsd.

Signature of sole Director / Company Secretary
(Delete as applicable)



Name of sole Director / Company Secretary
(Please print)

JAMES MAWHINNEY

Schedule 1 Key Terms

Item	Information
1. Date of deed	24 October _____ 2019.
2. Name of Trust	Mayfair Platinum Secured Notes Security Trust.
3. Company	<p>Name: M101 Nominees Pty Ltd (ACN 636 908 159)</p> <p>Address: Level 27, 101 Collins Street, Melbourne VIC 3000</p> <p>Telephone number: +61 (0)3 9001 0243</p> <p>Facsimile number: +61 (0)3 8080 6471</p> <p>Mobile number: +61 (0)410 852 368 (<i>James Mawhinney</i>)</p> <p>Email address: enquiries@mayfairplatinum.com</p> <p>Website: www.mayfairplatinum.com</p> <p>Attention: the Directors</p>
4. Security Trustee	<p>Name: PAG Holdings (Australia) Pty Ltd (ACN 636 870 963, AFSL Auth. Rep. No. 001 278 649 of <u>Perpetuity Capital Pty Ltd</u> (ABN 60 149 630 973, AFSL 405364)) (as trustee of the <u>Mayfair Platinum Secured Notes Security Trust</u>)</p> <p>Address: c/- Pinnacle Group, Level 7, 10 Queens Road, Melbourne VIC 3004</p> <p>Telephone number: +61 (0)3 8391 1600</p> <p>Facsimile number: –</p> <p>Mobile number: –</p> <p>Email address: craigvanwegen@pinnaclegroup.com.au; norafairbanks@pinnaclegroup.com.au</p> <p>Website: www.pinnaclegroup.com.au</p> <p>Attention: the Directors</p>
5. Security Beneficiaries	The Noteholders from time to time, with details contained in the register of Noteholders maintained by the Company under the Secured Promissory Note Deed Poll.
6. Initial Security Providers	<p>All care of:</p> <p>Address: Level 27, 101 Collins Street, Melbourne VIC 3000</p> <p>Telephone number: +61 (0)3 9001 0243</p> <p>Facsimile number: +61 (0)3 8080 6471</p> <p>Mobile number: +61 (0)410 852 368 (<i>James Mawhinney</i>)</p> <p>Email address: enquiries@mayfairplatinum.com</p>

Item	Information
	Website: www.mayfairplatinum.com Attention: the Directors
6.1 <u>Initial Security Provider 1</u>	Name: M101 Nominees Pty Ltd (ACN 636 908 159) (the Company)
7. Over-arching Obligations	<p>7.1 <u>Security</u> - There are sufficient Security Providers providing sufficient Security in connection with this deed, to comply with any statements contained in the Information Memorandum regarding the nature, amount or sufficiency of Security Interests supporting the making of payments due in respect of the Notes.</p> <p>7.2 <u>Use</u> - The Company uses all or any part of any Security Property from time to time only and solely for ongoing investment and capital management purposes across the corporate group of which the Company is a member (the “Company Group”).</p> <p>7.3 <u>Security Interests</u> - The Security Trustee holds the benefit of first (1st) ranking Security Interest(s) in assets, registered in the relevant statutory register, in favour of the Security Trustee under the terms of, and covered as Security Property by, this deed, of a value which is at <i>least</i> equal to all amounts due in respect of all Notes outstanding, where such assets must be either:</p> <ul style="list-style-type: none"> (a) <i>cash</i> - the account of the Grantor with the financial institution, and with the details, referred to in the Specific Security Deed Poll (Bank Account) dated on or about the date of this deed and entered into by the Company in favour of the Security Trustee and all moneys from time to time in that account, in respect of which a first (1st) ranking Security Interest granted under that deed in favour of the Security Trustee is registered in the Personal Property Securities Register established under section 147 (<i>Personal Property Securities Register</i>) of the <i>Personal Property Securities Act 2009</i> (Cth) (the “PPS Register”); (b) <i>real estate</i> - Australian real estate, owned by a member of the Company Group, in respect of which a first (1st) ranking mortgage in favour of the Security Trustee is registered in the Land Registry of the relevant Australian State or Territory; (c) <i>specific assets</i> - specific, identifiable, tangible assets, with or without a serial number, owned by a member of the Company Group, in respect of which a first (1st) ranking Security Interest granted under a specific security

Item	Information
	<p>agreement or deed in favour of the Security Trustee is registered in the PPS Register; or</p> <p>(d) <i>general assets</i> - all or other present and after-acquired property owned by a member of the Company Group, in respect of which a first (1st) ranking Security Interest granted under a general security agreement or deed in favour of the Security Trustee is registered in the PPS Register,</p> <p>where in each case relevant values are determined at least yearly.</p> <p>7.4 <u>Statements</u> - The Company maintains at all times and from time to time a statement of all:</p> <p>(a) <i>Security</i> - Security and related Security Property the subject of this deed from time to time, and provides a copy of such statement:</p> <p>(i) TRUSTEE - to the Security Trustee, immediately on demand; and</p> <p>(ii) BENEFICIARY - to any Security Beneficiary, as soon as reasonably practicable in response to a written request on reasonable notice; and</p> <p>(b) <i>moneys</i> - the Noteholder Secured Moneys, <i>including</i> the timing of all relevant required payments and identity of all relevant payees, and provides a copy of such statement to the Security Trustee, immediately on demand,</p> <p>and despite the above, the Company must provide to the Security Trustee such statements on at <i>least</i> a monthly basis, as at the end of each calendar month, within five (5) Business Days after the end of each month.</p>
8. State	Victoria.

Annexure A Accession Deed (Security Provider)

(Form of document only)

Clause 10.2 (*New Security Provider*)

PARTIES

- (1) Company - |Name| (ACN |Insert|) of |Address| (the “**Company**”);
- (2) Security Trustee - |Name| (ACN |Insert|) of |Address| (the “**Security Trustee**”);
- (3) New Security Provider - |Name| (ACN |Insert|) of |Address| (the “**New Security Provider**”); and
- (4) existing Security Providers - each Security Provider, *other* than the New Security Provider.

BACKGROUND

A. |Insert|

TERMS AND CONDITIONS

This deed witnesses that, in consideration of, among other things, the mutual promises contained in this deed, the parties agree as follows:

1. Interpretation

1.1 Definitions

A word or phrase defined in the Security Trust Deed has the same meaning in this deed, and in addition the following terms have the following meanings, *unless* the context requires otherwise:

“**Effective Date**” the |date of this deed / |insert other date as may be agreed||; and

“**Security Trust Deed**” the deed dated _____ 2019 (as amended, adhered to and/or departed from, from time to time) between, amongst others, each party listed in Schedule 1 (*Key Terms*) to that deed constituting the ‘Mayfair Platinum Secured Notes Security Trust’.

1.2 Interpretation

The interpretation clause in clause 1.2 (*Interpretations*) of the Security Trust Deed applies to this deed as if set out in full in this deed.

2. New Security Provider becomes a party

With effect on and from the Effective Date:

- (a) party - the New Security Provider is taken to be a party to the Security Trust Deed as a “Security Provider”;

- (b) binding / rights / obligations - the New Security Provider becomes bound by the Security Trust Deed and has the same rights and assumes the same obligations as if it were a party to the Security Trust Deed as a Security Provider; and
- (c) references - each reference in the Security Trust Deed to 'Security Provider' *includes* a reference to the New Security Provider.

3. Acknowledgments

3.1 Copies of documents

The New Security Provider acknowledges that it has received a copy of the Security Trust Deed together with the other information it has required in connection with this deed.

3.2 Acknowledgment to Security Trustee

Without limiting the general application of clause 2 (*New Security Provider becomes a party*) above, the New Security Provider acknowledges and agrees as specified in clause 8 (*Security Trustee's rights and responsibilities*) of the Security Trust Deed.

3.3 Appointment of attorney

Without limiting the general application of clause 2 (*New Security Provider becomes a party*) above, the New Security Provider irrevocably, for consideration received, appoints as its attorney each person who under the terms of the Security Trust Deed, is appointed an attorney of a Security Provider on the same terms and for the same purposes as contained in the Security Trust Deed.

4. Notices

The details of the New Security Provider for the purpose of the Security Trust Deed are as follows:

Name: |insert| Pty Ltd
(ACN |insert|)
(as trustee of the |insert| Trust)|
Address: |insert|
Telephone number: |insert|
Facsimile number: |insert|
Mobile number: |insert|
Email address: |insert|
Attention: |insert|

5. General

Clause 13 (*General*) of the Security Trust Deed applies to this deed as if it were fully set out in this deed, *including* clauses 13.16 (*Attorneys and representatives*) and 13.17 (*Governing law and jurisdiction*).

SECURITY TRUST DEED
- M101 NOMINEES PTY LTD
- SECURED PROMISSORY NOTES



EXECUTED as a deed on the dates written below.

(1) New Security Provider:

SIGNED, SEALED and DELIVERED as a)
DEED by |●| PTY LTD (ACN |●|) |(as trustee)
of the |●| Trust)|, by its attorney in the)
presence of:)

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

(2) Attorney for other parties:

SIGNED, SEALED and DELIVERED as a)
DEED by |●| PTY LTD (ACN |●|),for itself and)
as attorney on behalf of the other parties to)
the Security Trust Deed, by its attorney in)
the presence of:

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

Annexure B Departure Deed (Security Provider)

(Form of document only)

Clause 10.3 (*Departing Security Provider*)

PARTIES

- (1) Company - |Name| (ACN |Insert|) of |Address| (the “**Company**”);
- (2) Security Trustee - |Name| (ACN |Insert|) of |Address| (the “**Security Trustee**”);
- (3) Departing Security Provider - |Name| (ACN |Insert|) of |Address| (the “**Departing Security Provider**”); and
- (4) continuing Security Providers - each Security Provider, *other* than the Departing Security Provider.

BACKGROUND

A. |Insert|

TERMS AND CONDITIONS

This deed witnesses that, in consideration of, among other things, the mutual promises contained in this deed, the parties agree as follows:

1. Interpretation

1.1 Definitions

A word or phrase defined in the Security Trust Deed has the same meaning in this deed, and in addition the following terms have the following meanings, *unless* the context requires otherwise:

“**Effective Date**” the |date of this deed / |insert other date as may be agreed||; and

“**Security Trust Deed**” the deed dated _____ 2019 (as amended, adhered to and/or departed from, from time to time) between, amongst others, each party listed in Schedule 1 (*Key Terms*) to that deed constituting the ‘Mayfair Platinum Secured Notes Security Trust’.

1.1 Interpretation

The interpretation clause in clause 1.2 (*Interpretations*) of the Security Trust Deed applies to this deed as if set out in full in this deed.

2. Departing Security Provider ceases to be a party

With effect on and from the Effective Date:

- (a) party - the Departing Security Provider is no longer taken to be a party to the Security Trust Deed as a “Security Provider”;

- (b) binding / rights / obligations - the New Security Provider ceases to be bound by, or to have any rights or obligations under, the Security Trust Deed as a Security Provider; and
- (c) references - each reference in the Security Trust Deed to 'Security Provider' *excludes* a reference to the Departing Security Provider.

3. Releases

3.1 Release by Departing Security Provider

- (a) Release - On and from the Effective Date, the Departing Security Provider releases the Continuing Parties from:
 - (i) *obligations / liabilities* - any obligation and liability under or in respect of the Security Trust Deed; and
 - (ii) *claims* - any action, claim and demand it has, or but for this clause 3.1(a) would have had, against any Continuing Party under or in respect of the Security Trust Deed.
- (b) Status - The Departing Security Provider gives this release regardless of:
 - (i) *timing* - when the obligation, liability, action, claim or demand arises; and
 - (ii) *awareness* - whether or not it is now or in the future aware of the facts and circumstances relevant to any obligation, liability, action, claim or demand.

3.2 Release by Continuing Parties

- (a) Release - On and from the Effective Date, each Continuing Party releases the Departing Security Provider from:
 - (i) *obligations / liabilities* - any obligation and liability under or in respect of the Security Trust Deed; and
 - (ii) *claims* - any action, claim and demand it has, or but for this clause 3.2(a) would have had, against the Departing Security Provider under or in respect of the Security Trust Deed.
- (b) Status - Each Continuing Party gives this release regardless of:
 - (i) *timing* - when the obligation, liability, action, claim or demand arises; and
 - (ii) *awareness* - whether or not it is now or in the future aware of the facts and circumstances relevant to any obligation, liability, action, claim or demand.

4. General

Clause 13 (*General*) of the Security Trust Deed applies to this deed as if it were fully set out in this deed, *including* clauses 13.16 (*Attorneys and representatives*) and 13.17 (*Governing law and jurisdiction*).

SECURITY TRUST DEED
- M101 NOMINEES PTY LTD
- SECURED PROMISSORY NOTES



EXECUTED as a deed on the dates written below.

(1) Departing Security Provider:

SIGNED, SEALED and DELIVERED as a)
DEED by |●| PTY LTD (ACN |●|) |(as trustee)
of the |●| Trust)|, by its attorney in the)
presence of:)

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

(2) Attorney for other parties:

SIGNED, SEALED and DELIVERED as a)
DEED by |●| PTY LTD (ACN |●|), for itself)
and as attorney on behalf of the other parties)
to the Security Trust Deed, by its attorney in)
the presence of:

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

Annexure C Addition Deed (Security Property)

(Form of document only)

Clause 10.4 (*Changing Security Property*)

PARTIES

- (1) Company - |Name| (ACN |Insert|) of |Address| (the “**Company**”);
- (2) Security Trustee - |Name| (ACN |Insert|) of |Address| (the “**Security Trustee**”);
- (3) Relevant Security Provider - |Name| (ACN |Insert|) of |Address| (the “**Relevant Security Provider**”); and
- (4) Other Security Providers - each Security Provider, *other* than the Relevant Security Provider.

BACKGROUND

A. |Insert|

TERMS AND CONDITIONS

This deed witnesses that, in consideration of, among other things, the mutual promises contained in this deed, the parties agree as follows:

1. Interpretation

1.1 Definitions

A word or phrase defined in the Security Trust Deed has the same meaning in this deed, and in addition the following terms have the following meanings, *unless* the context requires otherwise:

“**Effective Date**” the |date of this deed / |insert other date as may be agreed||;

“**Nominated Security Property**” means the particular asset(s) described as such in the schedule to this deed; and

“**Security Trust Deed**” the deed dated _____ 2019 (as amended, adhered to and/or departed from, from time to time) between, amongst others, each party listed in Schedule 1 (*Key Terms*) to that deed constituting the ‘Mayfair Platinum Secured Notes Security Trust’.

1.2 Interpretation

The interpretation clause in clause 1.2 (*Interpretations*) of the Security Trust Deed applies to this deed as if set out in full in this deed.

2. Change to Security Property

2.1 Request

Under clause 10.4(a)(i) (*grant*), the Relevant Security Provider requests that the Security Trustee accept a particular new Security constituted by a Security Interest in particular property, in favour of the Security Trustee (as trustee under the Security Trust Deed), as security for (among other things) the payment of any of the Secured Moneys, in respect of the Nominated Security Property.

2.2 Consent

Under clause 10.4(a) (*Request for Change*), the Security Trustee consents to the above request, *provided that* the Relevant Security Provider promptly executes and delivers to the Security Trustee (or as it may direct), all documentation necessary or desirable in the Security Trustee's opinion to create the relevant Security, that the Security Trustee notifies the Relevant Security Provider of in writing on or about the date of this deed.

3. General

Clause 13 (*General*) of the Security Trust Deed applies to this deed as if it were fully set out in this deed, *including* clauses 13.16 (*Attorneys and representatives*) and 13.17 (*Governing law and jurisdiction*).

EXECUTED as a deed on dates written below.

(1) Relevant Security Provider:

SIGNED, SEALED and DELIVERED as a)
DEED by |●| PTY LTD (ACN |●|) |(as trustee)
of the |●| Trust|), by its attorney in the)
presence of:)

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

SECURITY TRUST DEED
- M101 NOMINEES PTY LTD
- SECURED PROMISSORY NOTES



(2) Attorney for other parties:

SIGNED, SEALED and DELIVERED as a)
DEED by |●| **PTY LTD (ACN |●|)**, for itself)
and as attorney on behalf of the other parties)
to the Security Trust Deed, by its attorney in)
the presence of:)

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

SCHEDULE - Nominated Security Property

|Insert details|

Annexure D Subtraction Deed (Security Property)

(Form of document only)

Clause 10.4 (*Changing Security Property*)

PARTIES

- (1) Company - |Name| (ACN |Insert|) of |Address| (the “**Company**”);
- (2) Security Trustee - |Name| (ACN |Insert|) of |Address| (the “**Security Trustee**”);
- (3) Relevant Security Provider - |Name| (ACN |Insert|) of |Address| (the “**Relevant Security Provider**”); and
- (4) Other Security Providers - each Security Provider, *other* than the Relevant Security Provider.

BACKGROUND

A. |Insert|

TERMS AND CONDITIONS

This deed witnesses that, in consideration of, among other things, the mutual promises contained in this deed, the parties agree as follows:

1. Interpretation

1.1 Definitions

A word or phrase defined in the Security Trust Deed has the same meaning in this deed, and in addition the following terms have the following meanings, *unless* the context requires otherwise:

“**Effective Date**” the |date of this deed / |insert other date as may be agreed||;

“**Nominated Security Property**” means the particular asset(s) described as such in the schedule to this deed; and

“**Security Trust Deed**” the deed dated _____ 2019 (as amended, adhered to and/or departed from, from time to time) between, amongst others, each party listed in Schedule 1 (*Key Terms*) to that deed constituting the ‘Mayfair Platinum Secured Notes Security Trust’.

1.2 Interpretation

The interpretation clause in clause 1.2 (*Interpretations*) of the Security Trust Deed applies to this deed as if set out in full in this deed.

2. Change to Security Property

2.1 Request

Under clause 10.4(a)(ii) (*release*), the Relevant Security Provider requests that the Security Trustee release a particular existing Security constituted by a Security Interest in particular property, provided by the Relevant Security Provider in favour of the Security Trustee (as trustee under the Security Trust Deed), or the benefit of which the Security Trustee acquired after the date of the Security Trust Deed, as security for (among other things) the payment of any of the Secured Moneys, in respect of the Nominated Security Property.

2.2 Consent

Under clause 10.4(a) (*Request for Change*), the Security Trustee consents to the above request, *provided that* the Relevant Security Provider promptly executes and delivers to the Security Trustee (or as it may direct), all documentation necessary or desirable in the Security Trustee's opinion to release the relevant Security, that the Security Trustee notifies the Relevant Security Provider of in writing on or about the date of this deed.

3. General

Clause 13 (*General*) of the Security Trust Deed applies to this deed as if it were fully set out in this deed, *including* clauses 13.16 (*Attorneys and representatives*) and 13.17 (*Governing law and jurisdiction*).

EXECUTED as a deed on dates written below.

(1) Relevant Security Provider:

SIGNED, SEALED and DELIVERED as a)
DEED by |●| PTY LTD (ACN |●|) |(as trustee)
of the |●| Trust|), by its attorney in the)
presence of:)

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

SECURITY TRUST DEED
- M101 NOMINEES PTY LTD
- SECURED PROMISSORY NOTES



(2) **Attorney for other parties:**

SIGNED, SEALED and DELIVERED as a)
DEED by |●| **PTY LTD (ACN |●|)**, for itself)
and as attorney on behalf of the other parties)
to the Security Trust Deed, by its attorney in)
the presence of:)

Signature of Witness

Signature of Attorney

Name of Witness
(Please print)

Name of Attorney
(Please print)

Date

Date

SCHEDULE - Nominated Security Property

|Insert details|

Annexure C

Typical Mayfair 101 Google Advertisements

The following ads are examples of typical advertisements run by Mayfair 101 via its subsidiary Mayfair Wealth Partners Pty Ltd to advertise M Core and M+ notes.

The advertisements draw a distinction by stating “alternative” or “tired of...?”

Looking For A Better Rate? | Try a Term
Deposit Alternative | Beat The Bank Rates...

mayfairplatinum.com.au

90%+ TrustPilot rating. Rates 3.65% to 6.45%
p.a. Locally based team. 3 - 60 month terms.
\$100k min applies. Request a no obligation
information pack today.

Term Deposit Alternative | 3.65% - 6.45% Fixed
Rates | Earn Monthly Income

mayfairplatinum.com.au

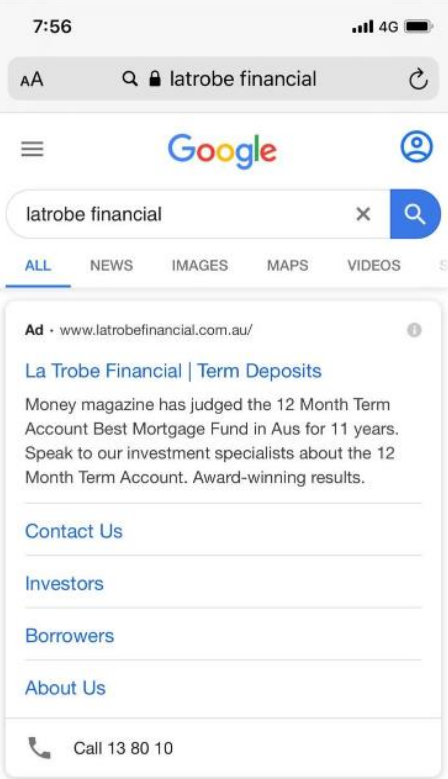
3 - 60 month terms. \$100k min. Fast 24 hour
setup. 90% 5 star rating on TrustPilot. Call our
local team and make the switch today!

Tired of Term Deposits? | Looking For A Better
Rate? | 6mths - 4.75% | 12mths - 5.45%


mayfairplatinum.com.au

3 - 60 month options. 5 star rating. Monthly
interest payments. Call our Australian based
team to request a no obligation Information
Pack today.

Competitor Advertisements

Google Ads Screenshot (searches conducted on 10/4/20 & 11/4/20)	Is it compliant in our view?
 <p>The screenshot shows a mobile search interface for 'latrobe financial'. The top navigation bar includes the time '7:56', signal strength, and battery level. Below the search bar, the Google logo and search results are visible. The search results include an advertisement for 'La Trobe Financial Term Deposits' with the text: 'Money magazine has judged the 12 Month Term Account Best Mortgage Fund in Aus for 11 years. Speak to our investment specialists about the 12 Month Term Account. Award-winning results.' Below the ad, there are links for 'Contact Us', 'Investors', 'Borrowers', and 'About Us'. At the bottom, there is a call button with the number '13 80 10'.</p>	<p>Non-compliant. Latrobe isn't an authorised deposit-taking institution. They accept investment from retail investors.</p> <p>Note: screenshot taken 19/3/20.</p>

Competitor Analysis – use of ‘term deposits’ in Google AdWords campaigns by non-bank investment managers

<p>Ad · info.balmain.com.au/Term-Deposit/Investments ⓘ</p> <p>High Yield Term Deposits Get Income Paid Monthly</p> <p>Get Income Returns of 7-9% p.a. Investment Terms 6-24 Months. Paid Monthly. Invest in Higher Yield First Mortgage Loans. SMSF Suitable - Apply Online. Choose Terms & Risks.</p> <p>Digital Issue Printed Issue</p>	<p>Non-compliant. Balmain Private is not an Authorised Deposit-taking Institution. Cannot provide Term Deposits.</p> <p>Open to retail investors.</p>
<p>Ad · www.bondexchange.com.au/ ⓘ</p> <p>Don't Invest in Term Deposits High Rate Bonds Work Better</p> <p>Direct retail access for bonds at High Returns and High Security. Much better returns than Term Deposits. No Hidden Costs. Buy & Sell Direct. Direct Bond Investments. Liquid Market Access. Direct Ownership. Minimum \$10k Lots.</p> <p>About Us Bond Issuance</p> <p> Call (02) 8076 9343</p>	<p>Non-compliant. The definitive statement “much better returns than Term Deposits” and “bonds work better” makes a direct comparison without any reference to risk or lack of Government Guarantee. This is misleading.</p> <p>Open to retail investors.</p>


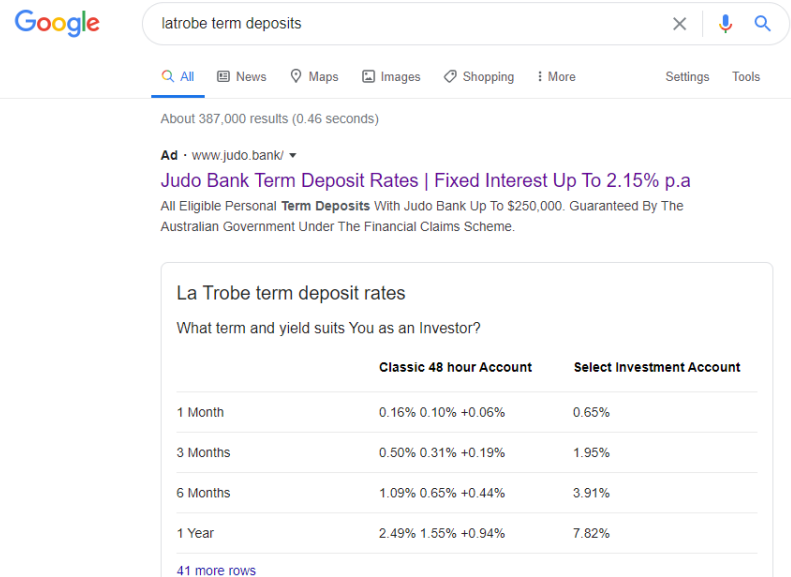
Competitor Analysis – use of ‘term deposits’ in Google AdWords campaigns by non-bank investment managers

<p>Ad · www.fiig.com.au/Term/Deposits</p> <p>Better Returns Than Cash Download Your Free Bonds eBook</p> <p>Looking for better Term Deposit Rates? Earn Over 6% p.a.* With Bonds. \$250k min. investment. Generate Stable Income. Earn Better Returns.</p> <p>Call 1800 010 181</p>	<p>Non-compliant. URL is misleading by implying FIIG provides Term Deposits, which they do not (they are a bond issuer).</p> <p>Open to retail investors.</p>
<p>Ad · www.mywealthpool.com.au/</p> <p>Term Deposits Earn 8% Interest Quarterly</p> <p>Outstanding Investment Opportunities With Wealthpool Fund Management. Let Your Money Work For You. Unlock 8% Pa Paid Quarterly...</p> <p>Call 1300 827 172</p>	<p>Non-compliant. MyWealthPool is not an Authorised Deposit-taking Institution. Cannot provide Term Deposits.</p> <p>Open to retail investors.</p>
<p>Ad · www.maxironwealth.com.au/</p> <p>Term Deposits Alternative Earn up to 10.23% p.a.</p> <p>3 - 36 months term Min. \$5,000. 5 Mins to Sign-up. Leading mortgage fund Mortgage secured Operating for 16 years. 16 Years Of Experience. Request A Callback. Locally Owned & Operated.</p> <p>Earning Calculator About Us 5 Minutes to Sign</p> <p>Call 1300 118 112</p>	<p>Compliant. Same style as Mayfair Platinum’s ads. Explains it is an alternative, not a direct comparison to term deposits.</p> <p>Open to retail investors.</p>

Competitor Analysis – use of ‘term deposits’ in Google AdWords campaigns by non-bank investment managers

<p>Ad · www.maxironwealth.com.au/ ▾ 1300 118 112</p> <p>Term Deposit Term Investment 6.99% - 10.23% p.a.</p> <p>3 - 36 months term Min. \$5,000. 5 Mins to Sign-up</p>	<p>Non-compliant. Maxiron doesn't provide term deposits. Furthermore, IPO Wealth Pty Ltd was flagged by ASIC for using the word "term investment" on the basis that it would mislead consumers into thinking the offer is a term deposit.</p> <p>Open to retail investors.</p>
<p>Ad · www.altx.com.au/ ⓘ</p> <p>Beat Term Deposit Rates Providing Returns up to 7.5%</p> <p>Providing 6.5-7.5% returns per annum with low volatility. Why Invest in First Mortgages instead of a Term Deposit? Australian Real Estate. 6.50%-7.50%pa. Secured Investments.</p> <p>Invest About Register interest</p>	<p>Compliant. Similar to Mayfair Platinum – talks about their product being an alternative to term deposits, but not necessarily a comparable product. Includes refer to 'first mortgages instead of a term deposit'.</p> <p>Wholesale only.</p>
<p>Ad · www.altx.com.au/ ▾</p> <p>Compare term deposit accounts Providing Returns up to 7.5%</p> <p>Why Invest in First Mortgages instead of a Term Deposit? Providing 6.5-7.5% returns per...</p>	<p>Non-compliant. AltX doesn't provide a service for customers to compare term deposit accounts. The landing page visitors are taken to when they click on the link is as follows - https://www.altx.com.au/term-deposit. There is no information on term deposits on this page.</p> <p>Wholesale only.</p>

Competitor Analysis – use of ‘term deposits’ in Google AdWords campaigns by non-bank investment managers

 <p>Ad · www.armadainvestments.com.au/term-deposits</p> <p>Best Interest Term Deposits 12%-15% p.a Secure Investment</p> <p>Best Interest Term Deposits With Monthly Payments, SMSF Approved & Suited To Machinery. Range Of Limited Time Investment Options Available, Act Now & Request An...</p> <p>View Benefits Invest With Us Contact Us B</p>	<p>Non-compliant. Armada Investments are not an Authorised Deposit-Taking Institution. Cannot provide term deposits.</p> <p>Retail(?)</p>															
 <p>Google latrobe term deposits</p> <p>About 387,000 results (0.46 seconds)</p> <p>Ad · www.judo.bank/</p> <p>Judo Bank Term Deposit Rates Fixed Interest Up To 2.15% p.a</p> <p>All Eligible Personal Term Deposits With Judo Bank Up To \$250,000. Guaranteed By The Australian Government Under The Financial Claims Scheme.</p> <p>La Trobe term deposit rates</p> <p>What term and yield suits You as an Investor?</p> <table border="1"> <thead> <tr> <th></th> <th>Classic 48 hour Account</th> <th>Select Investment Account</th> </tr> </thead> <tbody> <tr> <td>1 Month</td> <td>0.16% 0.10% +0.06%</td> <td>0.65%</td> </tr> <tr> <td>3 Months</td> <td>0.50% 0.31% +0.19%</td> <td>1.95%</td> </tr> <tr> <td>6 Months</td> <td>1.09% 0.65% +0.44%</td> <td>3.91%</td> </tr> <tr> <td>1 Year</td> <td>2.49% 1.55% +0.94%</td> <td>7.82%</td> </tr> </tbody> </table> <p>41 more rows</p>		Classic 48 hour Account	Select Investment Account	1 Month	0.16% 0.10% +0.06%	0.65%	3 Months	0.50% 0.31% +0.19%	1.95%	6 Months	1.09% 0.65% +0.44%	3.91%	1 Year	2.49% 1.55% +0.94%	7.82%	<p>Non-compliant. A search conducted on Google at the time for ‘latrobe term deposits’ explicitly states “La Trobe term deposit rates”.</p> <p>Results are displayed in a tabular format.</p> <p>Accepts retail investors.</p>
	Classic 48 hour Account	Select Investment Account														
1 Month	0.16% 0.10% +0.06%	0.65%														
3 Months	0.50% 0.31% +0.19%	1.95%														
6 Months	1.09% 0.65% +0.44%	3.91%														
1 Year	2.49% 1.55% +0.94%	7.82%														

Annexure D



M101 Nominees Pty Ltd
(Provisional Liquidators Appointed)
(ACN 636 908 159)
("the Company")

Provisional Liquidators' Report

**In accordance with the Order of Justice Anderson in proceeding
VID524/2020 on 13 August 2020**

24 September 2020

Glossary

Abbreviation	Description
Act	Corporations Act 2001 (Cth)
AFSL	Australian Financial Services License
AIIPAP	All present and after-acquired property
ANZ	Australia and New Zealand Banking Group
ASIC	Australian Securities and Investments Commission
ATF	As trustee for
ATO	Australian Taxation Office
Eleuthera	Eleuthera Group Pty Ltd
Family Islands Group	Family Islands Group Pty Ltd
M+ Noteholders	Investors in M101 Holdings Pty Ltd
M Core Noteholders	Investors in M101 Nominees Pty Ltd
MIP	Mortgagee in Possession
Naplend	Naplend Pty Limited
PAG	PAG Holdings (Australia) Pty Ltd
PPSR	Personal Property Security Register
SPV	Special Purpose Vehicle
the Company	First Defendant, M101 Nominees Pty Ltd
the Court	Federal Court of Australia
the Director	James Mawhinney
the Group	Mayfair 101 Group
the Order	Order of Justice Anderson in proceeding VID524/2020 dated 13 August 2020
the Provisional Liquidators	Said Jahani and Philip Campbell-Wilson

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Executive Summary

1. The Company was incorporated on 18 October 2019 and formed part of the wider M101 Group. The Company offered an investment product known as a 'M Core' investment which was advertised as a fixed income product backed by dollar for dollar asset security. At the date of my appointment the Company had raised a total of c.\$65.6 million from investors. Across a similar period, a related entity, M101 Holdings Pty Ltd also raised c.\$65 million through a similar investment product/structure, however this product was marketed as an unsecured investment and was not advertised as providing investors with security over the Group's assets.
2. Despite clearly advertising to potential investors that their investment would be supported by 'first ranking, registered security' and 'the assets are otherwise unencumbered' in my opinion this did not occur. In reality the majority of the funds invested were provided to a related entity, Eleuthera Group Pty Ltd ("Eleuthera Pty Ltd") on an unsecured loan basis for a term of 10 years at a rate of 8% p.a. The Company did not hold any security over the assets of Eleuthera.
3. As part of the investment agreement with M Core noteholders, a Security Trustee was appointed to protect investors' rights and was responsible for taking security over various related entities/trusts which held assets that were purchased largely from the funds advanced by the Company via Eleuthera. Despite the Security Trustee taking an AllPAP over a number of entities/trusts, I note that in all instances except one, the AllPAP specifically excluded any real estate property. Effectively, the registered AllPAP secured little to no assets for M Core noteholders given the primary asset of these entities/trust was real estate property.
4. My investigations show that of the c.\$63.5 million advanced to Eleuthera by the Company and \$44.4 million advanced by M101 Nominees to Eleuthera, only c.\$62.9 million was used to make real estate asset purchases. The remaining funds were provided to other entities in the M101 Group as inter-company loans and also used to pay a large amount of operating expenses of the Mayfair 101 Group (c.\$21.7 million in FY20). I have been unable to determine as part of my review how the funds provided as inter-company loans to other entities in the Group were used.
5. The Company's key asset is the outstanding loan due from Eleuthera. As part of my investigations, I have reviewed the financial position of Eleuthera and it is my opinion that the likelihood of any recovery by the Company of the Eleuthera loan is low due to:
 - a. The majority of entities that are indebted to Eleuthera are the subject of separate insolvency proceedings in which steps are currently being taken to sell these entities' assets for the benefit of their secured creditors;
 - b. A number of the remaining entities that are indebted to Eleuthera are based overseas and the exact nature and recoverable value of these assets are unclear; and
 - c. The Company's entitlement to recover the funds due from Eleuthera, if any asset recoveries are made, will need to be shared pro-rata with all other creditors of Eleuthera.
6. It is my preliminary finding that in a winding up proceeding, creditors of the Company (effectively the M Core noteholders) would receive no return. However, the M Core noteholders may receive via the Security Trustee a partial return from the assets of other entities in the Mayfair 101 Group subject to the realisation process currently being undertaken in separate insolvency proceedings.
7. My overriding conclusion on the Company is that the business model of the Company was not sustainable. This is on the basis that M Core noteholders were investing predominantly for periods of 6 or 12 months, however the loan agreement with Eleuthera had a term of 10 years. On this basis, the Company would not have adequate funds to repay any contributions as they fell due and as such the Company has been insolvent since inception and remains insolvent as at the date of this report.
8. It is my opinion that distributions and redemptions paid to M Core noteholders were funded out of funds raised from other M Core noteholders or to a lesser extent M+ noteholders. There was a high level of frequency of fund transfers between the Company and Eleuthera which has masked the extent of this issue.
9. My investigations have uncovered a number of contraventions of the Corporations Act 2001 by both the Company and the Director primarily in relation to Section 180 and 1041H of the Act. Further detailed analysis is provided within the body of the report.

10. A summary of my findings pursuant to the Order are noted below:

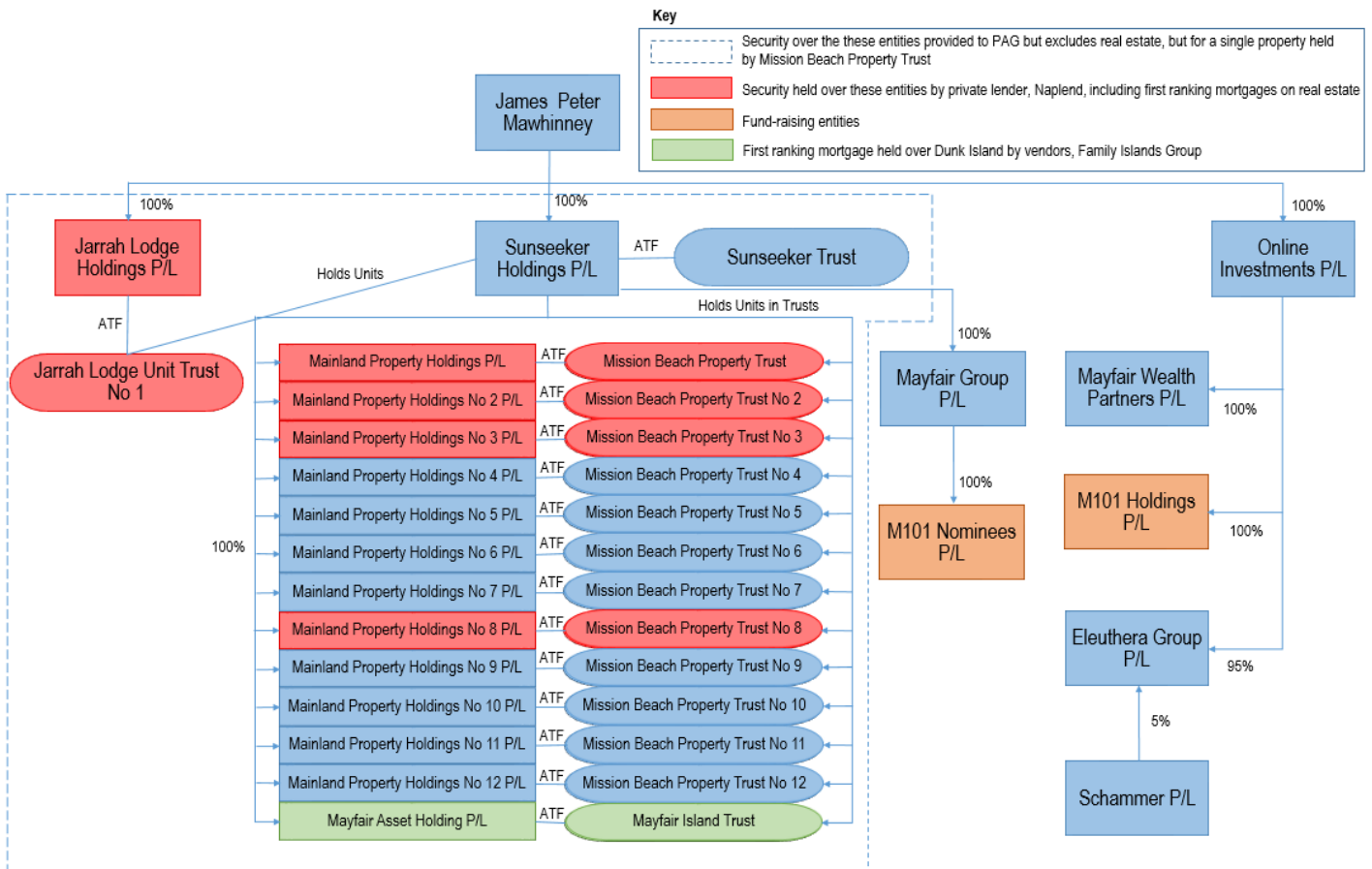
Area of Review	Conclusion
Identification of Assets and liabilities of the Company	The key asset is a c.\$63.5 million loan due from a related entity, Eleuthera. The liabilities largely consist of amounts outstanding to M Core noteholders (c.\$61.8 million)
Value of the Company's assets	It is my opinion that the realisable value of the assets including the loan from Eleuthera are nil
Solvency of the Company	I believe the Company was insolvent since inception and remains insolvent at the date of this report
Likely return to creditors (M Core noteholders)	I estimate a Nil return to creditors from the assets of the Company
Completeness of the company's financial records	I have not been provided with all the books and records of the Company including the email server of the Company. Consequently, I cannot form an opinion at this time as to their completeness
Any other information required	I am still awaiting further books and records from the Director to finalise my investigations as referred to above
Contraventions of the Act by the Company and Director	I believe a number of contraventions of the Act have been made by the Company and the Director

Introduction and Purpose

11. On the application of the Australian Securities and Investment Commission (“ASIC”) Philip Campbell-Wilson and I were appointed Joint and Several Provisional Liquidators of the Company pursuant to section 472(2) of the Corporations Act 2001 (“the Act”) on 13 August 2020 by Order of Justice Anderson in proceeding VID524/2020 (“the Order”). A copy of the Order is attached as **Appendix A**.
12. The purpose of the appointment of a provisional liquidator is to allow for an independent insolvency practitioner to secure the company’s assets, investigate the company’s affairs and provide to the Court and the applicant (in this case, ASIC) a report detailing the findings.
13. Pursuant to clause 2 of the Order, I am appointed for the purpose of providing to the Court and to the parties, a report on the Company, including:
 - a. the identification of the assets and liabilities of the Company;
 - b. an opinion as to the value of the assets of the Company;
 - c. an opinion as to the solvency of the Company;
 - d. an opinion as to the likely return to creditors if the Company is wound up;
 - e. an opinion as to whether the Company has proper financial records;
 - f. any other information necessary to enable the financial position of the Company to be assessed;
 - g. any suspected contraventions of the Act by the Company; and
 - h. any suspected contraventions of the Act by the director of the Company.
14. In accordance with the Order, I provide hereunder my report.
15. I have prepared my report based upon the documentation received from various sources as detailed at **Appendix B**. I requested documentation from the director of the Company, Mr James Mawhinney (“the Director”) shortly following my appointment and followed up on 17 August 2020, 18 August 2020, 20 August 2020, 21 August 2020, 31 August 2020, 4 September 2020 and 9 September 2020 with only limited cooperation until 14 September 2020. In the last 10 days, the Director has made available to me a large volume of books and records which I am still in the process of reviewing.
16. While the Order directs that a report be prepared solely on the Company, I have in some instances included comments and provided analysis on the broader Mayfair 101 Group, insofar as it affects the Company.

Background Information

17. The Company was incorporated on 18 October 2019 and held its registered office at Level 27, 35 Collins Street, Melbourne, Victoria.
18. The Company offered an investment product described as a 'M Core' fixed income financial debenture to Australian wholesale investors which was marketed as a fixed income product backed with dollar-for-dollar asset security.
19. The Company operates as an authorised representative of Quattro Capital Group Pty Ltd (#00176207) and holds an Australian Financial Services License (#334653) issued on 24 October 2019.
20. The Company is part of the broader Mayfair 101 Group which involves a number of corporate and trust entities, with a common director, being Mr James Mawhinney. The main activities of the Mayfair 101 Group is to raise money through various investment products to then acquire real estate in Queensland and invest into various private equity ventures, often indirectly through loans to related parties.
21. The Company's director and secretary as registered with ASIC is Mr James Mawhinney.
22. The following diagram outlines what I understand to be the structure of the Mayfair 101 Group, insofar that these entities are relevant when assessing the Company:



23. The key roles or functions of the above entities were as follows:
 - a. M101 Nominees Pty Ltd: Fund raising vehicle for M Core notes.
 - b. M101 Holdings Pty Ltd: Fund raising vehicle for the M+ Notes.
 - c. Sunseeker Holdings Pty Ltd ATF Sunseeker Trust: Holding vehicle for SPV entities that acquired real estate in Queensland.
 - d. Various Mainland Property Holding companies ATF various Mission Beach Property Trusts and Jarrah Lodge Holdings Pty Ltd ATF Jarrah Lodge Unit Trust: Each of these entities were established to own real estate acquired or to be acquired in or around Mission Beach, Queensland.

- e. Mayfair Asset Holdings Pty Ltd ATF Mission Island Trust: Holds the property at Dunk Island, Queensland.
 - f. Mayfair Group Pty Ltd: Holding entity for M101 Nominees Pty Ltd.
 - g. Online Investments Pty Ltd: I have been advised that this is a holding entity only and does not own any property or assets in its own name. However, my investigations reveal that this entity owns the Director's family home in Victoria which was purchased in 2017 for \$3.1 million.
 - h. Mayfair Wealth Partners Pty Ltd: Operating entity which undertook marketing on behalf of the Mayfair 101 Group.
 - i. Eleuthera Group Pty Ltd: Treasury entity for the Mayfair 101 Group.
 - j. Schammer Pty Ltd: 5% shareholder in Eleuthera. I have been advised by the Company that this is a third party shareholder.
24. The above group structure excludes the IPO Wealth Group that is an associated part of the Mayfair 101 Group and is subject to its own insolvency proceedings/appointments.
25. Based on my investigations to date, a timeline of the key events of the Company, and in some cases the broader Mayfair 101 Group, from incorporation up to the date of my appointment is noted below:
- a. **18 October 2019** – the Company was incorporated and immediately began raising funds from investors via internet and newspaper advertisements. The Company offered a term-based investment option and made monthly interest payments on this product to M Core noteholders;
 - b. **18 October 2019** – the Company entered into a loan agreement with Eleuthera to provide a facility of up to \$250 million at an interest rate of 8% p.a, calculated and paid monthly in arrears within 30 days of the end of each calendar month. The loan term is 10 years and it is unsecured. While the loan agreement is not clear as to the purpose and use of the funds that are to be provided by the Company, my investigations and discussions with the Director indicate that Eleuthera was used as a treasury entity, where funds were received from the Company as well as other fund raising vehicles and then transferred to other entities within the Mayfair 101 Group to make various investments;
 - c. **24 October 2019** – the Company entered into a General Security Deed with the Security Trustee, PAG Holdings (Australia) Pty Ltd ("PAG"). The role of PAG in their capacity as Security Trustee is to act on behalf of the security beneficiaries, being the holders of the M Core notes raised by the Company. PAG was provided various securities by the entities inside the dotted box at paragraph 22, although of concern and detailed further at paragraphs 41 to 43 below, the security granted to them (with the exception of Mainland Property Holdings Pty Ltd ATF the Mission Beach Property Trust) under the terms of the General Security Deeds, specifically excluded real estate property (which makes up the majority, if not all of the assets owned by the various trusts);
 - d. **November & December 2019** – PAG registered a number of securities ("AIPAPs") on the Personal Property Security Register ("PPSR") against a number of entities across the Mayfair 101 Group noting the above mentioned exclusion for real property at paragraph 1c above;
 - e. **December 2019** – various entities in the Mayfair 101 Group had previously entered into contracts to purchase a number of properties at Mission Beach in Queensland. These properties were due to settle in December 2019 and beyond, however the Mayfair 101 Group did not have sufficient funds to settle these properties as they fell due. As a result, the Mayfair 101 Group borrowed funds from a private lender Naplend Pty Limited ("Naplend") to fund the settlement of these properties.

The Naplend loan was at a rate of 24% p.a for a term of 4 months. However, it is now in default and this rate has increased closer to c. 40%.

This facility was increased on a number of occasions to meet the ongoing financial obligations of the Mayfair 101 Group on various property settlements.

As security for the funds lent to the Mayfair 101 Group, Naplend was provided a first ranking mortgage over all of the Mission Beach properties owned by the Mayfair 101 Group, excluding one property that PAG took a direct security over as discussed at paragraph 71.

The balance due on the Naplend loan as at September 2020, as advised by the Receivers of the various entities/trusts is c.\$20 million. I have been unable at this time to verify the amount owing to a current loan statement;

- f. **23 December 2019** – security provided to Naplend was registered on the PPSR in relation to the following entities; Mainland Property Holdings Pty Ltd, Mainland Property Holdings No 2 Pty Ltd, Mainland Property Holdings No 3 Pty Ltd, Mainland Property Holdings No 8 Pty Ltd and Jarrah Lodge Holdings Pty Ltd as trustee for the respective trusts at **Appendix C**;
- g. **31 December 2019** – Eleuthera ceased making interest payments due to the Company in respect of the loan facility agreement. Based on my review of the Company’s Xero records, these outstanding interest payments were accrued and are showing as accounts receivable in the Balance Sheet of the Company. I note that Eleuthera made payments to the Company after this date. I have questioned this with the Director who has not been able to provide me with an explanation for these payments at the date my report was being finalised. I can only assume the payments related to a reduction in the principle amount borrowed, which is how it has been recorded in the Company’s Xero account;
- h. **11 March 2020** – properties at Mission Beach remained unsettled and the Mayfair 101 Group had insufficient funds to settle these properties by the due date. At this time it also had insufficient funds to pay redemptions to noteholders of the Company. Accordingly, redemptions were suspended due to liquidity issues. Redemptions are requests for payment from noteholders in respect of their invested capital invested either at maturity or prior to maturity;
- i. **16 April 2020** – On the application of ASIC, the Federal Court made orders restraining entities within the Mayfair 101 Group from promoting and advertising select products, including the M Core notes offered by the Company. They also ordered a disclaimer to be included on their website and to be provided to each prospective new investor;
- j. **April 2020** – properties at Mission Beach remained unsettled and the Mayfair 101 Group were unable to advertise to seek new investors;
- k. **May/June 2020** – Distribution for June 2020 and all future distributions to M Core noteholders were suspended and interest capitalised until further notice. Distributions relate to the monthly interest amounts paid to noteholders. I note that the May 2020 distributions were paid in June 2020;
- l. **May 2020** – A deed of variation was executed with the mortgagee of Dunk Island agreeing to a revised repayment schedule and the future sale of a 10 hectare parcel of land back to the mortgagee for \$4.5 million subject to various conditions;
- m. **July 2020** – the entities in the Mayfair 101 Group failed to meet the interest payments due to Naplend;
- n. **July 2020** – instalment payments owed to the mortgagee of Dunk Island as part of the amended vendor finance facility were not made;
- o. **July 2020** – the vendors of Dunk Island who provided a vendor finance facility and consequently held a first ranking mortgage entered into possession of Dunk Island ie MIP;
- p. **2 July 2020** - Receivers appointed by Vasco as security trustee over various entities in the IPO Wealth Group. The Receivers have subsequently been appointed as Liquidators over other entities in the same IPO Wealth Group;
- q. **10 July 2020** – PAG applied to the Court regarding securities it had failed to register on the PPSR within the prescribed legal period and requested that these be backdated and registered at 30 June 2020. These securities relate to the following entities;
 - i the Company;
 - ii Mainland Property Holdings No 4 Pty Ltd (ATF the Mission Beach Property Trust No 4);
 - iii Mainland Property Holdings No 5 Pty Ltd (ATF the Mission Beach Property Trust No 5);
 - iv Mainland Property Holdings No 6 Pty Ltd (ATF the Mission Beach Property Trust No 6);
 - v Mainland Property Holdings No 7 Pty Ltd (ATF the Mission Beach Property Trust No 7);
 - vi Mainland Property Holdings No 8 Pty Ltd (ATF the Mission Beach Property Trust No 8);

- vii Mainland Property Holdings No 9 Pty Ltd (ATF the Mission Beach Property Trust No 9);
 - viii Mainland Property Holdings No 10 Pty Ltd (ATF the Mission Beach Property Trust No 10);
 - ix Mainland Property Holdings No 11 Pty Ltd (ATF the Mission Beach Property Trust No 11);
 - x Mainland Property Holdings No 12 Pty Ltd (ATF the Mission Beach Property Trust No 12); and
 - xi Jarrah Lodge Holdings Pty Ltd (ATF the Jarrah Lodge Unit Trust No. 1).
- r. **30 July 2020** – the Court granted the request from PAG (detailed at paragraph 1p) to have the security registered on the PPSR as at 30 June 2020 subject to certain conditions;
- s. **13 August 2020** – I was appointed Joint and Several Provisional Liquidator of the Company following an ASIC investigation and application to the Court;
- t. **19 August 2020** – McGrath Nicol were appointed as Joint and Several Receivers and Managers of five entities in the Mayfair 101 Group where Naplend held first ranking securities over the real estate located at Mission Beach; and
- u. **9 September 2020** – Philip Campbell Wilson and I were appointed Joint and Several Receivers and Managers over 15 entities in the Mayfair 101 Group by PAG.

Financial Statements

26. The Company did not prepare any statutory financial accounts or lodge any tax returns for FY20 as it was only incorporated in October 2019 and the first tax return has not yet fallen due. This was confirmed by the Director. However, the Company appears to have recorded all of the transactions on an accounting based software package (Xero), having reconciled the bank feeds from incorporation until my appointment on 13 August 2020.
27. I note that the Xero accounting records that were provided do not take into account any year-end adjustments that were to be made by the Company. At the date of my appointment, the Company was in the process of finalising the year-end adjustments with KPMG, who were recently engaged by the Company to assist with the preparation of formal accounts and tax returns. I have sighted a copy of the KPMG work paper with the proposed adjustments to the accounts. However, given these adjustments have been prepared by an external accounting firm and not Grant Thornton, I cannot rely upon them to make adjustments to the Xero file without spending considerable time confirming the adjustments are correct and appropriate (further noting I only received the work paper 3 business days before my report was due to Court).
28. The following statement of financial performance has been exported from the Company's Xero file for the period 18 October 2019 (incorporation) to 30 June 2020:

Profit & Loss Summary - M101 Nominees Pty Ltd

	Draft FY20 \$
Operating Income	
Interest Earned	2,639,440
Interest Paid	(1,805,632)
Gross Profit	833,807
Gross Profit Margin	32%
Expenses	
Consulting & Accounting Expenses	(93,130)
Other Expenses	(926)
Total Expenses	(94,056)
Net Operating Profit / (Loss)	739,752

Source: Company Xero File

29. I make the following comments regarding the Company's Profit and Loss summary based on my review of the transactions processed through the Xero file. I note that the financial accounts were not adequately maintained following 30 June 2020 and therefore I have not included them for the purpose of my analysis:
- The income recorded relates to interest income from Eleuthera which was either paid or accrued in the accounts. As detailed at paragraph 2, interest due on the Eleuthera facility is 8% p.a and the facility to Eleuthera was funded from funds borrowed from M Core noteholders. I note that interest amounts have accrued from December 2019 (as they were not paid) and are shown as an account receivable in the Balance Sheet.
 - The interest paid is made up of interest distributions made to noteholders. The terms of the fixed interest investment offered to M Core noteholders included monthly distributions on funds invested. On average, approximately \$190,800 in interest payments were made each month to M Core noteholders.
 - The consulting and accounting expenses shown are the Company's portion of the expenses that were reimbursed to Eleuthera. As Eleuthera operated as the main treasury entity for the Mayfair 101 Group, it attended to payment of the majority of operating expenses on behalf of the Company and the Company then reimbursed Eleuthera.
 - 'Other Expenses' are made up of; bank fees, office expenses and subscriptions.

30. Whilst the accounts record a profit of \$739,752 for FY20, I do not believe this is an accurate reflection of the financial performance of the Company for the period because the underlying income it earned was from an internal (related) source and not based on a sustainable business model. The Company would raise funds at a cost of between 2.65% p.a to 3.95% p.a and with a term of between 6 to 60 months and then on lend these funds on an unsecured 10 year basis to a related entity, Eleuthera, at 8% p.a.
31. Eleuthera would then either invest or lend those funds into illiquid or non-income producing assets. From my analysis, at no time did Eleuthera ever generate sufficient income from third parties to either meet the 8% p.a. interest expense it owed to the Company or allow for any redemption requests from M Core noteholders to be satisfied.
32. Accordingly, borrowing on a short term basis and on lending on a long term basis was never a sustainable business model for the Company, only compounded by the fact the underlying investments for which the majority of M Core funds were utilised were either illiquid and/or non-income producing.
33. Furthermore, I note that the Company was in dispute with the Security Trustee regarding its purported default pursuant to clause 4.3 of the Secured Promissory Note Deed Poll. This agreement governed the arrangements between the Company as issuer of the M Core notes and the Security Trustee on behalf of the M Core noteholders.
34. The nature of this dispute relates to the non-payment of the monthly interest returns and whether the capitalisation of these interest payments constituted a default due to the non-payment by the Company. At this stage, I have not sought legal clarification on this point.
35. The following statement of financial position has been exported from the Company's Xero file:

Balance Sheet Summary – M101 Nominees Pty Ltd

	Draft 30/06/2020 \$
Current Assets	
Cash and Cash Equivalents	5,239
Trade and Other Receivables	2,517,678
Total Current Assets	2,522,917
Non-Current Assets	
Intercompany Loans	65,015,869
Total Non-Current Assets	65,015,869
Total Assets	67,538,786
Current Liabilities	
Reinvested Distributions	(635,886)
Intercompany Loans	(4,400,000)
Noteholders	(30,584,925)
Total Current Liabilities	(35,620,811)
Non-Current Liabilities	
Noteholders	(31,178,223)
Total Non-Current Liabilities	(31,178,223)
Total Liabilities	(66,799,034)
Net Assets / (Liabilities)	739,752

Source: Company Xero File

36. I provide the following comments regarding the Company's Balance Sheet following my review:
- Trade and other receivables (\$2,517,678)** represent amounts owing from Eleuthera for the monthly interest charged at 8% on borrowed funds. These amounts have accrued from December 2019 (noting other loan amounts have been paid to Eleuthera since it ceased making interest payments and been recorded in the Company's account as a repayment of the loan). Refer to paragraphs 59 and 60 for further details regarding the receivables and the likely recovery of funds from Eleuthera.
 - Intercompany asset loans (\$65,015,869)** are predominantly made up of amounts owed from Eleuthera, as well as smaller amounts due from other Mayfair 101 Group entities, being M101 Holdings

Pty Ltd (\$500,000) and the Sunseeker Trust (\$1,000,000). These amounts are discussed in more detail, including an assessment of the potential recoverability, at paragraphs 65 to 73.

- c. **Reinvested distributions (\$635,886)** are made up of distributions that were capitalised, rather than cash distributions paid to noteholders. As discussed at paragraph 1k, due to liquidity issues the Company paused paying distributions to noteholders from June 2020 onwards.
- d. **Intercompany loan liabilities (\$4,400,000)** are amounts owing to M101 Holdings Pty Ltd (\$400,000) and Online Investments Pty Ltd (\$4,000,000). These are both entities within the Mayfair 101 Group with Mr James Mawhinney as the director of both entities.

Based on my review of the Xero file, the amount owing to M101 Holdings Pty Ltd relates to funds transferred by an investor seeking to invest in the M+ product offered by M101 Holdings Pty Ltd.

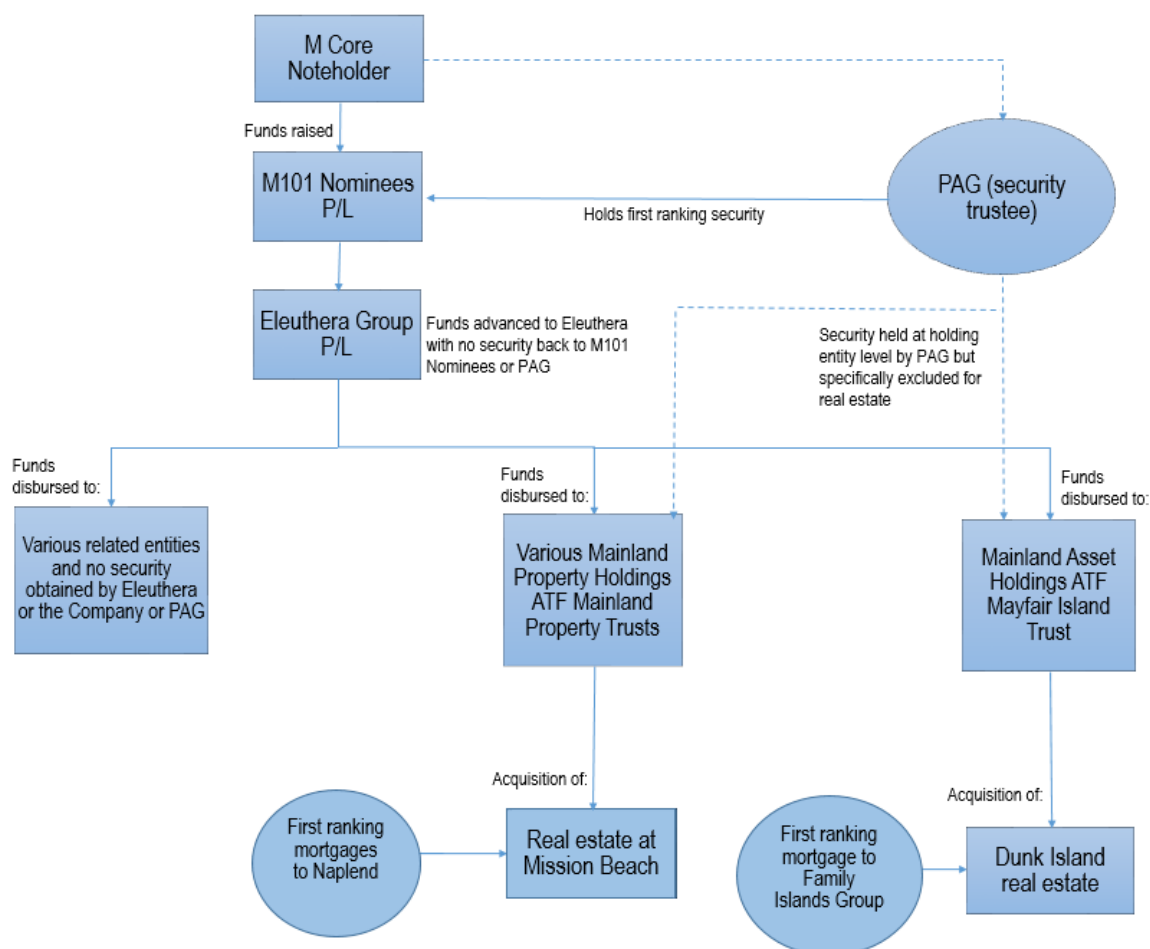
The amount received from Online Investments Pty Ltd related to a one off payment made on 30 December 2019. I have been advised that this related to funding provided by Online Investments Pty Ltd to the Company who then on lent it to Eleuthera to allow for settlement of various properties and to cover on-going expenses. It is unclear why the payment was not made directly to Eleuthera by Online Investments Pty Ltd and the Director's accounting staff have been unable to provide me with an explanation.

- e. **Amounts owing to noteholders (\$61,763,148)** are broken down into current and non-current based on how long funds were invested for and the expiry date of these debentures. However, I note that I do not agree with the classification of current and non-current liabilities. I have undertaken a review of the ageing/classification of the amounts due to noteholders and it is my view that the amount of current liabilities due in respect of M Core noteholders is actually \$57,713,148, being \$27,128,223 higher than recorded as these amounts are due within 12 months. Refer to paragraph 95 for a detailed breakdown per month of the maturity profile of M Core notes.
37. Whilst the Balance Sheet of the Company reveals a c. \$733k surplus of assets over liabilities, I believe this does not present an accurate financial position of the Company. As discussed, at paragraphs 58 and 59, the full recoverability of the loan to Eleuthera is doubtful. Accordingly, if this asset was appropriately provisioned to reflect its true recoverability value, I believe the Company's financial position would reveal a significant shortfall of assets over liabilities and consequently a significant loss in the profit and loss statement to reflect the bad debt expense.

Security Trustee

Security Held on Behalf of Noteholders

38. Despite not being an asset of the Company, given the Company's liabilities largely consist of amounts due to M Core noteholders, in my opinion it is important to give consideration to the security that has been provided to M Core noteholders via the Security Trustee (PAG) from other entities in the 101 Mayfair Group (as guarantors of the debt owed to M Core noteholders). See **Appendix C** for a full listing of these securities.
39. Based on my review of the Product Offer Document and discussions with the Director, I understand that there are three classes of potential security that can be used to secure M Core noteholder funds, being; Australian real estate, assets held by Mayfair 101 Group entities, and cash from investors. The Product Offer Document states that:
- “The M Fixed Income product is secured by a pool of assets in respect of which first-ranking, registered security interest have been granted. **The assets are otherwise unencumbered** (emphasis added), and are made up of Australian real estate, assets held by Mayfair 101 Group entities, and cash from investors held in the issuer's dedicated M Fixed Income bank account. Such cash will only be used where there is dollar-for-dollar secured asset support.”*
40. I have undertaken a review of all known security held by PAG on behalf of the M Core noteholders in accordance with the above statement.
41. While the Security Trustee held a first ranking AIPAP over 15 of the 16 trust entities on behalf of the M Core noteholders, I note that the terms of the individual General Security Deeds between each trust and PAG (with the exception of Mainland Property Holdings Pty Ltd) stated that security was given for all assets **excluding** ‘the legal and/or beneficial interest in any and all real estate held from time to time’ by the trust. Effectively, PAG had no right to take any security over the real estate assets which were purchased using the M Core noteholder funds. Given the only assets of the trusts were real estate property, it is implausible that the security provided to PAG excluded real estate assets.
42. This may create a scenario that any unsecured creditors of the trusts may also have a competing claim with that of the Security Trustee on behalf of the M Core noteholders. However, it may be feasible that following the sale of the Queensland real estate assets, any surplus that may become available after the discharge of the mortgagee's debt, will be held in cash. As a consequence, the cash / bank account would be subject to the PAG's security / AIPAP. This view remains subject to legal advice.
43. On the basis of the above, any claims the Director has made to investors or potential investors regarding M Core noteholder funds being secured may be deceptive and misleading on the basis that investor funds are not supported by first-ranking, unencumbered asset security or alternatively what security was granted, had negligible value. I have sought to illustrate this in the below diagram:



44. As the unit trusts are currently either in Receivership or the assets they own subject to a MIP appointment, I am unable at this time to provide to the Court my estimated realisable value of the assets so not to prejudice any potential sale by the Receivers and agent for the MIP. However, I have included in the following table, details provided by the Director in the Statement of Noteholder Secured Monies dated 12 June 2020 (**Appendix D**). These amounts are compared to the purchase prices for the relevant property.

Description	Notes	Purchase Price / Deposits \$	Director's Value at 12 June 2020 \$
Unit Trusts – Settled Australian Real Property (excluding Dunk Island)	a	48,351,511	50,365,011
Mayfair Island Trust - Dunk Island	b	31,500,000	31,500,000
Director's revaluation - Dunk Island			18,225,000
Fair value adjustment (Corelogic) 4% - Mission Beach	c		1,723,400
Unit Trusts – Deposits Paid, Australian Real Estate	d	6,136,949	7,420,837
Total Unit Trust Assets Held		85,988,460	109,234,248
Cash at Bank	e	942	6,956
Contractual Right (Eleuthera loan)	f	N/A	2,097,328
Less:			
- First Mortgage Facility #1 (Naplend Pty Ltd)	g	(15,000,000)	(14,270,597)
- First Mortgage Facility #2 (Family Islands Group Pty Ltd)		(20,200,000)	(15,650,000)
Potential Forefit of Deposits		(6,136,949)	
Total Value of Security Granted	(1)	44,652,453	81,417,935
Amounts owing to M Core Noteholders	(2)	(61,788,648)	(61,263,670)
Value of Security Surplus / (Shortfall)		(17,136,195)	20,154,265
Security as percentage of M Core Notes	(1 ÷ 2)	72%	133%

45. My comments regarding the table above are as follows:

- a. It is my opinion that the properties owned by these entities are overvalued for the purpose of reporting to the Security Trustee. Further, as the unit trusts are subject to Receivership and MIP proceedings, the Receivers and MIP costs in dealing with these assets will have to be met from any sale proceeds.
- b. The Director revalued the entire Dunk Island based upon a contingent sale agreement for 10 hectares of land on the island back to the mortgagee for \$4.5 million. This revaluation is not supported by an independent valuation.

It is my opinion that the Director's revaluation increase of c. \$18.2 million to \$49.7 million for Dunk Island is above the potential value that could be recovered if the Island was to be sold. The valuation I have sighted dated August 2018 included a market value of \$28.2 million.

- c. The 12 June 2020 values include a "fair value adjustment" increase of 4% made by the Company in relation to the Mission Beach properties. I believe this is not supported by an independent valuation. I have requested substantiation of this increase from the Director, however have not received any supporting documentation to date.
 - d. While these deposits have been paid, I have concern that if sufficient funds cannot be obtained to settle these properties, the deposits may be forfeited and the security value of the assets for noteholders will be lost.
 - e. The decrease in the cash at bank reflects funds that were paid out of the Company between 12 June 2020 and 13 August 2020. The balance at 13 August 2020 is a reflection of the funds held in the bank account at the time of my appointment.
 - f. This amount relates to the outstanding interest payment due to the Company from Eleuthera as at 12 June 2020. The noteholders do not hold any security over Eleuthera's assets and in reality this amount is an unsecured loan due to the Company, not funds due to noteholders.
 - g. Due to the high interest (including default interest – c.40%) being charged by Naplend the amount owing to Naplend is only going to continue to increase significantly until such a time as it is repaid in full. This is also true to a lesser extent for the Family Island Group, given their interest rate is significantly lower. As at September 2020, it is my understanding the amount due on these facilities is \$15 million (Naplend) and \$20.2 million (Family Island Group). The c. \$4.5 million variance in the amount owed to the Family Islands Group between the two columns relates to a conditional sale agreement for 10 hectares of land on Dunk Island for \$4.5 million which in the current circumstances is unlikely to proceed.
46. Based on documentation received from the Security Trustee dated 5 June 2020, I understand that there are 122 properties which have exchanged and are pending settlement. I note that deposits totalling \$7,491,337 have been paid in relation to these properties which is yet to be reconciled to the \$6.1 million shown in the table at paragraph 44. Given these properties have a total purchase price of \$108,435,423, these properties require additional funds to the value of \$100,944,086 (not taking into account any potential interest accruing) in order to complete. Without which there is a risk these deposits may be forfeited although I note in a number of instances this has been disputed and is the subject of legal proceedings between the various vendors and the purchasing entities.
47. The following table provides a summary of the properties currently owned in Queensland. The equity in the property will continue to diminish due to Receivership/realisation costs, mortgagee interest and any adverse movement in the market values.

Queensland Properties	Purchase Price \$	Amount Owed to First Mortgagee (Estimate) \$	Equity in Property \$
Vacant Land	23,598,897		
Commercial Properties	4,825,000	(15,000,000)	34,424,511
Residential Properties	21,000,614		
Dunk Island	31,500,000	(20,200,000)	11,300,000
Total	80,924,511	(35,200,000)	45,724,511

48. The total purchase prices noted above have been taken from a restructure proposal provided by the Director. I note that there is an immaterial variance from the table presented at paragraph 44. This is due to three properties being included within the Director's restructure proposal which did not appear on title searches my office carried out for the various unit trusts.

Eleuthera

Overview

49. As at the date of my appointment (13 August 2020), the Xero records for the Company show the following amounts due from Eleuthera:
- \$2,517,678 in respect of outstanding interest; and
 - \$63,539,760 in respect of outstanding principle and expenses incurred.
- (totalling \$66,057,438)
50. I note that the amount presented on the Balance Sheet of the Company as at 30 June 2020 showed a total outstanding to M Core noteholders of \$66,033,547. The difference relates to movements in the principle loan balance between these dates.

Analysis

51. I have obtained a draft Xero export of the Balance Sheet of Eleuthera as at 30 June 2020 which indicates that it has a net liability position of \$11,468,049. This full Balance Sheet is shown at **Appendix E** and a summary is shown below:

Balance Sheet Summary – Eleuthera Group Pty Ltd

	Notes	Draft 30/06/2020 \$
Current Assets		
Total Current Assets	a	1,328,542
Non-Current Assets		
Total Non-Current Assets	b	104,747,837
Total Assets		106,076,379
Current Liabilities		
Total Current Liabilities	c	(9,444,149)
Non-Current Liabilities		
Total Non-Current Liabilities	c	(108,100,279)
Total Liabilities		(117,544,428)
Net Assets / (Liabilities)	d	(11,468,049)

Source: Xero File

52. I make the following comments on the Balance Sheet summary of Eleuthera:
- Current Assets** – The current assets of Eleuthera include; cash at bank (\$15,663), accounts receivable, being interest owed from related parties (\$477,971), a security deposit for the Melbourne office (\$317,799) and an intercompany loan from the Sunseeker Trust (\$669,742).

As I do not have access to the detailed financial records of Eleuthera, it is difficult to comment on the likely recoverability of a number of these assets, such as; the accounts receivable, or loan owing from the Sunseeker Trust.
 - Non-Current Assets** – The non-current assets are made up of a number of loans to related entities within the Mayfair 101 Group and also beyond this to other entities of which Mr James Mawhinney is also a director. I do not have visibility over all entities the Director is involved with (noting he is not a director of two of the entities that have loans from Eleuthera). Accordingly, my understanding regarding the status of the relevant companies and also any potential recoveries from the companies are preliminary only.

A detailed schedule of the amounts owing from the intercompany loans is included at **Appendix F**, broken down according to Eleuthera's Balance Sheet, with a summary provided below:

Entity	Notes	Draft at 30/06/2020
Loans / Investments in relation to Mission Beach	i	48,153,635
Loans / Investments in relation to Dunk Island	ii	17,963,133
IPO Wealth Holdings Pty Ltd	iii	(11,921,022)
101 Investments Ltd	iv	31,832,377
Other	v	18,717,809
Total Non-Current Intercompany Loans		104,745,932
Other Non-Current Assets		1,905
Total Non-Current Assets		104,747,837

I make the following high-level comments (further detailed comments are contained within **Appendix F**):

- i This relates to the group of entities that hold real property at Mission Beach in Queensland and the loans made to each of these entities to assist with the acquisition of these properties. I note that there are Receivers and Managers appointed over several of these entities and as a result, it may be unlikely that these entities will be in a position to repay the debt due to Eleuthera.
 - ii These amounts relate predominantly to Mayfair Asset Holdings Pty Ltd ATF Mayfair Island Trust, which owns Dunk Island. I believe the majority of these funds were used to make part payments to acquire Dunk Island. There are currently both MIP and Receivers appointed over these entities/assets. As with paragraph 1ai above it may be unlikely these entities will be in a position to repay the debt due to Eleuthera.
 - iii This amount is a negative asset, therefore a liability owing to IPO Wealth Holdings, which is in provisional liquidation. However, from my discussions with the Receivers/Liquidators of the IPO Wealth Group, I understand the cash movements between Eleuthera and the IPO Wealth Group have netted off or close to netted off. However, as this is outside my scope, I have not undertaken any further analysis on this issue at this stage.
 - iv This entity is based in the British Virgin Islands and is an investment holding company. Due to the location and different jurisdictions, I believe there will be significant barriers to recovering these funds. I understand the key asset of 101 Investments Limited relates to a UK based technology company called Accloud Plc. This is discussed in further detail at paragraph 55.
 - v Consists of loans to other related entities in both Australia and the U.K. I do not have the financial statements of these entities to comment on the recoverability of the amount outstanding.
- c. **Current Liabilities** – Relates to amounts due from Eleuthera to other entities within the Mayfair 101 Group as detailed in **Appendix E**. This includes:
- i Accounts payable, totalling \$7,576,354 (I do not have access to the breakdown of this balance);
 - ii Borrowings totalling \$1,340,338 (I do not have access to the breakdown of this balance);
 - iii Income tax receivable of \$452, noting this is an asset recorded as a negative liability;
 - iv Superannuation payable of \$45,418;
 - v Wages Payable of \$7,454;
 - vi Tax obligations totalling \$243,184; and
 - vii Suspense balance of \$231,853.

- d. **Non-Current Liabilities** - Relates to amounts due by Eleuthera to various related entities within the Mayfair 101 Group as detailed in **Appendix E**. These key items being:
- i Amounts payable to IPO Capital Pty Ltd of \$1,409;
 - ii Amounts payable to Mayfair Wealth Partners of \$207,867;
 - iii Amounts payable to the Sunseeker Trust of \$1,499;
 - iv Amounts payable to M101 Holdings Pty Ltd of \$44,389,853 (M+ notes); and
 - v Amounts payable to the Company totalling \$63,499,650 (M Core notes) at the Balance Sheet date of 30 June 2020. I note that the Company records show that as at 30 June 2020, the amount due to the Company was \$66,033,547 million giving rise to an unexplained variance of \$2,533,897.

Source and application of funds

53. On 23 September 2020, the Director provided me with a source and application analysis of the funds into/out of the Eleuthera bank account in FY20 (**Appendix G**). The table below provides a summary of the analysis provided. Due to the late provision of this document, I have not had sufficient time to properly review it. In summary, it reveals:

Eleuthera Group Pty Ltd - Source and Application of Funds	Amount \$
Funds Received	
M101 Nominees Pty Ltd	69,177,428
Less: Funds Returned	(6,100,761)
Net Funds Received - M101 Nominees Pty Ltd	63,076,667
Net Funds Received - M101 Holdings Pty Ltd	43,775,218
Other Unreconciled Income	35,396
Total Funds Received	106,887,280
Funds Paid	
Property	62,921,183
Accloud Share Purchase	10,513,676
Other Investments	7,442,185
Operating Expenses	21,784,846
Financing Expenses	4,225,391
Total Payments	106,887,280

54. With the exception of a small unreconciled amount (c. \$35k) the only income/funding of Eleuthera in FY20 was funds from the M Core and M + noteholders. Given that interest and distributions payments to M Core and M + noteholders were funded by Eleuthera (as way of a repayment of the loan amounts advanced to it or interest payments), this suggests that the Company was effectively paying noteholders interest and distributions from other noteholder funds.
55. I make the following comments on the use of funds by Eleuthera:
- a. **Property** – Comprises of funds paid by Eleuthera as part of the purchase of Dunk Island and the various properties at Mission Beach in Queensland. I note that the amount shown do not reconcile to the table at paragraph 447 as it only shows the amounts paid from the Eleuthera bank account and does not take into account funds advanced from the first ranking secured lenders (Naplend and the Family Island Group). Notwithstanding this, there is a \$17 million variance between the equity in the real estate and the above amount. I believe \$6-7 million of this variance relates to deposits paid on uncompleted contracts, however, the remaining balance is too significant to relate solely to holding costs. This variance requires further investigation.
 - b. **Accloud Plc Share Purchase** – Relates to an investment in a UK based technology company called Accloud. This investment was made through IPO Wealth Holdings Pty Ltd, with the funds advanced

from Eleuthera for this investment as shown in the above table. As such, it does not appear on Eleuthera's Balance Sheet at **Appendix E**. In addition, I understand that there is a share agreement in place between Accloud and 101 Investments (related entity within the Mayfair 101 Group, based in the British Virgin Islands), which entitles 101 Investments to a percentage of Accloud's Revenue stream. Despite the noteholders effectively funding this investment, they do not hold any security over the investment and/or 101 Investments Pty Ltd. From my review of the historical financial statements of Accloud, it has never been profitable and has limited equity value in its Balance Sheet. At this stage, the realisable value of this investment in Accloud remains unclear. I note that the Accloud investment is discussed in detail in Dye & Co's report dated 28 May 2020 who are Receivers and Managers and Liquidators of various entities in the IPO Wealth Group.

- c. **Other Investments** – Relates to a number of other investments both within the Mayfair 101 Group and external to the Group. I note that this does not reconcile to the amount shown in the Eleuthera Balance Sheet at **Appendix E**. My initial assessment is that the variance relates to how Eleuthera recorded investments on their Balance Sheet. As an example, the source and application shows that \$402,183 was paid for an investment in Azzet. However, on the Balance Sheet of Eleuthera this is shown as an inter-company loan to Mayfair Asset Solutions Pty Ltd. I make the assumption that the actual investment would then be shown on the Balance Sheet of Mayfair Asset Solutions Pty Ltd. However, I do not have a copy of these financial statements to confirm this.
 - d. **Operating Expenses** – Accounts for c.20% of all payments made by Eleuthera in FY20. Given the operating structure of the Mayfair 101 Group (few employees and only three leased premises), it is my opinion these expenses were significant relative to the scale of the operations. I note a large amount of money was spent on google adword advertising each month. Further investigation is required in relation to this category.
 - e. **Financing Expenses** – Relates to amounts paid to both the Company and M101 Holdings in respect of interest and distribution payments, interest charged by Naplend on their facility and the financing of IPO Capital Pty Ltd.
56. I note that the source and application analysis that I have been provided with appears at a high level to reconcile to the bank statement transactions of the Company (in respect of any payments to/from the Company).
57. As I only received the source and application analysis the day prior to submitting my report to the Court, I have been unable to review in more detail the variances noted above and further investigation is required.

Conclusion on Eleuthera

58. As previously mentioned, neither of Eleuthera's two major creditor (M101 Holdings or M101 Nominees), or any other entity hold a registered security interest over the assets of Eleuthera. At the date of this report, I am not aware of any formal recovery steps being taken by any party to recover debts due by Eleuthera. Pursuant to the loan agreement I have been provided with between Eleuthera and the Company, the loan agreement amount is not due to be repaid by Eleuthera until October 2029. However, there is an obligation by Eleuthera to pay interest on a monthly basis which it can satisfy via the issues of shares in Eleuthera. However, I believe this will be problematic for Eleuthera as I believe its shares have a negligible value.
59. Based on my analysis of Eleuthera's financial position detailed at paragraphs 49 to 598, I believe any recoveries from Eleuthera are uncertain primarily due to:
- a. The majority of entities that are indebted to Eleuthera are the subject of separate insolvency proceedings in which steps are currently being taken to sell these entities' assets for the benefit of the prior ranking secured creditors;
 - b. A number of the remaining entities that are indebted to Eleuthera are based overseas and the exact nature and recoverable value of these assets are unclear, which will make recovery efforts difficult; and
 - c. The Company's entitlement to recover the funds due from Eleuthera, if any asset recoveries are made by Eleuthera, will need to be shared pro-rata with all other creditors. As at 30 June 2020, the Company made up 54% of all creditors of Eleuthera.

Value of Assets of the Company

Asset Overview

60. The Company's assets as at 30 June 2020 comprise of:
 - a. \$5,239 cash at bank;
 - b. \$66,033,547 due from Eleuthera;
 - c. \$500,000 due from M101 Holdings Pty Ltd; and
 - d. \$1,000,000 due from the Sunseeker Trust.
61. The combined book value of these assets per the Company's Balance Sheet is \$67,538,786. Each asset and the likely estimated realisable value is discussed further at paragraphs 62 to 75.

Cash at Bank

62. As at the date of my appointment, I circulated a notice to banking institutions requesting them to provide me with details of any accounts held in the Company's name and to freeze such accounts as at the date of my appointment.
63. I identified one bank account held in the name of the Company with Australia and New Zealand Banking Group ("ANZ") with a balance of \$942.05. PAG holds a first ranking security over this account on behalf of the M Core noteholders.
64. Review of the Company's Xero file indicates that this account was the only bank account held by the Company.

Eleuthera

65. As detailed at paragraphs 58 and 59, I have concerns over the ability of Eleuthera to repay the amount outstanding to the Company primarily due to:
 - a. The majority of entities that are indebted to Eleuthera being subject to separate insolvency proceedings in which steps are currently being taken to sell these entities' assets for the benefit of the secured creditors; and
 - b. A number of the remaining entities that are indebted to Eleuthera are based overseas and the exact nature and recoverable value of these assets are unclear.
66. For further detail on the financial position of Eleuthera and its ability to repay the debt due to the Company, please refer to paragraphs 51 to 59.

Intercompany Loan – M101 Holdings Pty Ltd

67. At appointment, there was an intercompany loan owing from M101 Holdings Pty Ltd for \$500,000. However, I note that there is also a corresponding liability for \$400,000, creating a net asset of \$100,000. Based on my review of the Xero file, this appears to relate to funds transferred into the Company from investors. The amounts that have been transferred out relate to investors who were seeking to invest in a different product, M+ notes (issued by M101 Holdings).
68. I have not received financial statements relating to this entity, however, believe the recoverability of this asset is negligible given the structure of the M101 Group.

Intercompany Loan – Sunseeker Trust

69. As at the date of my appointment, there was an intercompany loan amount owing from the Sunseeker Trust for \$1,000,000. I understand that this entity holds the units in a number of other trusts, including:
 - Jarrah Lodge Unit Trust No 1;
 - Mayfair Island Trust;
 - Mission Beach Property Trust;
 - Mission Beach Property Trust No 2;
 - Mission Beach Property Trust No 3;

- Mission Beach Property Trust No 6;
 - Mission Beach Property Trust No 7;
 - Mission Beach Property Trust No 8;
 - Mission Beach Property Trust No 9;
 - Mission Beach Property Trust No 10;
 - Mission Beach Property Trust No 11; and
 - Mission Beach Property Trust No 12.
70. As detailed at paragraph 44, these entities hold a number of real estate assets located in Queensland or have paid deposits for real estate assets in Queensland that are yet to settle.
71. The Company in its own capacity does not hold any direct security over the real property owned by the trusts. However, the Security Trustee does hold a first ranking mortgage over a single vacant block of land purchased for \$400k (held by Mainland Property Holdings Pty Ltd ATF the Mission Beach Property Trust).
72. I have been advised that there is no formal loan agreement between the Sunseeker Trust and the Company as the Company had been advised by their former accountant, Pinnacle, that it was not required. Given the loan provided to Sunseeker Trust was funded effectively from M Core noteholder funds I do not agree with this view and a formal loan agreement should have been established.
73. The key assets of the Sunseeker Trust are the units in the above Mission Beach trusts which are mortgaged to third party lenders. After the sale of these properties by the Receivers and MIP, it may be argued that any surplus assets/funds are captured by the Security Trustee which in turn would leave little to no assets being available to the Sunseeker Trust to repay the Company loan.

Conclusion on the value of the Company's assets

74. The table below provides a summary of my opinion as to the asset values of the Company as at 13 August 2020, noting that the Director did not provide any estimated realisable value in his ROCAP with the exception of cash at bank:

Asset	Notes	Xero Value 30/06/2020	Xero Value 13/08/2020	Provisional Liquidators Estimate	Director's ROCAP Value
Cash at Bank	a	\$5,239	\$942	\$942	\$942
Accounts Receivable – Eleuthera	b	\$2,517,678	\$2,517,678	\$0	Not provided
Intercompany Loans:					
• Eleuthera	b	\$63,515,869	\$63,539,760	\$0	Not provided
• M101 Holdings Pty Ltd	c	\$500,000	\$500,000	\$0	Not provided
• Sunseeker Trust	d	\$1,000,000	\$1,000,000	\$0	Not provided
Total		\$67,538,786	\$67,558,380	\$942	

75. I make the following comments on the estimated realisable asset values of the Company's assets:
- a. The cash at bank has been verified by ANZ.
 - b. Conservatively, I do not believe that any funds are likely to be received from Eleuthera. This is on the basis that following realisation of all the real property into cash, then repayment to PAG, Naplend and the Family Islands Group, it is unlikely Eleuthera will be able to recover loans it made to the various entities that own the real estate. The financial position of Eleuthera is discussed further at paragraphs 49 to 59. A consequential impact of this is that the M+ noteholders who advanced funds to M101 Holdings are unlikely to receive any return.
 - c. I note there is a \$400,000 loan owing to M101 Holdings Pty Ltd which has the effect of reducing this asset to \$100,000. In addition, there is no security in place over this entity which makes it potentially difficult to recover.
 - d. I requested further documentation from the Director to verify this amount and quantify any potential recoveries from this entity. However, I was advised that there was no financial statements available for this entity.

Restructure

76. On 18 September 2020, I received a draft restructure plan from the Director of the Company and its related entities which was subsequently updated on 22 September 2020. The plan is still at an early stage in its development and I have not had sufficient time to properly assess it.
77. In any event, it is predicated on the Director being able to raise sufficient funds from a third party lender to refinance Napland and also possibly the Family Islands Group. The new financier will provide a period of between 1 to 2 years to allow the Group to undertake a controlled sell down of the Mission Beach properties whilst looking for a strategic investor and partner for Dunk Island.
78. The draft plan contemplates 3 potential scenarios as follows:

Scenario	1 (Current Case)	2 (refinance case)	3 (refinance + strategic investor case)
Term	2 years	2 years	5 years
Description	Forced liquidation of all assets by lenders	Orderly sale of non core assets - strategic partner identified, Dunk Island excluded	1. Orderly asset sales to repay the new financier; and 2. Tourism development completed
Objective	Clear debt and repay lenders in preference to M Core and M + noteholders	Refinance debt at 15% interest rate and repay lenders while attracting a strategic partner	Refinance debt and repay lenders and execute the strategy to develop Dunk Island

79. As discussed above, it would be premature for me to comment on the above restructure plan given the embryonic nature of the plan and its level of conditionality linked to a successful refinance of the existing first ranking mortgagees.

Solvency Review

80. The Act's definition of solvency is at Section 95A, being that "a person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable. A person who is not solvent is insolvent."
81. The two common tests of insolvency are the "Balance Sheet Test" and the "Cash Flow Test."
82. The Balance Sheet Test analyses the financial performance of a company. Generally a deficiency in assets is viewed as a failure of this test.
83. The Cash Flow Test is a more subjective test and requires more pragmatic evidence such as significantly overdue creditors, previous applications to wind up the Company, statutory demands issued by creditors and / or the inability to obtain further funding.
84. Section 95A is prima facie a cashflow test. However, for completeness in considering the solvency of the Company, I have considered both tests.

Balance Sheet Test

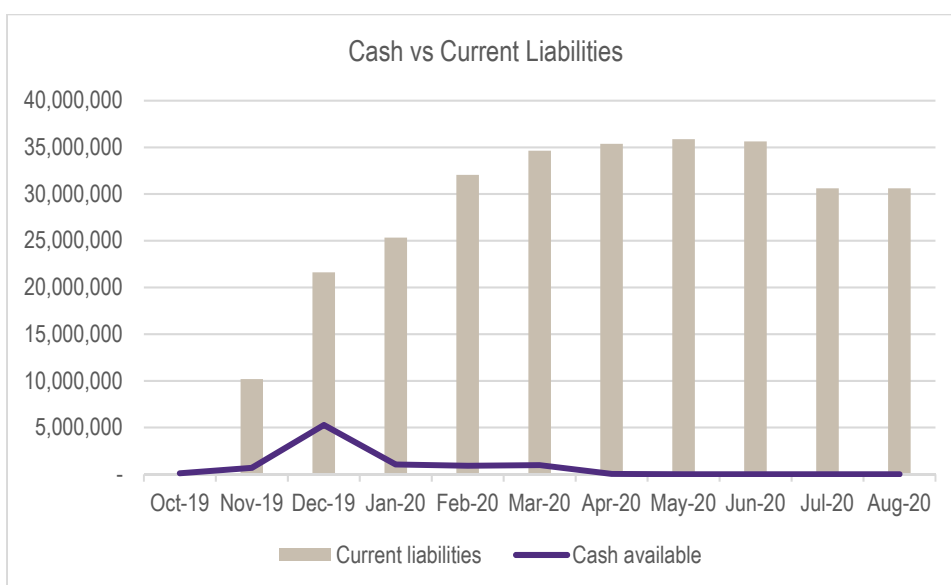
85. The current ratio is used to determine a company's ability to meet short term liabilities with its current assets. A ratio of less than one indicates an inability to meet current obligations as and when they fall due.
86. The following table shows the current ratio and net asset position from 31 October 2019 to 13 August 2020:

	31 Oct 19	30 Nov 19	31 Dec 19	31 Jan 20	29 Feb 20	31 Mar 20	30 Apr 20	31 May 20	30 Jun 20	31 Jul 20	13 Aug 20
Current Ratio	2.00	0.07	0.25	0.06	0.05	0.06	0.05	0.06	0.07	0.07	0.07
Net Asset Position (\$)	(55,528)	(90,979)	237,116	324,736	264,892	666,312	625,438	318,790	739,752	733,287	733,287

87. The above analysis indicates that from 30 November 2019, the Company held between \$0.05 and \$0.25 of current assets for every \$1 of current liabilities. This indicates that the Company lacked sufficient liquid assets to cover its obligations as they fell due. However, I note that this test alone is not a true reflection of the Company's solvency due to the timing of receipts and payments into/from the Company's bank account as a result of:
- All funds received from noteholders being advanced to Eleuthera under the terms of the facility on average within a few days of being received. Unless funds were received and held at month end (i.e. 30/31st) the cash position as at month end for Balance Sheet/ratio analysis purposes does not reflect the average cash/current asset position of the Company within the month; and
 - Eleuthera only transferred funds to the Company's bank account the day before/day payments were due to M Core noteholders. Again, unless these funds were received and held at month end then they would not show that the Company had sufficient funds to meet these payments.
88. I also note that as discussed at paragraph 95, current liabilities would increase by c. \$27.1 million to \$57 million, if M Core noteholders with a 12 month maturity profile were appropriately reclassified from non-current liabilities to current liabilities.
89. I also note that the above ratio does not reflect the deterioration in the Company's ability to make noteholder payments from June 2020 onwards. As the Company accrued the interest receivable (and not paid) from Eleuthera on the Balance Sheet as a current asset, the effect of which was an increase in the current assets at a time the current liabilities were also increasing (as payments to noteholders were not being made).
90. The above table also shows the net asset position, which increases from a net liability position shortly after incorporation to a net asset position at the time of my appointment. As detailed at paragraph 51 of the report, 98% of the Company assets comprise of a debt due from Eleuthera. Per the analysis at paragraphs 51 to 59, I have serious concerns about Eleuthera's ability to repay the debt. The effect of which would be to significantly impact the Company's net asset position (resulting in a c.\$65,324,000 net liability being reported as at 13 August 2020), if the Eleuthera loan was fully provisioned.

Cash Flow Test

91. The sales recorded within the profit and loss (exported from Xero), comprise of interest income received from Eleuthera. The interest income received was the only income of the Company. It did not have the capacity to generate any income in its own capacity as it did not hold any income generating assets in its own name. As such, the Company was heavily dependent on Eleuthera's financial capacity in order to make any redemptions or disbursements to noteholders.
92. The following chart represents the movement in the cash balance between 31 October 2019 and 13 August 2020, based on the closing monthly balance of the Company's bank account. This is compared to the current liabilities at the same date for each respective month. The current liabilities comprise of; accrued distributions owing to noteholders, an intercompany loan payable to M101 Holdings Pty Ltd, an intercompany loan payable to Online Investments Pty Ltd and the invested capital amounts of investors who had elected to invest for 6 months:



93. Based on the above graph, it is apparent that the Company did not hold sufficient cash to meet its current liabilities at any point from November 2019 onwards. This is an indicator of insolvency as the Company is unable to attend to payments as and when they fall due. This is evident by discussions with the Director who stated the Company struggled to pay redemptions or distributions in March 2020 and June 2020 respectively. This is largely due to the Company's dependency on Eleuthera for funds, and Eleuthera's inability to meet repayments (from December 2019 onwards) due to its financial commitments to the broader Mayfair 101 Group.
94. Based on my review of the Xero file, the current liabilities have not been increasing because the outstanding distributions to noteholders for June and July 2020 have not been imported into the Xero file. Therefore, I expect that the current liability position could be higher than is currently recorded in Xero.
95. Further, as detailed previously at paragraph 88, it is my opinion that the classification of current and non-current liabilities is incorrect and that non-current liabilities includes c.\$27 million due to M Core noteholders within 12 months of the Balance Sheet date and as such, this amount should be reclassified as a current liability. The effect of this classification issue is that the above current liabilities would significantly increase to c.\$57.7 million and further impact the Company's ability to meet its current liabilities with available cash resources. The table below shows the appropriate classification of the M Core noteholders between current and non-current as at 30 June 2020.

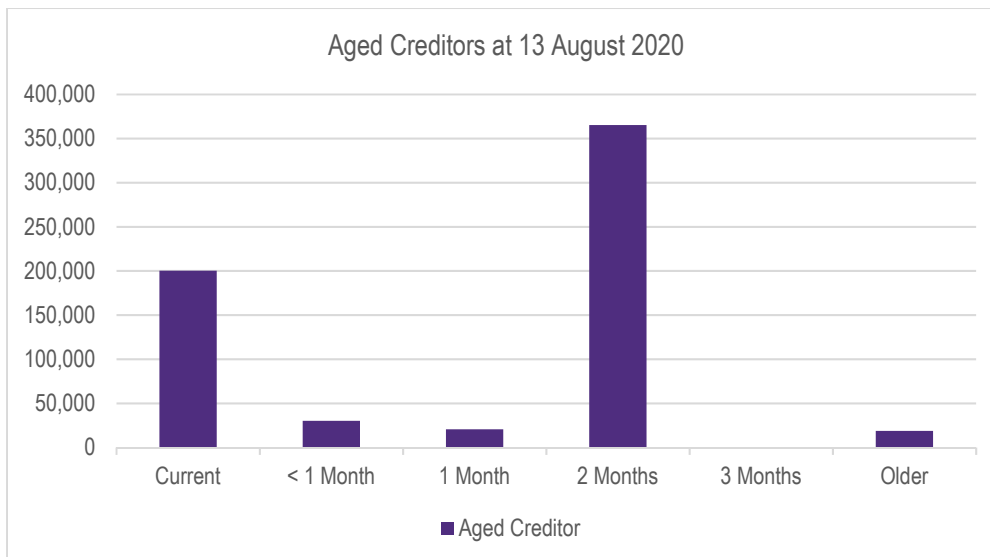
Term of M Core Notes Issued at 30 June 2020	\$
6 Months	30,584,925
12 Months	27,128,223
Current	57,713,148
24 Months	700,000
60 Months	3,350,000
Non-Current	4,050,000
Total	61,763,148

Inability to Borrow Further Funds

96. At the time of my appointment, the Company was unable to pay redemptions or distributions to noteholders due to liquidity issues. These liquidity issues extend to the broader Mayfair 101 Group.
97. The Mayfair 101 Group had placed deposits on a number of properties (presumably partly using the funds raised by the Company from M Core noteholders), however did not have sufficient funds to settle these properties as they fell due. As a result, the Mayfair 101 Group extended its facility with Naplend on several occasions to assist with funding to complete the purchases of various properties. This Naplend facility is in arrears and as such, is currently in default. Naplend has subsequently enforced its security through the appointment of Receivers and Managers.

Aged Creditors

98. Due to the nature and business structure of the Company, there were no typical trade creditors at the time of my appointment. The only creditors were the M Core noteholders who were owed outstanding distributions totalling \$634,946 based on the Xero records. These were aged as follows:



99. The above indicates that the Company had a large portion of its amounts payable outstanding to M Core noteholders for distributions at 2 months past their due date. In addition, there was a large portion currently outstanding which the Company could not pay unless it was able to source sufficient funding in the short term. Alternatively it would need to continue capitalising amounts payable to noteholders for distributions.

Special Arrangements with Creditors

100. Based on my discussions with the Director, the Company ceased paying redemptions due to liquidity issues in March 2020. Pursuant to clause 5.6 of the Secured Promissory Note Deed Poll, the Company sought to extend the "Payment Date" being the date it is required to meet/repay redemption requests due to insufficient liquidity as defined in the Deed Poll. Shortly following this in June 2020, monthly distributions were also frozen (last distribution paid related to May 2020) and any interest owing was capitalised, again due to liquidity issues.

Solvency Conclusion

101. Based upon the information presently available and reviewed by me in conjunction with my comments at paragraphs 30 to 32 regarding the sustainability of the Company's business and funding model, it is my view that the Company is insolvent and has been since inception. My conclusion is based on the following:

- a. The Company did not maintain adequate current assets to be able to meet its current liabilities as and when they fell due;
- b. As detailed throughout my report, I have concerns over the recoverability of the Company's main asset, the loan from Eleuthera. If a bad debt provision was made against this loan to accurately reflect its recoverability, which in my opinion is appropriate at this time, this would result in the Company recording a significant net liability position on the Balance Sheet;
- c. The structural impediment created by virtue of the Company having borrowed funds primarily on 6-12 month terms but advanced the majority of those funds on a 10 year facility to a related party;
- d. The cash flow analysis indicates that at no point from November 2019, did the Company hold sufficient cash to attend to the payment of its current liabilities, including attending to the distributions to noteholders;
- e. The creditors of the Company were beginning to age, with a significant portion outstanding for 2 months. The ageing will continue to deteriorate as distributions to M Core noteholders remain suspended and capitalised;
- f. Special arrangements were entered into with M Core noteholders regarding the suspended redemptions and capitalised interest due to the Company's liquidity issues;
- g. The Company has previously and as I understand, still is, trying to source additional funding to meet outstanding payments of the Mayfair 101 Group (relating to settling properties at Mission Beach). Mayfair 101 Group's inability to raise additional funds has a direct flow-on effect within the Company as it is highly dependent on intercompany funds; and
- h. The Company did not have any income-producing assets in its own right and was highly dependent on a single related entity, Eleuthera, for cash injections. In addition, Eleuthera also maintained a small cash balance and was also reliant on intercompany loans which were used to fund investments in illiquid and/or for the most part, non-income producing assets.

Estimated Return to Creditors

102. The table below details the estimated return to creditors of the Company as at 13 August 2020, being the date of my appointment. I estimate the return to creditors from the assets of the Company will be nil.
103. The analysis below does not take into account any potential return to creditors that may be available to M Core noteholders through the securities that have been granted by other entities in the wider M101 Group and held on their behalf by PAG.

Estimated Return to Creditors

	Notes	Book Value \$	ERV \$
Assets			
Cash at Bank	a	942	942
Accounts Receivable – Eleuthera	b	2,517,678	0
Intercompany Loans:			
- Eleuthera	b	63,539,760	0
- M101 Holdings Pty Ltd	c	500,000	0
- Sunseeker Trust	d	1,000,000	0
Total Available Assets		67,558,380	942
Creditor Claims			
Noteholders		61,788,648	61,788,648
Total Estimated Creditors		61,788,648	61,788,648
Surplus/(Deficiency) to Creditors		5,769,732	(61,787,706)
Estimated Return to Creditors (c/\$)		109	0

104. My comments regarding the estimated return to creditors are as follows:

- a. The cash at bank balance has been verified by ANZ and therefore is not likely to change.
- b. As detailed at paragraphs 49 to 59, I have concerns over the solvency of Eleuthera and its ability to repay the loan to the Company given the various Mayfair 101 Group entities that own real estate being subject to insolvency proceedings by the secured lenders. Further, given the Company does not have any security over the assets of Eleuthera, any potential recovery action may be difficult. For the purpose of my analysis I have assumed that there will be no recovery of the debt outstanding.
- c. I have requested additional documentation from the Director to substantiate these loan accounts and assess the likelihood of recovery. Similar to Eleuthera, to be prudent and based upon my knowledge of the Mayfair 101 Group, I have assumed that there will be no recovery from these entities.
- d. As noted at paragraphs 38 to 48, there may be recoveries available to the M Core noteholders from assets outside of the Company. However, M Core noteholders should not expect any recoveries from the assets of the Company.

Financial Records

Maintenance of Proper Books and Records

105. Pursuant to Section 286 of the Act, a company must keep written financial records that correctly record and explain its transactions, financial position and performance and enable true and fair financial statements to be prepared and audited. Failure to maintain books and records may give rise to a presumption of insolvency pursuant to Section 588E of the Act.
106. While I have been provided with access to the Xero records and other limited documents which were maintained up to the date of my appointment, I have not received supporting documentation to substantiate the key transactions of the Company, including but not limited to:
- a. All emails of the Company, sent/received both internally and externally.
 - b. Up to date valuation for all of the properties held by the Mayfair 101 Group entities (noting some have been provided).
 - c. Most recent financial statements (including the Balance Sheet) which clearly indicate the net asset position, of the following entities:
 - i The Sunseeker Trust;
 - ii Jarrah Lodge Unit Trust; and
 - iii M101 Holdings Pty Ltd
107. While my staff and I requested documentation from the Director on a number of occasions, as detailed in the introduction of this report, to date the full books and records of the Company have not been provided.
108. In the last 5 business days I have received a large volume of records from the Director following my repeated requests during the prior month. At this stage, I am still reviewing the completeness of these records.
109. The Director advised that the accounts of the Company and a number of associated entities did not accurately reflect the true financial position and performance of the Company and associated entities. The Director has advised he has retained the services of KPMG to assist in reconciling the accounts and whilst the work of KPMG has largely been completed, their proposed amendments are yet to be posted to the financial accounts of the Company and the associated entities.
110. As a result of the above, it is not possible for me to make a determination as to whether the Company maintained proper financial records at the date of this report.

Other Information Required

111. In order for me to provide a more accurate financial position of the Company, I would require the additional information contained within **Appendix H**.

Breaches of the Corporation Act

112. As part of my review I have considered potential breaches of the Act by both the Director and the Company.

113. The table below sets out possible contraventions of the Act that are typically considered by an appointee in an external administration when investigating the affairs of a company.

Corporations Act Summary	Report Ref	Breach
s.180	Failure to exercise due care and diligence	Yes
s.181	Absence of Good Faith or proper purpose	Yes
s.182	Improper use of power	Yes
s.183	Improper use of information	No
s.184	Reckless or intentional breach of duty	Yes
s.286/344	Failure to maintain adequate books and records	No *
s.471A	Unauthorised exercise of power after winding up	Yes
s.588G	Trading whilst insolvent	Yes
s. 588FDB	Creditor Defeating Disposition	No
s.590	Offences by officers or employees of certain companies	Yes
s.596AB	Entering into agreements/transactions to avoid employee entitlements	No

* Subject to my comments at paragraph 131.

114. In addition to the above, I have also considered other potential contraventions of the Act by the Director and/or the Company, being:

- a. Section 912A (1)(A) of the Act – financial services covered by a licensee are provided efficiently, honestly and fairly; and
- b. Section 1041H of the Act – misleading or deceptive conduct.

115. I emphasise that my findings at paragraphs 115 to 161 relate solely to Mr James Mawhinney in his capacity as director of the Company only and do not include any acts or dealings of Mr Mawhinney in his capacity as director of other related entities of the Company. However, as part of my review into the affairs of the Company, I have concerns over the Director's acts and dealings in related entities, which have had an impact (either directly or indirectly) on the Company and the noteholders, including but not limited to:

- a. Entering into a loan with Naplend (at an initial interest rate of 24% p.a increasing to over 40% p.a now the loan is in default) in his capacity as director of various Mainland Property Holdings entities, Jarrah Lodge Holdings Pty Ltd and Mayfair Group Pty Ltd on unfavourable terms. The effect of this was to significantly diminish the equity available to noteholders/PAG by providing Naplend with a first-ranking mortgage over all the various real property assets located in Mission Beach and owned by the trusts (refer to paragraphs 44 and 45);
- b. Not taking appropriate steps to ensure that the Mayfair 101 Group entities had sufficient assets available to meet their liabilities as and when they fell due. As an example, the Director advised that the entities entered into the loan agreement with Naplend (discussed above), as the Mayfair 101 Group had insufficient cash resources to meet upcoming settlements of properties. The facility with Naplend was viewed by the Director as a bridging loan to allow further fundraising activities to take place to secure additional investor funds to allow settlement of properties and repay the Naplend loan;
- c. Failing to ensure appropriate first ranking mortgages were issued to PAG over the individual real estate assets purchased by the various trusts to the detriment of the M Core noteholders. As

discussed at paragraph 3, the AIPAP charges provided to the Security Trustee specifically excluded real estate as part of the collateral;

- d. For the purpose of reporting to the Security Trustee and effectively the M Core noteholders, revaluing the Dunk Island asset by c.\$18.2 million based upon a contingent sale agreement regarding the sale of 10 hectares back to the Family Island Group for \$4.5 million. No formal independent valuation was carried out to support this revaluation;
 - e. Transferring funds between entities in the Mayfair 101 Group in circumstances where it does not appear due care or consideration was given as to that entity's ability to repay the loan. As an example, Eleuthera was provided with loans totalling \$63.5 million by the Company in circumstances where I do not believe it has the capacity to repay these loans;
 - f. Providing loans to family members from Mayfair 101 Group's funds. As an example, I note that the Balance Sheet of Eleuthera that formed part of the exhibits to an ASIC affidavit showed that a loan of \$100,000 was provided to Inga Tamminga, the Director's sister. This loan was not contained within the updated Balance Sheet provided to me by the Director following my appointment; and
 - g. Using funds advanced from the Company (and other related entities) to Eleuthera for the Director's personal expenses and incurring high corporate expenses during a time when cash resources were limited. I have been provided with a copy of the bank statements of Eleuthera and note that:
 - i There are a significant amount of transactions which appear to be personal expenses of the Director and/or related parties. Examples include: Ubereats, Myer, Woolworths; and
 - ii During the period 1 January 2020 to 31 March 2020 c. \$85k of travel expenses were incurred which appear to relate to business class fares and five star hotels.
116. In addition, I have reviewed a number of transactions within the bank accounts of the Company, the Director and Eleuthera which require further investigations, including:
- a. Deposits totalling \$715,000 between the period 15 January 2019 to 12 March 2020 in the Director's personal bank account. I believe these have been paid to the Director by entities within the Mayfair 101 Group or IPO Wealth Group. The Director has advised that these amounts were in the form of wages and notwithstanding, the deposits were for large round sums (e.g. \$100,000) and that these amounts have subsequently been reinvested into the Mayfair 101 Group. I have not had an opportunity to verify this comment; and
 - b. Advances to the Director's partner, Bridgette Panetta, which were used to acquire two properties in Mission Beach in the name of an entity outside of the M101 Group in September 2019. The Director has advised that these properties were subsequently mortgaged with the NAB and the funds raised from the NAB were repaid to the M101 Group which partially off-set these advances. I have not had an opportunity to verify this comment.

Section 180 – Failure to exercise due care and diligence

117. Section 180 of the Act states a director or other officer of a corporation must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they were in the same position.
118. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 180 of the Act as a result of:
- a. Failing to advise unsophisticated investors of the risks of the products being offered (*Cassimastis v Australian Securities and Investment Commission*). Whilst M Core noteholders typically met the legal definition of a 'sophisticated investor', their characteristics frequently were more reflective of a retail investor. I have reviewed evidence gathered by ASIC as part of their investigations in which investors advised they were misled into thinking the product offered by the Company was similar to that of bank term deposits and had no risks. In reality, the funds invested into the Company were advanced to a related entity of the Company (unsecured) on terms which put investor funds at significant risk.
 - b. Not ensuring that M Core noteholders were given security over the assets their funds were used to purchase. I note that M Core noteholders were advised in the FAQ of the information booklet for the product that they would be provided with 'first ranking, registered security' and 'the assets are

otherwise unencumbered'. However, the General Security Deed between the trusts and PAG state that the AllPAP provided to PAG on behalf of the M Core noteholders excluded real estate assets (noting this is the only asset type held by the trusts). Furthermore, the assets were clearly not "unencumbered" as mortgages were held by Naplend and the Family Islands Group over the real estate.

- c. Despite paragraph 118.b above, failing to ensure that a number of AllPAPs were registered by PAG on the PPSR within the prescribed period. As discussed at paragraph 1b, PAG failed to correctly register a number of AllPAPs pursuant to Section 588FL of the Act and as such had to apply to the Court for rectification orders.
- d. Failure to ensure that the appropriate security was taken out to protect the Company's interest in the loan provided to Eleuthera. Given the significant sums advanced to Eleuthera it would be appropriate for the loan to be a secured loan and the security registered on the PPSR. I note that no related or third party holds any security over the assets of Eleuthera.
- e. Continuing to advance further funds to Eleuthera in 2020 under the terms of the facility at a time when Eleuthera was not meeting its interest payment obligations.
- f. Paying redemptions of noteholders from other noteholder investments. I note that on 15 January 2020 the Company's bank balance was \$12,943.76. In the period from 15 January 2020 to 21 January 2020 the Company received \$152,174 from noteholders and \$590,000 from Eleuthera. Also during the period, \$700,000 was paid in redemptions and \$50,000 paid to Eleuthera leaving a balance as at 21 January 2020 of \$4,552.92. As such, c. \$160,000 of investor funds was used to meet redemption payments during this time. I expect that this issue would have been further exacerbated, had it not been for the high volume of cash transfers between the Company and Eleuthera. That is:
 - i The Company raised funds from M Core noteholders which it advanced as a loan to Eleuthera via funds transfer;
 - ii Whenever the Company had to make a repayment or distribution to M Core noteholders, it relied on a repayment (funds transfer) back from Eleuthera to fund such payment; and
 - iii Given Eleuthera was not generating any external income, I believe that the funds used to pay M Core noteholders were either sourced from their original funds or those of M+ noteholders mixed into the Eleuthera bank account.

Section 181 - Absence of good faith or proper purpose

- 119. Section 180 of the Act states a director or other officer of a corporation must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.
- 120. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 181 of the Act as a result of:
 - a. Entering into the loan agreement with Eleuthera with no security or ability to enforce in the event of non-payment, to the detriment of the Company as discussed at paragraph 118.d above; and
 - b. Continuing to advance further funds to Eleuthera during 2020 where it would have become apparent to a 'reasonable person' the ability to recover any such further advances would be limited as discussed at paragraph 118.e above.

Section 182 – Improper use of position

- 121. Section 182 of the Act states a director, secretary, other officer or employee of a corporation must not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation.
- 122. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 182 of the Act as a result of:
 - a. Entering into the loan agreement with Eleuthera with no security or ability to enforce in the event of non-payment, to the detriment of the Company as discussed at paragraph 118.d above; and

- b. Continuing to advance further funds to Eleuthera during 2020 where it would have become apparent to a 'reasonable person' the ability to recover any such further advances would be limited as discussed at paragraph 118.e above.

Section 183 – Improper use of Information

- 123. Section 183 of the Act states a person who obtains information because they are, or have been, a director or other officer or employee of a corporation must not improperly use the information to gain an advantage for themselves or someone else or cause detriment to the corporation.
- 124. Based upon the information available to me at the date of this report, I am not aware of the Director being in breach of Section 183 of the Act. My finding relates solely to the Director in his capacity as director of the Company only.

Section 184 – Reckless or intentional breach of duty

- 125. Section 184 of the Act states a director or other officer of a corporation commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of the corporation or for a proper purpose.
- 126. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 184 of the Act as a result of:
 - a. Entering into the loan agreement with Eleuthera with no security or ability to enforce in the event of non-payment, to the detriment of the Company as discussed at paragraph 118.d above; and
 - b. Continuing to advance further funds to Eleuthera during 2020 where it would have become apparent to a 'reasonable person' the ability to recover any such further advances would be limited as discussed at paragraph 118.e above.

Section 286/344 – Failure to maintain adequate books and records

- 127. Section 344 of the Act states a director contravenes this section if they fail to take reasonable steps to comply with, or to secure compliance with, Part 2M.2 (Financial Records) or 2M.3 (Financial Reporting) of the Act.
- 128. Section 286 of the Act stipulates a company must keep written financial records of the company and ASIC may direct a company to produce these records.
- 129. Pursuant to the Court Order, I was given the power to take control of all books, records, computer records and any other papers or records relating thereto of the Company.
- 130. Since the date of my appointment, I have issued correspondence to the Director, the Company's accountant and solicitor and the Security Trustee requesting all books and records of the Company be delivered to me.
- 131. I have received a number of records from the parties, however I have not been provided with all records, namely the following books and records from the Director:
 - a. All emails of the Company, sent/received both internally and externally.
 - b. Up to date valuation for all of the properties held by the Mayfair 101 Group entities (noting some have been provided).
 - c. Most recent financial statements (including the Balance Sheet) which clearly indicate the net asset position, of the following entities:
 - i The Sunseeker Trust;
 - ii Jarrah Lodge Unit Trust; and
 - iii M101 Holdings Pty Ltd
- 132. As I am not in possession of all records of the Company, I am unable to determine whether the Director has failed to maintain adequate financial records.

Section 471A – Unauthorised exercise of an officer after winding up

133. Section 474A of the Act states that whilst a company is being wound up by the Court, a person cannot perform or exercise, and must not purport to perform or exercise, a function or power as an officer of the Company.
134. On 14 August 2020, I had a call with the Director in which I advised of my appointment and that his powers were now suspended as a result of the appointment.
135. On the evening of 14 August 2020, my office became aware of a press release by the Director on behalf of the Company in which the ASIC investigation and my appointment was addressed. I did not authorise this press release. It is unclear if this press release was made prior to or after my initial call.
136. On 17 August 2020 I sent an email to the Director advising that I was aware of the press release and that as discussed on the teleconference on 14 August 2020 his powers as director were suspended and for the avoidance of doubt the only permitted material that could be issued by the Company must come from the Provisional Liquidator's office.
137. Further, on 17 August 2020 I issued formal correspondence to the Director advising of my appointment and noting that his powers were suspended under Section 198G of the Act and that he must not "perform or exercise functions or powers without written approval of the Liquidator or as permitted by the Court."
138. On 31 August 2020, my office received an email from a creditor (M Core noteholder), in which an email chain showed that the Company had been continuing to liaise with creditors throughout the period of my appointment.
139. On 3 September 2020, I became aware that the Company had sent monthly statements to M Core noteholders of the Company on the same day.
140. On 9 September 2020, I again emailed the Director reminding him that all correspondence as it relates to the Company must come from my office.
141. It is my view that the Director has been in breach of Section 474A of the Act as a result of the above actions taken by him and the Company under his direction.

Section 588G – Trading whilst insolvent

142. Section 588G of the Act states that it is the director's duty to prevent insolvent trading. A person commits an offence if:
- a. A company incurs a debt at a particular time; and
 - b. At that time, a person is a director of the company; and
 - c. The company is insolvent at that time, or becomes insolvent by incurring that debt, or by incurring at that time debts including that debt; and
 - d. The person suspected or there was reasonable grounds to suspect at the time when the company incurred the debt that the company was insolvent or would become insolvent as a result of incurring that debt or other debts.
143. Paragraphs 80 to 101 of this report outline my investigations into the solvency of the Company.
144. It is my opinion the Company has been trading insolvent since incorporation on the basis that it did not have a sustainable business model. Noteholders were investing predominantly for periods of 6 or 12 months, however the loan agreement with the related entity, Eleuthera (which the Company was advancing funds to) had a maturity term of 10 years. On this basis, the funds forwarded to Eleuthera were not due back to the Company for 10 years, meaning the Company would not have adequate funds to repay M Core noteholders as their debentures matured or fell due.
145. This conclusion is evidenced by the analysis at paragraphs 92 to which shows that at no time over the period since incorporation did the Company have sufficient current assets to discharge its current liabilities. However, I note that pursuant to various Federal Government relief packages to support businesses during the current Covid 19 health crises, the Corporations Act has been amended to provide directors a moratorium for liability for trading whilst insolvent from 25 March 2020 to 31 December 2020.

Section 588FDB – Creditor-Defeating Disposition

146. Section 588FDB of the Act states that disposition of property of a company is a Creditor-Defeating Disposition if:
- a. the consideration payable to the company for the disposition was less than the lesser of the following at the time the relevant agreement for the disposition was made or, if there was no such agreement, at the time of the disposition:
 - i the market value of the property; or
 - ii the best price that was reasonably obtainable for the property, having regard to the circumstances existing at that time; and
 - b. the disposition has the effect of:
 - i preventing the property from becoming available for the benefit of the company's creditors in the winding-up of the company; or
 - ii hindering, or significantly delaying, the process of making the property available for the benefit of the company's creditors in the winding-up of the company.
147. I am not aware as part of my investigations, including undertaking the appropriate searches, of the Company having owned any property. The Company's primary asset is and has always been the loan to Eleuthera. For this reason, I am not aware of there being a breach of Section 588FDB of the Act. My finding relates solely to the Director in his capacity as director of the Company only.
148. I am aware of several transactions for the purchase of properties in Mission Beach by related entities to the Director (referred to in paragraph 116.b. These entities appear outside of the M101 Group and do not appear to be covered by the Naplend mortgages or PAG security. My investigations are currently continuing in relation to these transactions.

Section 590 – Offences by officers or employees of certain companies

149. Section 590 of the Act outlines offences by officers of certain companies including non-disclosure of information and non-deliverance of company property and records.
150. During the course of my appointment, the Director has been slow in delivering the records of the Company to me as and when requested.
151. On 17 August 2020, I wrote to the Director requesting the completion of the ASIC ROCAP. Despite the ROCAP being due within 10 business days of being requested, pursuant to Section 475 of the Act, a copy was only received from the Director on 20 September 2020, after several reminders (31 August 2020, 4 September 2020 and 10 September 2020).
152. Furthermore, as part of the initial notification to the Director on 17 August 2020, I attached a formal notice pursuant to 530B (4) of the Act requesting that all books and records within his possession be delivered to my office within 5 business days. Despite numerous follow-up emails and calls (18 August 2020, 20 August 2020, 21 August 2020, 31 August 2020, 4 September 2020, 9 September 2020 and 10 September 2020), to date I am still to receive a number of key books and records, as detailed at paragraph 106.
153. Based on the above, there is sufficient evidence available to show the Director failed to deliver the Company's property and records.

Section 596AB – Entering into agreements or transactions to avoid employee entitlements

154. Section 596AB of the Act states a person must not enter into a relevant agreement or a transaction with the intention of, or with intentions that include the intention of preventing the recovery of the entitlements of employees of a company or significantly reducing the amount of the entitlements of employees of a company that can be recovered.
155. It is my understanding that the Company did not have any employees. There are no employee entitlements accruing on the Company's Balance Sheet or employee expenses in the Profit and Loss.
156. On this basis there is no evidence to suggest the Director, other officer or employee of the Company entered into agreements or transactions to avoid employee entitlements.

Section 1041H of the Act –misleading or deceptive conduct.

157. Section 1041H of the Act states that a person must not engage in conduct, in relation to a financial product or a financial service, that is misleading or deceptive or is likely to mislead or deceive.
158. As part of my investigations I have reviewed the product brochure provided to noteholders by the Company and Statement of Noteholder Secured Monies provided to PAG. In taking into account the activities of the Company and the use of noteholders funds (the loan to Eleuthera) as detailed in this report, it is my view that the Director was in breach of Section 1041H of the Act for the following reasons:
- a. The product brochure states in the FAQ section that a key feature of the product is that it is supported by 'first ranking, registered security' and 'the assets are otherwise unencumbered' on a dollar for dollar basis. My investigations show that neither the Company, nor Security Trustee held 'first-ranking security' over any assets of substantive value. First ranking mortgages were issued to Family Islands Group and Naplend over various properties rendering the statement that 'the assets are otherwise unencumbered' false;
 - b. I have reviewed witness statements and affidavits prepared as part of the ASIC investigations and note that some of these investors disclosed to the Company that they were in the market for a term deposit and had come across the product while searching for a term deposit. It was disclosed that they only sought to invest for a short period and did not have an appetite for risk. They were assured by the Company that it was a term deposit product with no risk. During these discussions, the investor was not made aware that there was a chance they may lose their money, nor that the Company had the right to suspend redemptions or capitalise interest; and
 - c. The Company placed google adverts advertising the M Core notes which resulted in the Mayfair 101 Group's webpage being the first web link when potential investors searched for 'term deposits'. I believe that these advertisements were aimed at investors such as the above, who were unable to distinguish between the product they were sold and an ordinary term deposit which they had searched for.

Section 912A (1)(A) of the Act – financial services covered by a licensee

159. Section 912A (1)(A) of the Act states a financial services licensee must do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly.
160. The Company operates as an authorised representative of Quattro Capital Group Pty Ltd (#00176207) and holds an Australian Financial Services License (#334653) issued on 24 October 2019.
161. For the reasons outlined at paragraphs 114 to 157 above, it is my finding that the Company did not act honestly and fairly.

Conclusion

162. This report contains my preliminary findings. Given I have not had access to the entirety of the records of the Company or those of related entities, it is likely with further time and greater access to information, additional matters may come to my attention that would be relevant for the Court's consideration.
163. Taking into account the above and as detailed in this report, I conclude at this point in time:
- a. The realisable value of the Company's assets is negligible and insufficient to pay M Core noteholders back their investment. This is largely due to the financial viability of Eleuthera and its potential inability to repay the outstanding loan of c.\$63.5 million to the Company;
 - b. The security provided to PAG on behalf of the M Core noteholders holds little value as it specifically excludes real estate assets which is the only tangible asset held by the Mayfair 101 Group entities/trust. In any event, I note that the entities that provided security to the Company are subject to current insolvency proceedings in which their assets are being sold for the benefit of their first ranking mortgagees (Naplend and Family Island Trust);
 - c. The Company has been trading insolvent since inception by virtue of its unsustainable business model (taking funds from investors on a short-term basis and on-lending to a related party entity on a 10 year term) and it is my opinion that it is unlikely to ever return to a position of solvency;
 - d. In a winding up scenario, it is my opinion that M Core noteholders would not receive a dividend from the Company; and
 - e. The director and the Company have continuously been in breach of numbers sections of the Act since the Company was incorporated.

Yours faithfully

Said Jahani

Joint and Several Provisional Liquidator

Appendix A – Court Order



Federal Court of Australia
District Registry: Victoria
Division: General

No: VID524/2020

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

Plaintiff

M101 NOMINEES PTY LTD and others named in the schedule

Defendants

ORDER

JUDGE: JUSTICE ANDERSON

DATE OF ORDER: 13 August 2020

WHERE MADE: Melbourne

THE COURT ORDERS THAT:

1. Pursuant to section 472(2) of the *Corporations Act 2001 (Act)*, Said Jahani and Philip Campbell-Wilson of Grant Thornton (**the Provisional Liquidators**) be appointed as joint and several provisional liquidators of the First Defendant.
2. The Provisional Liquidators shall, within 42 days of this Order, provide to the Court and to the parties, a report as to the provisional liquidation of the First Defendant (**Report**), including:
 - a. the identification of the assets and liabilities of the First Defendant;
 - b. an opinion as to the solvency of the First Defendant;
 - c. an opinion as to the value of the assets of the First Defendant;
 - d. an opinion as to the likely return to creditors, if the First Defendant is wound up;
 - e. an opinion as to whether the First Defendant has proper financial records;



- f. any other information necessary to enable the financial position of the First Defendant to be assessed;
 - g. any suspected contraventions of the Act by the First Defendant; and
 - h. any suspected contraventions of the Act by the director of the First Defendant.
3. The Plaintiff is to provide to the Provisional Liquidators copies of:
- a. all books and records in the Plaintiff's possession that the Plaintiff considers relevant to the Provisional Liquidators' Report; and
 - b. the affidavit of Dayle Buckley affirmed 5 August 2020 and filed in this proceeding.
4. The First Defendant and Second Defendant are to cooperate and provide all reasonable assistance required of them by the Provisional Liquidators, including making available to the Provisional Liquidators all books and records of the First Defendant.
5. Pursuant to sections 1101B(5) and 1324(4) of the Act and/or section 23 of the *Federal Court of Australia Act 1976* (Cth) (**FCA Act**), until further order, the Second Defendant, by himself, his servants, agents, employees and any company of which he is an officer or member, is restrained from:
- a. receiving or soliciting funds in connection with any financial product (as defined in Division 3 of Chapter 7 and section 9 of the Act (**Financial Product**)), including but not limited to products known as the M Core Fixed Income Notes, M+ Fixed Income Notes and Australian Property Bonds;
 - b. advertising, promoting or marketing any Financial Product, including but not limited to products known as the M Core Fixed Income Notes, M+ Fixed Income Notes and Australian Property Bonds; and
 - c. removing or transferring from Australia any assets acquired directly or indirectly with funds received in connection with any Financial Product, including but not



limited to products known as the M Core Fixed Income Notes, M+ Fixed Income Notes and Australian Property Bonds.

6. Pursuant to sections 1323(1) and 1323(3) of the Act and/or section 23 of the FCA Act, until further order, the Third Defendant, by itself and its servants, agents and employees, is restrained from:
 - a. selling, charging, mortgaging or otherwise dealing with, disposing of and/or diminishing the value of the units in the following trusts (**Units**):
 - i. Mayfair Island Trust
 - ii. Mission Beach Property Trust
 - iii. Mission Beach Property Trust No 2
 - iv. Mission Beach Property Trust No 3
 - v. Mission Beach Property Trust No 4
 - vi. Mission Beach Property Trust No 5
 - vii. Mission Beach Property Trust No 6
 - viii. Mission Beach Property Trust No 7
 - ix. Mission Beach Property Trust No 8
 - x. Mission Beach Property Trust No 9
 - xi. Mission Beach Property Trust No 10
 - xii. Mission Beach Property Trust No 11
 - xiii. Mission Beach Property Trust No 12
 - xiv. Jarrah Lodge Unit Trust No 1; and



- b. causing or permitting the Units to be sold, charged, mortgaged or otherwise dealt with, disposed of, or diminished in value.
7. Pursuant to sections 1323(1)(k) and 1323(3) of the Act, until further order, the Second Defendant is restrained from leaving or attempting to leave Australia.
8. Service of the Originating Process and supporting affidavit is dispensed with.
9. Service of:
 - a. this Order; and
 - b. the Originating Process; and
 - c. the affidavit of Ms Dayle Buckley affirmed 5 August 2020, and the exhibits/annexures to it; and
 - d. the Plaintiff's submissions dated 11 August 2020,be effected on the Defendants as soon as possible.
10. The Plaintiff has leave to give to:
 - a. the relevant authorities that record, control and regulate the ownership of real property;
 - b. the relevant authorities that record, control and regulate the ownership of motor vehicles;
 - c. the relevant authorities that record, control and regulate the ownership of maritime vessels and craft;
 - d. any bank, building society or other financial institution through which, to the best of the Plaintiff's belief, any of the Defendants operates any account;
 - e. any other person or entity, holding or controlling property, which, to the best of the Plaintiff's belief, belongs to any of the Defendants; and
 - f. the relevant authorities that issue and control of passports,



notice of these orders, by delivering a copy of this Order to a person apparently in the employ of that entity or person.

11. The matter be listed for case management before Anderson J at 10 a.m. on 20 August 2020.
12. Liberty to apply.
13. Costs reserved.

Date that entry is stamped: 13 August 2020

Sia Lagos
Registrar



Schedule

No: VID524/2020

Federal Court of Australia
District Registry: Victoria
Division: General

Second Defendant JAMES PETER MAWHINNEY
Third Defendant SUNSEEKER HOLDINGS PTY LTD

Appendix B – Schedule of documentation received

James Mawhinney / Mayfair 101 Group

Application details and supporting documentation of M Core Investors

Register of M Core Investors and Workpapers

Access to M101 Nominees Pty Ltd's Xero file

Draft Proposal for the Restructure of the Mayfair 101 Group & assumptions

Schedule detailing Property at Mission Beach as at 16 September 2020

Advice received regarding M Core Notes

Loan Agreement between Eleuthera Group Pty Ltd and M101 Nominees Pty Ltd

Brief to Counsel regarding Promissory Notes

Barrister Advice regarding Promissory Notes

Bank Statements of Eleuthera Group Pty Ltd

Incorporation documents for various entities within the Mayfair 101 Group, including Constitutions and various Deeds

Second Amending Deed with Naplend Pty Limited ATF the Naplend No. 13 Trust

Valuation for various properties held at or around Mission Beach, Queensland

Personal Details of James Mawhinney, including Asset & Liabilities Statement dated 21 February 2020

Identity Declaration and Authorisation to perform Credit Check for a number of entities within the Mayfair 101 Group

Insurance policies for various properties held at or around Mission Beach, Queensland

Various deeds relating to the security provided to the Security Trustee

Investor Presentation Material

Rates Searches for various properties at Mission Beach

Valuation for Dunk Island

Contract for Purchase of Dunk Island

Various Property Listings

Financial Model for Mission Beach & Budget for Mayfair 101 Group

Investor Distribution Statements

Statement of Noteholder Secured Monies at 12 June 2020

Source and Application of Funds regarding Eleuthera Group Pty Ltd

Background Memo regarding the Security Trustee, including Attachments

Deed of Variation regarding Dunk Island

KPMG Workpaper with adjustments

Draft Balance Sheet of Eleuthera Group Pty Ltd at 30 June 2020

Financial Accounts for select entities within the Mayfair 101 Group

Term Sheet Dated 22 September 2020 to refinance existing loan

ASIC

Order made by Justice Anderson dated 13 August 2020

Affidavit of Dayle Buckley (5 August 2020) and Annexures

Affidavit of James Mawhinney (5 August 2020) and Annexures

Order made by Justice Robson dated 12 August 2020

Originating Process in the Matter of M101 Nominees and Others

ASIC Outline Submissions dated 11 August 2020

Affidavit of Lisa Saunders (20 August 2020) and Annexures

Affidavit of Jason Tracy (14 August 2020) and Annexures (SEALED)

Affidavit of Richard McMahon (12 August 2020) (SEALED)

Affidavit of John Booth (22 July 2020) and Annexures (SEALED)

Affidavit of Kerrie Campbell (21 August 2020) and Annexures (SEALED)

Letter and Affidavit from Theo Wiggill (30 July 2020) (SEALED)

Email and Affidavit from John Donald (5 August 2020) (SEALED)

Outline of Anticipated Evidence - Jamie Asher (SEALED)

Outline of Anticipated Evidence - Robert Charadia (SEALED)

Outline of Anticipated Evidence - Scott Nye (SEALED)

Affidavit of Dayle Buckley (16 September 2020) and Annexures

Various Outlines of Submission

Hall & Wilcox

Security and Mortgage Documents relating to the Mayfair 101 Group

Statement of Noteholder Secured Monies, dated 12 June 2020

Letters and email correspondence between PAG and Mayfair 101 Group / James Mawhinney

Various schedules and memorandums

Appendix C – PAG Security Overview

No	Grantor	Security	Secured Property
1	Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee of the Mission Beach Property Trust) (ABN 83 263 178 124)	Registered mortgage dated 19 December 2019 granted by Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee of the Mission Beach Property Trust (ABN 83 263 178 124) in respect of the land described as Lot 999 on Registered Plan SP184862 of title reference number 50766446 and known as Lot 999 Seaview Street, Mission Beach QLD 5660 registered in the Queensland Land Registry on 3 January 2020 with registration dealing number 719828738	The land described as Lot 999 on Registered Plan SP184862 of title reference number 50766446 and known as Lot 999 Seaview Street, Mission Beach QLD 5660
2	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 14 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration numbers 201911260067857 and 201912110038739)	All units which the Grantor holds from time to time in the Mayfair Island Trust (ABN 27 523 450 372)
3	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 201912090000061)	All units which the Grantor holds from time to time in the Mission Beach Property Trust (ABN 83 263 178 124)
4	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding units in a Trust dated 29 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 201912090000088)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 2 (ABN 12 439 863 154)
5	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 201912090000100)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 3 (ABN 34 568 905 212)
6	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230025973)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 4 (ABN 74 249 430 364)
7	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026053)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 5 (ABN 77 383 091 917)
8	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 4 May 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026105)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 6 (ABN 61 551 935 497)
9	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026200)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 7 (ABN 90 978 996 027)
10	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 21 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026271)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 8 (ABN 21 382 330 973)

11	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026318)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 9 (ABN 85 833 117 088)
12	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026356)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 10 (ABN 89 903 118 700)
13	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026409)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 11 (ABN 79 473 707 884)
14	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026534)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 12 (ABN 42 900 768 414)
15	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026665)	All units which the Grantor holds from time to time in the Jarrah Lodge Unit Trust No.1 (ABN 37 497 655 427)
16	Mayfair Asset Holdings Pty Ltd (ACN 635 571 596) (as trustee for The Mayfair Island Trust) (ABN 27 523 450 372)	General Security Deed Poll dated 14 November 2019 executed by Mayfair Asset Holdings Pty Ltd (ACN 635 571 596) (as trustee for The Mayfair Island Trust) (ABN 27 523 450 372) (registered on the Personal Property Security Register with registration number 201911150037539)	All of the property the subject of the Security
17	Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee for the Mission Beach Property Trust (ABN 83 263 178 124))	General Security Deed Poll dated 29 November 2019 executed by Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee of the Mission Beach Property Trust (ABN 83 263 178 124) (registered on the Personal Property Security Register with registration number 201912090000128)	All of the property the subject of the Security
18	Mainland Property Holdings No 2 Pty Ltd (ACN 635 950 113) (as trustee for the Mission Beach Property Trust No 2 (ABN 12 439 863 154))	General Security Deed Poll dated 29 November 2019 executed by Mainland Property Holdings No 2 Pty Ltd (ACN 635 950 113) (as trustee for the Mission Beach Property Trust No 2) (ABN 12 439 863 154) (registered on the Personal Property Security Register with registration number 201912090000159)	All of the property the subject of the Security
19	Mainland Property Holdings No 3 Pty Ltd (ACN 635 951 512) (as trustee for the Mission Beach Property Trust No 3) (ABN 34 568 905 212)	General Security Deed Poll dated 29 November 2019 executed by Mainland Property Holdings No 3 Pty Ltd (ACN 635 951 512) (as trustee of the Mission Beach Property Trust No 3) (ABN 34 568 905 212) (registered on the Personal Property Security Register with registration number 201912090000171)	All of the property the subject of the Security
20	Mainland Property Holdings No 4 Pty Ltd (ACN 635 951 807) (as trustee for the Mission Beach Property Trust No 4 (ABN 74 249 430 364))	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 4 Pty Ltd (ACN 635 951 807) (as trustee of the Mission Beach Property Trust No 4) (ABN 74 249 430 364) (registered on the Personal Property Security Register with registration number 202005150002201)	All of the property the subject of the Security
21	Mainland Property Holdings No 5 Pty Ltd (ACN 635 955 814) (as trustee for the Mission Beach Property Trust No 5) (ABN 77 383 091 917)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 5 Pty Ltd (ACN 635 955 814) (as trustee of the Mission Beach Property Trust No 5) (ABN 77 383 091 917) (registered on the Personal Property Security Register with registration number 202005150002229)	All of the property the subject of the Security

22	Mainland Property Holdings No 6 Pty Ltd (ACN 636 593 390) (as trustee for the Mission Beach Property Trust No 6) (ABN 61 551 935 497)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 6 Pty Ltd (ACN 636 593 390) (as trustee of the Mission Beach Property Trust No 6) (ABN 61 551 935 497) (registered on the Personal Property Security Register with registration number 202005150002374)	All of the property the subject of the Security
23	Mainland Property Holdings No 7 Pty Ltd (ACN 636 593 738) (as trustee for the Mission Beach Property Trust No 7) (ABN 90 978 996 027)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 7 Pty Ltd (ACN 636 593 738) (as trustee of the Mission Beach Property Trust No 7) (ABN 90 978 996 027) (registered on the Personal Property Security Register with registration number 202005150002507)	All of the property the subject of the Security
24	Mainland Property Holdings No 8 Pty Ltd (ACN 636 594 208) (as trustee for the Mission Beach Property Trust No 8) (ABN 21 382 330 973)	General Security Deed Poll dated 21 April 2020 executed by Mainland Property Holdings No 8 Pty Ltd (ACN 636 594 208) (as trustee of the Mission Beach Property Trust No 8) (ABN 21 382 330 973) (registered on the Personal Property Security Register with registration number 202005150002524)	All of the property the subject of the Security
25	Mainland Property Holdings No 9 Pty Ltd (ACN 636 595 134) (as trustee for the Mission Beach Property Trust No 9) (ABN 85 833 117 088)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 9 Pty Ltd (ACN 636 595 134) (as trustee of the Mission Beach Property Trust No 9 (ABN 85 833 117 088)) (registered on the Personal Property Security Register with registration number 202005150002553)	All of the property the subject of the Security
26	Mainland Property Holdings No 10 Pty Ltd (ACN 636 598 028) (as trustee for the Mission Beach Property Trust No 10) (ABN 89 903 118 700)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 10 Pty Ltd (ACN 636 598 028) (as trustee of the Mission Beach Property Trust No 10) (ABN 89 903 118 700) (registered on the Personal Property Security Register with registration number 202005150002303)	All of the property the subject of the Security
27	Mainland Property Holdings No 11 Pty Ltd (ACN 636 598 466) (as trustee for the Mission Beach Property Trust No 11) (ABN 79 473 707 884)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 11 Pty Ltd (ACN 636 598 466) (as trustee of the Mission Beach Property Trust No 11) (ABN 79 473 707 884) (registered on the Personal Property Security Register with registration number 202005150002569)	All of the property the subject of the Security
28	Mainland Property Holdings No 12 Pty Ltd (ACN 636 599 123) (as trustee for the Mission Beach Property Trust No 12) (ABN 42 900 768 414)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 12 Pty Ltd (ACN 636 599 123) (as trustee of the Mission Beach Property Trust No 12) (ABN 42 900 768 414) (registered on the Personal Property Security Register with registration number 202005150002582)	All of the property the subject of the Security
29	Jarrah Lodge Holdings Pty Ltd (ACN 632 018 458) (as trustee for the Jarrah Lodge Unit Trust No. 1) (ABN 37 497 655 427)	General Security Deed Poll dated 29 April 2020 executed by Jarrah Lodge Holdings Pty Ltd (ACN 632 018 458) (as trustee of the Jarrah Lodge Unit Trust No. 1) (ABN 37 497 655 427) (registered on the Personal Property Security Register with registration number 202005150002609)	All of the property the subject of the Security

Appendix D – Detailed Statement of Noteholder Funds

Description	Notes	Purchase Price / Deposits \$	Director's Value at 12 June 2020 \$
Unit Trusts – Settled Australian Real Property			
- Mission Beach Property Trust	a	48,351,511	17,968,397
- Mission Beach Property Trust No. 2			18,470,614
- Mission Beach Property Trust No. 3			3,686,000
- Mission Beach Property Trust No. 8			2,960,000
- Jarrah Lodge Unit Trust No 1			7,280,000
- Mayfair Island Trust	b	31,500,000	31,500,000
- Director's revaluation - Dunk Island			18,225,000
- Fair value adjustment (Corelogic) 4% - Mission Beach	c		1,723,400
Unit Trusts – Subtotal		79,851,511	101,813,411
Unit Trusts – Deposits Paid, Australian Real Estate			
- Mission Beach Property Trust	d	6,136,949	499,575
- Mission Beach Property Trust No. 2			1,881,263
- Mission Beach Property Trust No. 3			1,475,002
- Mission Beach Property Trust No. 4			250,000
- Mission Beach Property Trust No. 5			817,500
- Mission Beach Property Trust No. 6			133,500
- Mission Beach Property Trust No. 7			172,500
- Mission Beach Property Trust No. 9			1,236,125
- Mission Beach Property Trust No. 10			150,000
- Mission Beach Property Trust No. 11			370,000
- Mission Beach Property Trust No. 12			435,372
Unit Trusts – Subtotal			
Total Unit Trust Assets Held		85,988,460	109,234,248
Cash at Bank	e	942	6,956
Contractual Right (Eleuthera loan)	f	N/A	2,097,328
Less:			
- First Mortgage Facility #1 (Naplend Pty Ltd)	g	(15,000,000)	(14,270,597)
- First Mortgage Facility #2 (Family Islands Group Pty Ltd)		(20,200,000)	(15,650,000)
Potential Forefit of Deposits		(6,136,949)	
Total Value of Security Granted (1)		44,652,453	81,417,935
Amounts owing to M Core Noteholders (2)		(61,788,648)	(61,263,670)
Value of Security Surplus / (Shortfall)		(17,136,195)	20,154,265
Security as percentage of M Core Notes (1 ÷ 2)	h	72%	133%

Appendix E – Eleuthera Balance Sheet

Balance Sheet

DRAFT

Eleuthera Group Pty Ltd As at 30 June 2020

30 Jun 2020

Assets

Bank	
Eleuthera Group Cheque Account	13,970
Eleuthera Group Savings Acc	433
Total Bank	14,403
Current Assets	
Accounts Receivable (Interest Income)	477,971
Cash on Hand	1,260
Intercompany - Sunseeker Trust (James)	669,742
Prepayment - KHQ Lawyers	(152,634)
Security Deposit - Office - 35 Collins St	317,799
Total Current Assets	1,314,139
Fixed Assets	
Computer Equipment	4,745
Less Accumulated Depreciation on Computer Equipment	(2,841)
Total Fixed Assets	1,904
Non-current Assets	
101 Investments Ltd	30,964,685
Intercompany - Australian Income Solutions P/L (IPOW)	(15,623)
Intercompany - Sunseeker Trust (IPO)	335,953
Intercompany-101 Investments Ltd (BVI)- Expenses	63,689
Intercompany-101 Investments-Expenses	4,008
IPO Capital (IPO Wealth Holdings)	(400,000)
Intercompany - 101 Investments Ltd	
Intercompany Loan - 101 Investments - Accloud Revenue Share	800,000
Intercompany Loan - 101 Investments - Paymate USD2M	(5)
Total Intercompany - 101 Investments Ltd	799,995
Intercompany - AU Income Solutions (Mayfair Wealth Partner)	
Intercompany - Australian Income Solutions P/L (T/A Australian Property Bonds) - from 1 Jun 2020	74,852
Intercompany - Mayfair Wealth Partners - formerly as Greenhorse (Aust) Pty Ltd aka TPLC before 12 June 2019	(17,421)
Intercompany - Mayfair Wealth Partners P/L (T/A Mayfair Plantium) - to 31 May 2020	8,392,402
Total Intercompany - AU Income Solutions (Mayfair Wealth Partner)	8,449,833
Intercompany - Dunk Island	
Intercompany - Island Ops Pty Ltd (Dunk Island expenses)	1,795,908
Intercompany - Mayfair Asset Holdings Pty Ltd (Dunk Island Repayment)	14,789,654
Intercompany - Mayfair Asset Holdings Pty Ltd (Expenses)	1,195,191
Total Intercompany - Dunk Island	17,780,753
Intercompany - IPO Capital Pty Ltd	
Intercompany - IPO Capital (Expenses)	868,666
Intercompany - IPO Capital (Fund Transfer)	1,027,000

Balance Sheet

	30 Jun 2020
Intercompany - IPO Capital (Property)	(1,000,000)
Intercompany - IPO Capital (Redemption)	142,477
Total Intercompany - IPO Capital Pty Ltd	1,038,143
Intercompany - IPO Wealth Holdings Pty Ltd	
Intercompany - IPO Wealth Holdings Pty Ltd (Others)	
Intercompany - IPO Wealth Holdings (Fund Transfer)	(11,520,976)
Total Intercompany - IPO Wealth Holdings Pty Ltd (Others)	(11,520,976)
Intercompany - IPO Wealth Holdings Pty Ltd (SPVs)	
Intercompany - IPO Wealth Holdings (Allocated Exp)	(6)
Intercompany Loan - IPO Wealth Holdings No 10 (OKTO Holdings Ltd)	(5)
Intercompany Loan - IPO Wealth Holdings No 11 (Liven)	(5)
Intercompany Loan - IPO Wealth Holdings No 12 (Public Democracy)	(5)
Intercompany Loan - IPO Wealth Holdings No 15 (Adbit)	(5)
Intercompany Loan - IPO Wealth Holdings No 16	(5)
Intercompany Loan - IPO Wealth Holdings No 3 (Accloud)	(2)
Intercompany Loan - IPO Wealth Holdings No 4 (Laundramapp)	(2)
Intercompany Loan - IPO Wealth Holdings No 5 (Booqed)	(6)
Intercompany Loan - IPO Wealth Holdings No 6 (Northvale)	(2)
Intercompany Loan - IPO Wealth Holdings No 7 (Bright Innovation)	(2)
Intercompany Loan - IPO Wealth Holdings No 9 (ABCredit)	(2)
Total Intercompany - IPO Wealth Holdings Pty Ltd (SPVs)	(46)
Total Intercompany - IPO Wealth Holdings Pty Ltd	(11,521,022)
Intercompany - Jarrah Lodge	
Intercompany - Jarrah Lodge (Mission Beach Ops)	55,515
Intercompany - Jarrah Lodge Holdings Pty Ltd (Expenses)	51,541
Intercompany - Jarrah Lodge Holdings Pty Ltd (Property)	3,033,459
Total Intercompany - Jarrah Lodge	3,140,515
Intercompany - Mayfair Tourism	
Intercompany - Dunk Operations Pty Ltd (Mayfair Tourism - Expenses)	28,250
Intercompany - Dunk Operations Pty Ltd (Mayfair Tourism - Loan Facility)	154,130
Total Intercompany - Mayfair Tourism	182,380
Intercompany - OKTO Holdings Ltd (UK)	
Intercompany - OKTO Holdings Ltd (UK)	63,579
Total Intercompany - OKTO Holdings Ltd (UK)	63,579
Intercompany - OKTO Wealth (UK)	
Intercompany - OKTO Technologies Ltd (UK)	1,135
Intercompany - OKTO Wealth Ltd (UK)	1,011
Portfolio - OKTO Wealth Pty Ltd	
Intercompany Loan - IPO Wealth Holdings Pty Ltd (OKTO Wealth P/L)	(359,516)
Loan Facility - OKTO Wealth Pty Ltd	1,860,000
Portfolio Investment - OKTO Wealth P/L	306,000
Portfolio Investment - OKTO Wealth P/L (Capitalised Exp)	36,916
Portfolio Investment - OKTO Wealth Pty Ltd (Expenses)	1,748,553
Total Portfolio - OKTO Wealth Pty Ltd	3,591,953
Total Intercompany - OKTO Wealth (UK)	3,594,099

Balance Sheet

30 Jun 2020

Intercompany - Online Investments (Mayfair 101)	
Intercompany - Online Investment (Funds Transfer)	11,320,367
Intercompany - Online Investment (Property - RP)	(19,877)
Intercompany - Online Investment (Property)	(6,934,512)
Intercompany - Online Investments (Expenses)	(294,750)
Intercompany - Online Investments.	(1,796,486)
Total Intercompany - Online Investments (Mayfair 101)	2,274,742
Intercompany - Sunseeker Trust	
Intercompany - Sunseeker Trust (Expenses)	3,120,090
Intercompany - Sunseeker Trust (Fund Transfer)	2,555,691
Intercompany - Sunseeker Trust (Property Payments)	(5,948,191)
Total Intercompany - Sunseeker Trust	(272,410)
Intercompany - UGH & GGT	
Intercompany - GGT	5,554
Intercompany - Sunseeker Trust (GGT) #2 - Prior July 2019	(6,361)
Intercompany - Sunseeker Trust (UGH Holdings Pty Ltd)	11,488
Total Intercompany - UGH & GGT	10,682
Intercompany (AU)	
Intercompany - CHKDN	2,951
Intercompany - IPO Wealth Pty Ltd	(5,065,630)
Intercompany - M101 Assets Pty Ltd (data-agg)	382,455
Intercompany - M12 Nominees Pty Ltd	671
Intercompany - Mayfair Asset Solutions Pty Ltd (AZZET)	757,877
Intercompany - Mayfair Iconic Properties Pty Ltd	2,648
Intercompany Loan - M101 Property Pty Ltd	572
Total Intercompany (AU)	(3,918,455)
Intercompany (UK)	
Intercompany - Eleuthera Group Ltd (UK)	118,994
Intercompany - Mayfair 101 Group Ltd (UK)	32,994
Intercompany - Mayfair 101 Ltd (UK)	176,797
Intercompany - Mayfair Asset Solutions Ltd (UK)	23
Intercompany - Mayfair Group Pty Ltd	5,425
Intercompany - Mayfair Iconic Properties Ltd (UK)	846
Intercompany - Mayfair Platinum Ltd (UK)	(43,173)
Intercompany - Mayfair Yacht Ltd (UK)	405,301
Total Intercompany (UK)	697,207
Portfolio - M12 (in IPO Wealth Holdings Pty Ltd)	
Intercompany - M12 Global Total Credit Return DAC (M12)	10,031
Loan Facility - M12 Global Ltd	344,031
Loan Facility - M12 Global Ltd (EG paid expenses)	(6)
Total Portfolio - M12 (in IPO Wealth Holdings Pty Ltd)	354,056
Portfolio - MBO	
Intercompany - Mission Beach 1 Pty Ltd - Dunk View Caravan Park	70,580
Intercompany Loan - Mission Beach Operations Pty Ltd (NAPLA - Interest)	878,159
Intercompany Loan - Mission Beach Operations Pty Ltd (NAPLA - Property)	1,975,700

Balance Sheet

30 Jun 2020

Loan Facility - Mission Beach Operations P/L	2,398,478
Total Portfolio - MBO	5,322,918
Portfolio - Mission Beach Property	
Intercompany - Mainland Property Holdings No 10 Pty Ltd	152,928
Intercompany - Mainland Property Holdings No 11 Pty Ltd	373,588
Intercompany - Mainland Property Holdings No 12 Pty Ltd	441,099
Intercompany - Mainland Property Holdings No 2 Pty Ltd	15,395,447
Intercompany - Mainland Property Holdings No 3 Pty Ltd	5,203,830
Intercompany - Mainland Property Holdings No 4 Pty Ltd	264,119
Intercompany - Mainland Property Holdings No 5 Pty Ltd	763,833
Intercompany - Mainland Property Holdings No 6 Pty Ltd	267,911
Intercompany - Mainland Property Holdings No 7 Pty Ltd	176,598
Intercompany - Mainland Property Holdings No 8 Pty Ltd	2,608,930
Intercompany - Mainland Property Holdings No 9 Pty Ltd	1,294,278
Intercompany - Mainland Property Holdings Pty Ltd	17,009,295
Intercompany - Mission Beach Group Pty Ltd	580
Intercompany - Mission Beach Operations P/L (Expenses)	1,909,210
Intercompany - Mission Beach Operations Pty Ltd (Jarrah Lodge)	(804,188)
Intercompany - Property Bond Holdings P/L (Mission Beach Finance 1)	(44,339)
Issued Units	
Intercompany Loan - Mayfair Island Trust	(7,447,517)
Intercompany Loan - Mission Beach Property Trust	(18,086,826)
Intercompany Loan - Mission Beach Property Trust No 2	(21,022,919)
Intercompany Loan - Mission Beach Property Trust No 3	(4,084,854)
Intercompany Loan - Mission Beach Property Trust No 8	(2,960,000)
Loan Facility - Sunseeker Trust	53,602,116
Total Issued Units	-
Total Portfolio - Mission Beach Property	45,013,120
Portfolio - MYNT/Alqami/Kadiem	
Loan Facility - Kadiem Ltd (Formerly MYNT) (EG paid expenses)	(5)
Loan Facility - Kadiem Ltd (MYNT #14)	783,090
Total Portfolio - MYNT/Alqami/Kadiem	783,085
Total Non-current Assets	104,745,933
Total Assets	106,076,379

Liabilities

Current Liabilities	
Accounts Payable	8,609,530 ¹
Accounts Payable (Adjustment)	(1,033,176)
Borrowings - Unsecured Notes	1,340,338
Income Tax Payable	(452)
Rounding	(1)
Superannuation Payable	45,418
Suspense	231,853
Wages Payable - Payroll	7,454

Balance Sheet

30 Jun 2020

Tax Obligation	
GST	(64,154)
PAYG Withholdings Payable	307,338
Total Tax Obligation	243,184
Total Current Liabilities	9,444,149
Non-Current Liabilities	
Intercompany Loan - IPO Capital (Mayfair Advisory Pty Ltd close-off)	1,409
Intercompany Loan - Mayfair Wealth Partners (Green Horse)	207,867
Intercompany Loan - Sunseeker Trust (Mayfair Advisory Pty Ltd close-off)	1,499
Loan - M101 Holdings Pty Ltd (M+)	
Intercompany - M101 Holdings Pty Ltd (Expenses)	(12,422)
Loan Facility - M101 Holdings Pty Ltd	44,402,275
Total Loan - M101 Holdings Pty Ltd (M+)	44,389,853
Loan - M101 Nominees Pty Ltd (M Core)	
Intercompany - M101 Nominees Pty Ltd (Expenses)	(552,963)
Loan Facility - M101 Nominees Pty Ltd	64,052,613
Total Loan - M101 Nominees Pty Ltd (M Core)	63,499,650
Total Non-Current Liabilities	108,100,278
Total Liabilities	117,544,428
Net Assets	(11,468,049)

Equity

Current Year Earnings	(9,125,832)
Issued Capital	1,260
Retained Earnings	(2,343,477)
Total Equity	(11,468,049)

Notes

1

Figures converted into Australian Dollar using the following rates:
0.558419 GBP British Pound per AUD. Rate provided by XE.com on 30 Jun 2020.
0.611575 EUR Euro per AUD. Rate provided by XE.com on 30 Jun 2020.

Appendix F – Eleuthera Non-Current Asset analysis

Entity / Asset	Draft Value at 30/06/2020	Provisional Liquidators' Comments
Sunseeker Trust	63,543	<ul style="list-style-type: none"> - This entity holds the units in each of the below Mission Beach Property entities. - The value and any recoverability from this entity will be dependent on surplus funds after the recovery processes below have been completed.
Mission Beach Property	45,013,120	<ul style="list-style-type: none"> - This group of entities comprise of all of the Mainland Property Holdings entities ATF for the relevant trusts, as detailed in the Mayfair 101 Group structure. - Receivers and Managers have been appointed by Naplend over five of these entities, which hold a large volume of property in Mission Beach, Queensland. Naplend hold a first mortgage over these properties. - In addition, Receivers and Managers have also been appointed by PAG over all 15 entities within this group. - I have concerns over the value that may be achieved for the sale of the properties by the Receivers, due to: <ul style="list-style-type: none"> • The number of properties that have to be sold as part of the receivership process relative to demand, especially in light of them all being in the same location; and • The general current market conditions post COVID19. - Any funds available after the cost of the Receiverships and repayment to Naplend in full may be available to PAG on behalf of M Core noteholders subject to any other creditor claims.
Jarrah Lodge	3,140,515	<ul style="list-style-type: none"> - Receivers and Managers appointed by PAG and Mortgagee in Possession ("MIP") appointed by Family Islands Group Pty Ltd ("Family Islands Group") to Mayfair Asset Holding Pty Ltd ATF the Mayfair Island Trust. - This entity holds the property at Dunk Island, noting Family Islands Group hold a first mortgage on the property. - The land was purchased in November 2011 by Family Islands Group for \$7,102,500. Subsequently Mayfair purchased the property for \$31,500,000. I have concerns over the realisable value of this asset and also the ability to find a purchaser for the land given the current economic climate.
Dunk Island	17,780,753	<ul style="list-style-type: none"> - Dye & Co were appointed Provisional Liquidators of this entity, along with a number of related entities on 2 July 2020. - Dye & Co have advised any return to creditors is unlikely.
IPO Wealth Holdings Pty Ltd	(11,921,022)	
Mayfair Tourism	182,380	
Mission Beach Operations	5,322,918	
MYNT/Alqami/Kadiem	783,085	
Australian Income Solutions Pty Ltd	(15,623)	
AU Income Solutions (Mayfair Wealth Partner)	8,449,833	
IPO Capital Pty Ltd	1,038,143	
Online Investments (Mayfair 101)	2,274,742	
UGH & GGT	10,682	
Intercompany (AU)	(3,918,455)	
Intercompany (UK)	697,207	
OKTO Holdings Ltd	63,579	
OKTO Wealth Ltd	3,594,099	
101 Investments Ltd	31,832,377	
M12 (in IPO Wealth Holdings Pty Ltd)	354,056	
Other Tangible Assets	1,905	<ul style="list-style-type: none"> - Relates to other general computer equipment
Total	104,747,837	

Appendix G – Detailed Eleuthera Source and Application of Funds

Eleuthera Group Pty Ltd - Source and Application of Funds	Amount \$
Funds Received	
M101 Nominees Pty Ltd	69,177,428
Less: Funds Returned	(6,100,761)
Net Funds Received - M101 Nominees Pty Ltd	63,076,667
Net Funds Received - M101 Holdings Pty Ltd	43,775,218
Other Unreconciled Income	35,396
Total Funds Received	106,887,280
Funds Paid	
Property	
Property - Mainland	40,893,573
Property - Dunk Island	13,151,315
Property - Dunk Island & Mainland (paid by Online Investments Pty Ltd)	5,650,657
Property - Mainland (paid by Jarrah Lodge)	3,225,638
Total Property	62,921,183
Other Investments	
Accloud Rev Share	800,000
Azzet	402,183
Data Agg	40,000
Kadiem	1,304,126
M12 Global	1,845,299
Mayfair Tourism	141,800
Mayfair Yachts	316,321
Okto Holdings	336,473
Okto Wealth	2,255,983
Accloud Share Purchase	10,513,676
Total Other Investments	17,955,860
Operating Expenses	
Operating Expenses	11,138,234
Operating Expenses - Mission Beach	2,037,016
Marketing	8,609,596
Total Operating	21,784,846
Financing Expenses	
Financing Expenses	4,225,391
Total Financing Expenses	4,225,391
Total Payments	106,887,280

Appendix H – Other Information Required

- a Financial statements of each of the related entities who were provided with funding from Eleuthera.
- b Any agreements and documents supporting the investments or loans made by Eleuthera to other entities.
- c All emails of the Company, sent/received both internally and externally.
- d Up to date valuation for all of the properties held by the Mayfair 101 Group entities (noting some have been provided).
- e Most recent financial statements (including the Balance Sheet) which clearly indicate the net asset position, of the following entities:
 - i The Sunseeker Trust;
 - ii Jarrah Lodge Unit Trust; and
 - iii M101 Holdings Pty Ltd
- f Substantiation and supporting documentation for the 4% fair value adjustment included within the Statement of Noteholder Secured Monies at 12 June 2020.
- g Further detail on the loans from Naplend Pty Limited and Family Islands Group Pty Ltd, including;
 - i Original signed deed, including term sheet, and any subsequent amendments indicating the interest rate and term of the loan;
 - ii Most recent statement showing the current amounts outstanding; and
 - iii At what date the Mayfair 101 Group first failed to make repayments and what the repercussions were (e.g., additional interest and / or penalties).



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