

9 October 2013

Report to the Investors
of
Equititrust Limited
(Receiver Appointed) (In Liquidation)
(Receivers and Managers Appointed)
A.C.N. 061 383 944
("the Company")

I refer to my previous reports and provide an update on the Liquidation of the Company.

Investigations and Litigation

- As per my previous update, I note that the public examinations had been adjourned until 16, 17, 18 September 2013 and 8 October 2013;
- A request was received from the Company's former auditor to adjourn the examinations in order for the former auditor to review the voluminous documentation and familiarise himself with the matter.
- As I was also engaged in ongoing negotiations with Piper Alderman and the Litigation Funding Deed, I consented to the adjournment as requested and also had the remainder of the examinations adjourned until 11 – 14 November 2013;
- Further to the above, I have engaged in various discussions and conferences with John Marshall of Senior Counsel in relation to the Company's pre-appointment insurance and any claims which may be available;
- I have issued correspondence to the Company's pre-appointment insurer advising of my opinion with respect to the losses sustained by the Company;
- A claim was filed against the following parties on 27 September 2013:
 - Equititrust Limited (Receiver Appointed) (In Liquidation) (Receivers and Managers Appointed);
 - Mark McIvor;
 - Wayne McIvor;
 - Thomas Haney;
 - KPMG;
 - Paul Steer.

The first return date for the claim is Wednesday, 23 October 2013 however Piper Alderman have advised that it is likely that an adjournment will be required.

Litigation Funding Deed

- I refer to the comments in my previous report with respect to the Litigation Funding Deed ("the Deed");
- I have held further discussions with Piper Alderman in relation to progressing the Deed;
- Negotiations are currently taking place between the Liquidators, Piper Alderman and the Court Appointed Receiver, Mr. David Whyte in relation to all parties entering into the same Litigation Funding Deed in order for the examinations and any subsequent actions to be conducted simultaneously;
- The primary reason behind considering the inclusion of Mr. Whyte in the Deed is to include any claims which he may wish to bring as the Receiver of the Equititrust Income Fund;

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- On Friday, 26 September 2013, Piper Alderman made an urgent application to the Supreme Court of New South Wales in order to obtain approval for the Liquidators to enter into the Deed;
- In summary, the Court approved the Liquidators entering into the Deed on the basis that I provide the Court with a copy of advice from senior Counsel as to the prospects of success of the claim. The matter is listed before the Corporations List Judge on 21 October 2013.

Asset and Liability Position

- I refer to the comments in my previous report with respect to the debt owed by Rosea Pty Limited and the delays on behalf of the borrower in fulfilling their obligations pursuant to the Deed of Settlement.

Since my previous update, I have received from the Court appointed Receiver a copy of the proposal from Rosea Pty Limited in relation to the repayment of the debt. I note that the Court appointed Receiver has undertaken not to distribute any surplus funds other than into Court without agreement from all parties.

Liquidators Remuneration

- I refer to the comments in my previous report in relation to my remuneration application and advise that the matter was listed for 30 August 2013 at 9am before the Corporations list Registrar.
- The following orders were made:
 - The Liquidators provide an excel spreadsheet outlining their Work In Progress to Tucker and Cowan by email on 2 September 2013.
 - The Respondent (MS Asia debt Acquisition Limited) has until 27 September 2013 to make any objections.
 - The Liquidators are to provide any responses they have to the objections raised by the Respondent by 11 October 2013.
 - The matter then be referred to a Registrar for consideration, including consideration of whether it is necessary for there to be any hearing.

Please find enclosed the following:

- A schedule of remuneration incurred for the month of August 2013 in the amount of \$35,220 plus GST;
- A schedule of remuneration incurred for the month of September 2013 in the amount of \$39,983.30 plus GST.

Should you have any queries regarding the winding up of the Company please do not hesitate to contact either myself or Rory Gillespie of this office.

Yours faithfully,



BLAIR PLEASH
LIQUIDATOR

Equitrust Limited (Receiver Appointed) (In Liquidation) (Receivers and Managers Appointed)
Remuneration Report: Calculation of Remuneration
For the Period 1 August 2013 to 31 August 2013

Schedule 1

| Employee | Position | Hour | Total hours | Total \$ | Administration Hours | Administration \$ | Assets Hours | Assets \$ | Creditor Hours | Creditor \$ | Investigation Hours | Investigation \$ | Litigation Hours | Litigation \$ |
|--------------------------|--------------------------|--------|--------------|------------------|----------------------|-------------------|--------------|-----------------|----------------|------------------|---------------------|------------------|------------------|------------------|
| Richard Albarán | Appointee/Partner | 590.00 | 0.70 | 413.00 | 0.10 | 59.00 | - | - | 0.10 | 59.00 | - | - | 0.50 | 295.00 |
| Blair Pleash | Appointee/Partner | 590.00 | 9.90 | 5,841.00 | 1.20 | 705.00 | - | - | 3.50 | 2,065.00 | - | - | 5.20 | 3,060.00 |
| Timothy Cook | Senior Associate | 575.00 | 1.30 | 747.50 | 0.10 | 57.50 | 0.10 | 57.50 | 1.10 | 632.50 | - | - | - | - |
| Jovan Singh | Senior Manager | 515.00 | 15.70 | 8,085.50 | 1.10 | 375.50 | 2.00 | 1,030.00 | 3.40 | 1,751.00 | 0.60 | 309.00 | 9.70 | 4,995.50 |
| Rory Gillespie | Senior 1 | 345.00 | 28.60 | 9,857.00 | 0.30 | 103.50 | 4.10 | 1,414.50 | 17.50 | 6,037.50 | 1.40 | 483.00 | 4.50 | 1,552.50 |
| Evelyn Sanchez | Senior 1 | 345.00 | 3.20 | 1,104.00 | 0.10 | 28.00 | 0.70 | 241.50 | 1.60 | 552.00 | - | - | 0.60 | 207.60 |
| Adam Simpson | Banking Administrator | 280.00 | 0.10 | 28.00 | 0.10 | 28.00 | - | - | - | - | - | - | - | - |
| Charlene Doyle | Intermediate 1 | 275.00 | 1.80 | 490.00 | 0.20 | 50.00 | - | - | 1.20 | 330.00 | - | - | 0.40 | 110.00 |
| Nicholas Charwood | Intermediate 2 | 250.00 | 3.60 | 900.00 | - | - | - | - | 6.60 | 1,650.00 | 0.10 | 25.00 | 1.00 | 250.00 |
| Cynthia Cheung | Junior | 150.00 | 6.50 | 975.00 | - | - | - | - | 2.50 | 625.00 | - | - | - | - |
| Jack Mchie | Junior | 150.00 | 0.40 | 60.00 | 0.40 | 60.00 | - | - | 6.50 | 975.00 | - | - | - | - |
| Lysa Anjin | Administration Assistant | 135.00 | 0.60 | 81.00 | 0.60 | 81.00 | - | - | - | - | - | - | - | - |
| Sarah Collerill | Administration Assistant | 135.00 | 2.10 | 283.50 | 2.10 | 283.50 | - | - | - | - | - | - | - | - |
| Preeya Ralu | Administration Assistant | 135.00 | 0.20 | 27.00 | 0.20 | 27.00 | - | - | - | - | - | - | - | - |
| Marian Whatman | Administration Assistant | 55.00 | 1.00 | 55.00 | 1.00 | 55.00 | - | - | - | - | - | - | - | - |
| Subtotal | | | 82.30 | 30,607.50 | 7.40 | 1,892.00 | 6.90 | 2,743.50 | 44.00 | 14,677.00 | 2.10 | 817.00 | 21.90 | 10,478.00 |
| Total (incl. GST) | | | | 31,666.25 | | | | | | | | | | |
| Average \$/hour | | | | 409.09 | | | | | | | | | | |

Schedule 2

| Employee | Position | Hour | Total hours | Total \$ | Investigation Directors Hours | Investigation Directors \$ | Investigation-Examinations Hours | Investigation-Examinations \$ | Litigation-Auditor Hours | Litigation-Auditor \$ | Litigation-Examinations Hours | Litigation-Examinations \$ | Litigation-Directors Hours | Litigation-Directors \$ | Litigation-Indemnity Hours | Litigation-Indemnity \$ |
|--------------------------|----------------|--------|--------------|------------------|-------------------------------|----------------------------|----------------------------------|-------------------------------|--------------------------|-----------------------|-------------------------------|----------------------------|----------------------------|-------------------------|----------------------------|-------------------------|
| Jovan Singh | Senior Manager | 515.00 | 3.80 | 1,957.00 | - | - | 0.60 | 207.00 | 1.70 | 875.50 | 2.10 | 1,081.50 | 0.10 | 34.50 | 0.40 | 138.00 |
| Rory Gillespie | Senior 1 | 345.00 | 6.90 | 2,380.50 | 0.20 | 69.00 | - | - | 0.30 | 103.50 | 5.30 | 1,828.50 | - | - | - | - |
| Evelyn Sanchez | Senior 1 | 345.00 | 0.50 | 172.50 | - | - | - | - | - | - | 0.40 | 172.50 | - | - | - | - |
| Adam Simpson | Intermediate 1 | 255.25 | 0.40 | 102.50 | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | | | 10.70 | 4,612.50 | 0.20 | 69.00 | 0.60 | 207.00 | 2.00 | 979.00 | 8.30 | 3,185.00 | 0.10 | 34.50 | 0.40 | 138.00 |
| Total (incl. GST) | | | | 5,073.75 | | | | | | | | | | | | |
| GRAND TOTAL | | | | 38,742.00 | | | | | | | | | | | | |

Schedule 3

| Description | Amount (\$) |
|--------------------|---------------|
| Photocopying | 105.93 |
| Postage & Handling | 3 |
| Storage | 145.05 |
| Travel & Parking | 205.02 |
| Total | 460.20 |

Description of Codes

- Schedule 1
Investigation: Tasks undertaken in relation to general investigation issues
- Litigation: Tasks undertaken in relation to general litigation issues
- Schedule 2
Investigation-Auditor: Tasks undertaken in relation to investigating the claim against the Company's former Auditor
- Investigation-Directors: Tasks undertaken in relation to investigating the claim against the Company's former Auditor
- Litigation-Auditor: Tasks undertaken in relation to litigation against the Company's former Auditor
- Litigation-Examinations: Tasks undertaken in relation to actions involving the examinations against various parties
- Litigation-Directors: Tasks undertaken in relation to litigation against the Company's former Directors (and insurance policy)
- Schedule 3
Includes internal disbursements incurred by this firm for the month

Equitrust Limited (Receiver Appointed) (in Liquidation) (Receivers and Managers Appointed)
Remuneration Report: Calculation of Remuneration
For the Period 1 September 2013 to 30 September 2013

Schedule 1

| Employee | Position | \$/hour | Total hours | Total \$ | Administration Hours | Administration (\$) | Assets Hours | Assets (\$) | Creditor Hours | Creditor (\$) | Investigation Hours | Investigation (\$) | Litigation Hours | Litigation (\$) |
|--------------------------|--------------------------|---------|--------------|------------------|----------------------|---------------------|--------------|---------------|----------------|-----------------|---------------------|--------------------|------------------|------------------|
| Richard Albanan | Appointee/Partner | 640.00 | 2.00 | 1,280.00 | - | - | - | - | - | - | - | - | 2.00 | 1,280.00 |
| Blair Priest | Appointee/Partner | 640.00 | 11.36 | 7,232.00 | 0.80 | 512.00 | 0.40 | 266.00 | - | - | - | - | 10.10 | 6,464.00 |
| Timothy Cook | Senior Associate | 590.00 | 0.20 | 118.00 | 0.20 | 118.00 | - | - | - | - | - | - | - | - |
| Jovan Singh | Senior Manager | 525.00 | 27.99 | 14,647.50 | 0.50 | 262.50 | 0.10 | 52.50 | 0.20 | 105.00 | 7.50 | 3,937.50 | 19.60 | 10,290.00 |
| Roy Gillespie | Senior 1 | 375.00 | 14.30 | 5,362.50 | 1.70 | 637.50 | 0.10 | 37.50 | 6.40 | 2,400.00 | 2.10 | 787.50 | 4.00 | 1,500.00 |
| John Byassell | Senior 2 | 330.00 | 0.20 | 66.00 | 0.20 | 66.00 | - | - | 0.40 | 150.00 | - | - | - | - |
| Catherine Byrne | Banking Administrator | 280.00 | 0.10 | 28.00 | 0.10 | 28.00 | - | - | - | - | - | - | - | - |
| Raymond Jiang | Intermediate 1 | 330.00 | 0.20 | 66.00 | - | - | - | - | - | - | 0.20 | 66.00 | - | - |
| Adam Simpson | Intermediate 2 | 300.00 | 5.60 | 1,680.00 | 0.90 | 270.00 | - | - | 2.50 | 750.00 | 2.20 | 660.00 | - | - |
| Charmaine Dorle | Junior | 275.00 | 2.30 | 632.50 | 0.10 | 27.50 | 0.10 | 27.50 | 0.70 | 192.50 | 0.30 | 82.50 | 1.10 | 302.50 |
| Cynthia Cheung | Junior | 165.00 | 5.40 | 891.00 | 0.50 | 82.50 | - | - | 1.90 | 313.50 | 1.50 | 247.50 | 1.50 | 247.50 |
| Constance Zhu | Administration Assistant | 140.00 | 0.10 | 14.00 | 0.10 | 14.00 | - | - | - | - | - | - | - | - |
| Jennifer Hurnh | Administration Assistant | 135.00 | 0.40 | 54.00 | 0.40 | 54.00 | - | - | - | - | - | - | - | - |
| Lysa Aupin | Administration Assistant | 135.00 | 0.70 | 94.50 | 0.70 | 94.50 | - | - | - | - | - | - | - | - |
| Sarah Coffin | Administration Assistant | 135.00 | 1.10 | 148.50 | 1.10 | 148.50 | - | - | - | - | - | - | - | - |
| Ronan Whalman | Administration Assistant | 55.00 | 0.40 | 22.00 | 0.40 | 22.00 | - | - | - | - | - | - | - | - |
| Subtotal | | | 73.10 | 32,674.30 | 6.10 | 2,473.00 | 0.80 | 411.00 | 12.10 | 3,911.00 | 13.30 | 5,781.00 | 30.30 | 20,084.00 |
| GST (10%) | | | | 3,267.43 | | | | | | | | | | |
| Total (incl. GST) | | | | 35,941.73 | | | | | | | | | | |
| Average \$/hour | | | | 491.68 | | 305.31 | | 513.75 | | 323.22 | | 418.91 | | 824.39 |

| Employee | Position | \$/hour | Total hours | Total \$ | Investigation Directors Hours | Investigation Directors (\$) | Investigation Examinations Hours | Investigation Examinations (\$) | Investigation Auditor Hours | Investigation Auditor (\$) | Litigation Examinations Hours | Litigation Examinations (\$) | Litigation Directors Hours | Litigation Directors (\$) |
|--------------------------|-------------------|---------|--------------|------------------|-------------------------------|------------------------------|----------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|------------------------------|----------------------------|---------------------------|
| Timothy Cook | Senior Associate | 590.00 | 0.50 | 295.00 | - | - | - | - | 2.30 | 897.00 | 0.50 | 295.00 | - | - |
| Sandeep Kumar | Associate | 390.00 | 2.30 | 897.00 | - | - | - | - | - | - | 4.00 | 2,100.00 | - | - |
| Jovan Singh | Senior Manager | 525.00 | 4.00 | 2,100.00 | - | - | - | - | 0.70 | 262.50 | 1.00 | 375.00 | 1.60 | 600.00 |
| Roy Gillespie | Senior 1 | 375.00 | 9.70 | 3,637.50 | 5.90 | 2,212.50 | 0.50 | 187.50 | 3.30 | 379.50 | 5.50 | 2,062.50 | 1.60 | 600.00 |
| Shane Phelan | Accounting Junior | 115.00 | 3.30 | 379.50 | - | - | - | - | 6.30 | 1,539.00 | - | - | - | - |
| Subtotal | | | 19.80 | 7,309.00 | 5.90 | 2,212.50 | 0.50 | 187.50 | 6.30 | 1,539.00 | 5.50 | 2,062.50 | 1.60 | 600.00 |
| GST (10%) | | | | 730.90 | | | | | | | | | | |
| Total (incl. GST) | | | | 8,039.90 | | | | | | | | | | |
| Average \$/hour | | | | 406.06 | | 375.00 | | 375.00 | | 244.29 | | 503.64 | | 375.00 |
| GRAND TOTAL | | | | 43,981.63 | | | | 375.00 | | 244.29 | | 503.64 | | 375.00 |

| Internal Disbursements | Amount (\$) |
|------------------------|---------------|
| Photocopying | 98.01 |
| Postage & Handling | 15 |
| Storage | 124.5 |
| Total | 237.51 |