

NOTICE OF FILING

Details of Filing

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File Title:	AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v KEYSTONE ASSET MANAGEMENT LIMITED (RECEIVERS AND MANAGERS APPOINTED) (IN LIQUIDATION) (ACN 612 443 008)
Registry:	VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.

BETWEEN:

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION
Plaintiff

**KEYSTONE ASSET MANAGEMENT LIMITED (RECEIVERS AND MANAGERS
APPOINTED) (IN LIQUIDATION) (ACN 612 443 008)**
First Defendant

PAUL ANTHONY CHIDO
Second Defendant

**CONTRADICTION'S SUPPLEMENTARY SUBMISSIONS -
INTERIM DISTRIBUTION**

A. OVERVIEW

1. By paragraphs 4 and 5 of an interlocutory process dated 8 December 2025, the Applicants seek judicial directions and advice to the effect that they are justified and acting reasonably in distributing up to 75% of the Bell Potter Proceeds to unitholders in Qualifying Classes, in proportion to the Qualifying Classes' interest in the proceeds and their interest in each Qualifying Class.
2. 75% of the Bell Potter Proceeds equates to \$146,918,223.53.¹
3. Notwithstanding that they press for an order in that form,² the Applicants state that they 'only' propose to distribute up to \$105,011,575.96 (**Revised Interim Distribution Amount**)³ – being the difference between the \$194,125,744.41 Qualifying Class cash at bank as at 31 May 2026 and now proposed retentions of \$89,114,168.45.⁴ That is an increase of around \$4.2m relative to the \$100,812,382.83 'up to' distribution amount proposed in the Sixteenth Tracy Affidavit only a few months prior.⁵ It is not explained

¹ The Bell Potter Proceeds total \$195,890,964.71: Sixteenth Tracy Affidavit at [9]. $\$195,890,964.71 \times 0.75 = \$146,918,223.53$. As at 31 May 2026, the Qualifying Class cash at bank, including the Bell Potter Proceeds and presumably interest thereupon, stood at \$194,125,744.41: Nineteenth Tracy Affidavit at [98]. That is around \$1.76m less than the quantum of the Bell Potter Proceeds themselves.

² Annexure C to the Applicants' 'reply' submissions dated 31 May 2026, especially proposed order 2(a).

³ i.e. \$41,906,647.57 less than the figure in [2], equating to 53.6% of the Bell Potter Proceeds.

⁴ Nineteenth Tracy Affidavit at [98] (final 3 lines of table).

⁵ Sixteenth Tracy Affidavit at [61]-[62]. That c. \$100.8m figure is the difference between \$199,460,531.39 Qualifying Class cash at bank as at 29 January 2026 and then proposed retentions of \$98,648,148.76 (final 3 lines of table). Since the Sixteenth Tracy, cash at bank has decreased by around \$5.33m (\$5,334,786.98) and retentions by around \$9.53m (\$9,533,980.31).

how the increased figure of \$146,918,223.53 found in the Applicants' proposed form of order - being 75% of the proceeds of sale - is said to be justified.

4. In any event, the stated rationale for seeking to make the proposed distribution now - while the SMF is still in the relatively early stages of being wound up and before determining and paying SMF Expenses⁶ - is the alleviation of "likely" unitholder financial hardship.⁷
5. Any such hardship, of which there is scant evidence, would be limited to those underlying investors who invested in the SMF via ETSL, TTCL or Praemium.⁸ The Applicants' material does not appear to identify what portion of the proposed distribution would flow to each of those Fund unitholders (or indeed, to MIML).
6. The Contradictors' position on the proposed directions is set out in their primary submissions dated 16 February 2026, as supplemented by these submissions. These submissions:
 - (a) adopt the same defined terms as in the Contradictors' primary submissions;⁹ and
 - (b) address developments since the filing of those submissions, as disclosed in the material filed by the Applicants on 31 May 2026.

B. MATERIAL

7. The Applicants rely on:
 - (a) an affidavit of Jason Tracy, with exhibit JMT-14 and confidential exhibit JMT-15, made 7 November 2025 (**Twelfth Tracy Affidavit**);
 - (b) an affidavit of Jason Tracy, with exhibit JMT-19, made 29 January 2026 (**Sixteenth Tracy Affidavit**);

⁶ Contrary to cll 21.6(c) and (d) of the SMF constitution: pp 82-83 of exhibit JMT-14 to the Twelfth Tracy Affidavit. See also the Contradictors' primary submissions at [56]-[58]. Expenses means, in essence, SMF liabilities (1) referable to a given class of units; or (2) not referable to any given class but which the Appointees on behalf of Keystone "reasonably determine" should be met from the Class Assets of a given class or given classes.

⁷ As to which, see the Twelfth Tracy Affidavit at [11], [15], [39] and the emails exhibited at Tab 3 of confidential exhibit JMT-15 thereto. All of those emails pre-date the effectuation of the MIML EU on 30 September 2025 and, insofar as the underlying investor identifies the Fund unitholder who holds units on their behalf, refer to Macquarie. See also: (1) the Sixteenth Tracy Affidavit at [14]; (2) the Nineteenth Tracy Affidavit at [94(b)] (underlying ESTL investors "may be experiencing hardship") and [105]; and (3) the Contradictors' primary submissions at [52]-[58].

⁸ Together, 2889 underlying investors invested in the SMF through ETSL and TTCL and 3 through Praemium: Nineteenth Tracy Affidavit at [105].

⁹ The Contradictors' primary submissions refer to the "First Tracy Affidavit" and "Second Tracy Affidavit". These are references to the Twelfth Tracy and Sixteenth Tracy Affidavits (in the Applicants' nomenclature) respectively. For consistency, these supplementary submissions adopt that nomenclature.

- (c) an affidavit of Jason Tracy, with exhibits JMT-23 and confidential exhibit JMT-24, made 31 May 2026 (**Nineteenth Tracy Affidavit**);
 - (d) two sets of submissions:
 - i. primary submissions dated 29 January 2026; and
 - ii. ‘reply’ submissions dated 31 May 2026.
8. The Contradictors rely on:
- (a) an affidavit of Ross Andrew Blakeley, with exhibit RAB-1, made 16 February 2026 (**Blakeley Affidavit**);
 - (b) a confidential affidavit of Ross Andrew Blakely, with exhibit RAB-2, made 16 February 2026 (**Confidential Blakeley Affidavit**);
 - (c) an affidavit of Paul Harlond made 11 June 2026 (**Harlond Affidavit**);
 - (d) two sets of submissions:
 - i. primary submissions dated 16 February 2026; and
 - ii. these supplementary submissions.

C. CONTRADICTIONERS’ CURRENT POSITION

9. The Contradictors position on the last occasion was that any interim distribution was, at best, premature in circumstances where the use of CDPF Funds by Keystone, including for the potential benefit of the SMF, had yet to be investigated and the application should be adjourned until such time as those investigations had been completed. As set out in Nineteenth Tracy Affidavit, at least preliminary investigations into the application of those funds have now been undertaken. In the time and with the material available, the output of those investigations has not been able to be verified by the Contradictors.
10. The Contradictors’ current position on the application is set out, in large part, in the Harlond Affidavit. In short, that position is that:
- (a) if the Court is otherwise satisfied that the making of an interim distribution is appropriate, having regard the matters summarised at paragraph 87 of the Contradictors’ primary submissions, then subject to (b) below, the Contradictors do not oppose the relief sought; and
 - (b) the position in (a) above is subject to:

- i. the making of the further retentions, totalling \$1,338,229, identified in the Harlond Affidavit on account of Falcon’s claim against Keystone; and
 - ii. any directions being framed appropriately, including so as to limit to the ‘up to’ distribution amount from the Bell Potter Proceeds to the Revised Interim Distribution Amount, less those additional retentions.
11. For the reasons set out in the Harlond Affidavit, the Applicants have under-provisioned for the claims the subject of Falcon’s proof of debt. Their approach, in so far as it relates to the “Unverified Outflows” discussed in the Harlond Affidavit, is not a conservative one. The distribution of the Bell Potter Proceeds now, when both the Keystone and Falcon liquidations are in their early stages, and the CDPF has only very recently begun to be wound up,¹⁰ without appropriate retention for such of Falcon’s claim as may lie against SMF assets, will prejudice Falcon because of the real risk that Keystone will be unable to meet that claim.

Date: 12 June 2026

**J P Moore
S M Hooper**

Mills Oakley

¹⁰ By orders made on 27 August 2024, receivers were appointed to the property of Keystone held in any of its “Relevant Capacities” (namely, as RE for the SMF, as trustee for the ADFP and as trustee for the Quantum PE Fund) for defined purposes. By orders made 16 February 2026, the definition of “Relevant Capacities” was expanded to include Keystone in its capacity as trustee for the CDPF. On 2 March 2026, the Appointees gave notice that the CDPF had been terminated and “that they are now taking steps to commence the wind up of the CDPF”. A copy of the relevant notice is annexed to these submissions at **Annexure A**.