

NOTICE OF FILING

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File Number: VID536/2024
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.

Affidavit

Federal Court of Australia
District Registry: Victoria
Division: General

No. VID536/2024

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

Plaintiff

KEYSTONE ASSET MANAGEMENT LIMITED (RECEIVERS AND MANAGERS APPOINTED) (IN LIQUIDATION) (ACN 612 443 008) and another

Defendants

Affidavit of: **PAUL STUART HARLOND**
Address: Level 50, 600 Bourke Street, Melbourne
Occupation: Registered liquidator and chartered accountant
Date: 11 June 2026

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1	Affidavit of Paul Stuart Harlond affirmed on 11 June 2026	1 - 52	1 - 14

I, Paul Stuart Harlond of FTI Consulting, Level 50, 600 Bourke Street, Melbourne in the state of Victoria, Registered Liquidator and Chartered Accountant, affirm that:

1. I am a Senior Managing Director in the Corporate Finance division of FTI Consulting, and a Registered Liquidator and Chartered Accountant. I have been practising in the area of corporate insolvency and financial restructuring for over 20 years and as a Registered Liquidator for around five years.
2. Ross Andrew Blakeley and I are appointed as the joint and several liquidators (**Falcon Liquidators**) of Falcon Capital Limited (in liquidation) ACN 119 204 554 (**Falcon**).
3. References in this affidavit to “we”, “us”, “our” and “ourselves” are references to Mr Blakeley and me as the Falcon Liquidators.
4. I am authorised to make this affidavit on behalf of Mr Blakeley.
5. Except where I state otherwise, I make this affidavit from my own knowledge, including based on my own review of the books and records of Falcon or other enquiries and



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investigations, or such review or other enquiries and investigations conducted by our team and advisors, and findings conveyed by them. I have also drawn upon information and documents provided by the Keystone Appointees. Where I depose to matters based on information provided to me, I believe those matters to be true.

6. In making this affidavit I do not intend to waive any privilege. To the extent that any part of this affidavit constitutes waiver of privilege, I withdraw that part of the affidavit and do not rely on it.
7. I make this affidavit in my capacity, together with Mr Blakeley, as court-appointed contradictors to the application the subject of paragraphs 4 and 5 of the amended interlocutory process dated 12 December 2025 (**Interim Distribution Directions Application**) filed by:
 - (a) the first defendant, Keystone Asset Management Ltd (receivers and managers appointed) (In Liquidation) (**Keystone**) in its capacity as the responsible entity of the Shield Master Fund (**SMF**); and
 - (b) Jason Tracy and Glen Kanevsky in their capacity as both joint and several receivers of the property of Keystone and liquidators of Keystone (**Keystone Appointees**).
8. I refer to Keystone and the Keystone Appointees together as the **Applicants**.
9. I have read and refer to:
 - (a) the affidavit of Jason Tracy sworn 7 November 2025 (**Twelfth Tracy Affidavit**);
 - (b) the affidavit of Jason Tracy sworn 29 January 2026 (**Sixteenth Tracy Affidavit**);
and
 - (c) the affidavit of Jason Tracy sworn 31 May 2026 (**Nineteenth Tracy Affidavit**)
(together, the **Tracy Affidavits**),filed in support of the Interim Distribution Directions Application.
10. Mr Blakeley has made two affidavits as contradictor to the Interim Distribution Directions Application: one on an open basis (**Blakeley Affidavit**) and one on a confidential basis (**Confidential Blakeley Affidavit**) on 16 February 2026 (together, the **Blakeley Affidavits**).
11. Capitalised terms in this affidavit have the meaning given to them in the Blakeley Affidavits and/or the Tracy Affidavits (as applicable), unless stated otherwise.

A. PROCEDURAL BACKGROUND

12. I understand from publicly available information that:



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- (a) on 24 August 2025, ASIC commenced proceeding VID1107/2025 against Equity Trustees Superannuation Limited (**ETSL**) “alleging failures in due diligence concerning the Shield Master Fund” and seeking declarations and civil penalties (**ASIC ETSL Proceeding**);
 - (b) on 26 August 2025, ASIC published a media release about that proceeding titled “ASIC sues Equity Trustees alleging due diligence failures relating to Shield” (a copy of which appears at pp 34 to 36 of exhibit RAB-1 to the Blakeley Affidavit);
 - (c) on 24 September 2025:
 - (i) ASIC commenced proceeding VID1280/2025 against Macquarie Investment Management Limited (**MIML**) “following admissions that it did not act efficiently, honestly and fairly by failing to place Shield on a watch list for heightened monitoring” and seeking declaratory relief (**ASIC MIML Proceeding**); and
 - (ii) ASIC accepted an Enforceable Undertaking (**EU**) from MIML; and
 - (d) on 25 September 2025, ASIC published a media release about its proceeding against MIML and the EU titled “Macquarie admits to Shield contraventions and commits to pay affected members” (found at pp 37 to 39 of RAB-1).
13. A copy of the EU appears at Tab 4 of exhibit JMT-14 to the Twelfth Tracy Affidavit. I understand from paragraphs 36 and 37 of that affidavit that the EU was effectuated on 30 September 2025.
14. On 7 November 2025, the Applicants filed an interlocutory process seeking directions regarding the then-proposed realisation of up to 75% of the Bell Potter Securities and thereafter, the distribution of the proceeds of sale amongst four of the five classes of SMF unitholder (i.e. the Qualifying Classes, excluding ADPF class unitholders) (**Initial IP**). Relevantly:
- (a) by paragraph 4 of the Initial IP, Keystone sought directions that it was justified and acting reasonably and properly in:
 - (i) making “an interim distribution” of the proceeds of sale of the Bell Potter Securities to members of the SMF, without paying Expenses (as defined in the SMF’s constitution) before making the distribution; and
 - (ii) applying so much of the interim distribution as comprises the proceeds of sale attributable to a class of the SMF amongst unitholders of that class, in proportion to their class unitholding (as recorded in the register of unitholders

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described in paragraphs 31 and 32 of the Twelfth Tracy Affidavit and exhibited at Tab 2 of confidential exhibit JMT-15 thereto, except where the Keystone Appointees are satisfied a registered unitholder no longer holds units, or otherwise, where the Keystone Appointees are satisfied an (unregistered) unitholder holds units in a relevant class);

- (b) by paragraph 5 of the Initial IP, the Keystone Appointees sought directions they were justified and acting reasonably and properly in causing Keystone to make the interim distribution in accordance with paragraph 4.
15. By amended interlocutory process filed 8 December 2025 (with leave to amend granted *nunc pro tunc* by orders made on 11 December 2025) (**Amended IP**), the Initial IP was amended to seek the same directions but regarding:
- (a) the sale of the whole of the Bell Potter Securities (instead of only 75% of those securities) (paragraphs 2 and 3); and
- (b) the “interim distribution” of up to 75% of the proceeds of sale (instead of the whole of the proceeds), without first paying Expenses (paragraph 4).
16. By orders made on 11 December 2025, and amongst other things:
- (a) paragraphs 1, 2 and 3 of the Amended IP were listed for hearing on 19 December 2025;
- (b) Mr Blakeley and I were appointed contradictors to paragraphs 4 and 5 of the Amended IP; and
- (c) a tight timetable was set for the exchange of material regarding the application the subject of paragraphs 4 and 5, which was listed for hearing on 18 February 2026.
17. On 19 December 2025, the Court:
- (a) gave directions in the form sought by paragraphs 1, 2 and 3 of the Amended IP; and
- (b) published reasons for its decision in *ASIC v Keystone Asset Management Ltd (receivers and managers appointed) (in liquidation) (No 3)* [2025] FCA 1661.
18. Since then:
- (a) the Bell Potter Securities have been sold and their net proceeds of sale, totalling \$195,890,964.71, placed into interest-bearing accounts for each Qualifying Class (Sixteenth Tracy [9]) (75% of that sum being \$146,918,223.53);
- (b) the Applicants had proposed, as at 29 January 2026, to distribute “up to \$100,812,382.63”, being the difference between:

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- (i) \$199,460,531.39 cash then held in Qualifying Class bank accounts, comprising the Bell Potter Proceeds, interest on those proceeds, and other cash at bank; and
- (ii) \$98,648,148.76 in proposed retentions on account of “estimated costs and expenses of the liquidation and receivership and potential creditor claims” (Sixteenth Tracy [61]-[62]),
or “a lesser amount...if required based on Keystone’s potential tax liabilities” (Sixteenth Tracy [61]);
- (c) we have filed, on 16 February 2026, the Blakeley Affidavits and our submissions in opposition to the Interim Distribution Directions Application which, amongst other things, contend that any distribution now is contrary to the SMF’s constitution (which requires the prior payment of Expenses) and in any event, premature, including by reason of the Keystone Appointees not having been appointed to wind up the CDPF and not having undertaken any detailed investigations in the use of CDPF funds (including uses which may have benefitted the SMF);
- (d) at the request of the Applicants, on 18 February 2026, orders were made adjourning the hearing of paragraphs 4 and 5 of the Amended IP for around four months, to 15 June 2026, and requiring the Applicants to file and serve any further evidence and submissions by 25 May 2026;
- (e) the Court has, on 20 March 2026, delivered judgment in the ASIC MIML Proceeding, making the declarations sought by consent (*ASIC v Macquarie Investment Management Limited* [2026] FCA 303), while the ASIC ETSL Proceeding remains on foot; and
- (f) on 31 May 2026, the Applicants filed and served:
 - (i) the Nineteenth Tracy Affidavit, which relevantly:
 - (A) outlines the results of the Keystone Appointees’ “analysis of the uses of CDPF funds” (section E); and
 - (B) contains updated proposed retention calculations (section G); and
 - (ii) further submissions, which annex a proposed further amended interlocutory process (**Further Amended IP**), a schedule of updated proposed retentions, and a proposed form of order.

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B. OVERVIEW OF CONTRADICTIONERS' POSITION

19. As set out at paragraphs 98 to 100 of the Blakeley Affidavit, the Contradictors identified payments totalling \$18.65 million made by or on behalf of Falcon (as trustee for the ADF) to Keystone as trustee for the CDPF and CF Capital between 13 April 2021 and 4 February 2022 pursuant to the Retirement Deed.
20. The Contradictors' position, at the time the Blakeley Affidavit was made on 16 February 2026, was that, until further investigations into the CDPF were undertaken, at least the amount of \$18.65 million ought to be retained from the Keystone Appointees' proposed distribution to account for the possibility of Falcon having a claim against Keystone as trustee for the SMF for (at least) that amount, and recourse to the assets of the SMF in that amount via subrogation to Keystone's right of indemnity.
21. I understand from the Nineteenth Tracy Affidavit that, since the Blakeley Affidavit was filed, the Keystone Appointees have conducted further investigations into the CDPF, including a tracing exercise into the \$18.65 million paid pursuant to the Retirement Deed, as well as a further \$2,629,073.43 paid into the CDPF Bank Accounts following Falcon's retirement as trustee of the CDPF, referred to at paragraph 55 of the Nineteenth Tracy Affidavit (collectively, the **CDPF Funds**). Together these sums total \$21,279,073.43.
22. From my review of the Nineteenth Tracy Affidavit, and accompanying outline of submissions, the Keystone Appointees' updated position (following those investigations) regarding the amounts that should be retained from the proceeds of the Bell Potter Securities on account of Falcon's yet-to-be-adjudicated proof of debt, appears to be that the amount of \$1,055,552.07 should be held back from the proposed distribution, comprising of the following:
- (a) an amount of \$386,904.04 in respect of any potential claim that funds from the SMF and the CDPF were comingled at the ADF level and subsequently comingled with funds used to acquire the Bell Potter Securities; and
 - (b) an amount of \$668,648.03 in respect of any potential claim that Falcon and/or the CDPF may have to be indemnified from SMF scheme assets for any CDPF Funds used by Keystone to pay SMF Scheme Related Expenses
- (together, the **Proposed Falcon Claim Holdback**).
23. For the reasons that follow, it is the Contradictors' position that, if there is to be an interim distribution, in addition to the Proposed Falcon Claim Holdback, the Keystone Appointees should withhold at least an additional \$1,338,229 from the amount to be distributed on

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account of Falcon's proof, comprising of the following "Unverified Outflows" referred to in paragraphs 67 and 68 of the Nineteenth Tracy Affidavit:

- (a) outflows from the CDPF Bank Accounts:
 - (i) transactions described as "Cash withdrawals" totalling \$743,326;
 - (ii) transactions described as "Legal fees" totalling \$85,404;
 - (iii) transactions described as "Other Expenditure" totalling \$332,073;
- (b) outflows from the CF Account x4141:
 - (i) transactions described as "Cash Withdrawals" totalling \$168,126; and
 - (ii) transactions described as "Unknown" totalling \$9,300.

- 24. I discuss the specific transactions referred to above in greater detail below.
- 25. The additional holdback proposed by the Contradictors is to ensure that Falcon and/or the CDPF is not prejudiced in the event that it is ultimately found, following further (appropriate and necessary) investigations by the Keystone Appointees into the relevant transactions, that CDPF Funds were applied to pay for SMF Scheme Related Expenses such that the CDPF and/or Falcon may have a claim to be indemnified from the SMF scheme assets for such amounts. That would bring the total amount retained from the Bell Potter Proceeds on account of Falcon's proof to \$2,393,781.07.
- 26. We note that in the Nineteenth Tracy affidavit at paragraph 98, there are amounts that the Applicants propose to hold back from the proposed distribution for their forecast remuneration and costs (including legal costs). The Contradictors have no objection to an amount to cover the forecast remuneration and costs being held back from the proposed distribution. Given that these amounts may be a cost of the liquidation and/or receivership and therefore have priority over any claim unitholders or creditors (including Falcon) may have to the hold back amount, we have assumed based on the information provided, that the figures they have forecast (including for potential adverse costs exposure) are sufficient to cover the entirety of the possible fees and costs that may be incurred, and the maximum of any adverse costs exposure to third parties.
- 27. Subject to that additional hold back amount, the Contradictors otherwise do not oppose the making of the directions sought in paragraphs 4 and 5 of the Amended IP (which remain unaltered in the Further Amended IP).

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C. TRACING ANALYSIS WITH RESPECT TO CDPF FUNDS

- 28. I have read paragraphs 54 to 66 of the Nineteenth Tracy Affidavit which sets out the methodology used by the Keystone Appointees and their staff to conduct the tracing analysis of the CDPF Funds (**Tracing Exercise**).
- 29. As stated at paragraph 70 of the Nineteenth Tracy Affidavit, we have also been provided with the Keystones Appointees' underlying workbooks on a confidential basis.
- 30. Subject to the matters we raise in the section below, we broadly agree with the methodology applied by the Keystone Appointees in the Tracing Exercise as the approach they have taken is the approach we would have taken to complete the same analysis.
- 31. For that reason, we formed the view that it was not economical or necessary to complete a full reconstruction of the Keystone Appointees' Tracing Exercise. Instead, we intended to conduct sample testing to trace the data contained in the Keystone Appointees' workbooks to a sample of underlying bank statements and/or documentary evidence to verify the analysis conducted by the Keystone Appointees (in essence, to spot-check the accuracy of the Keystone Appointees' work).
- 32. In order to conduct the proposed sample testing, the Contradictors requested 14 documents (including bank statements and other documentary evidence) used by the Keystone Appointees to conduct their Tracing Exercise. The primary reason for this request was to spot check either that the source bank statement was properly transcribed in the excel transaction listings, or the documentary evidence matched the assigned final destination classification. However, as at the date of this affidavit, the Keystone Appointees have not been able to provide these documents to the Contradictors as they are documents which are said to be subject to the Harman undertaking. We understand that the Keystone Appointees are in the process of seeking a release from the Harman Undertaking for the purposes of, inter alia, this proceeding.
- 33. Given the above, the Contradictors have not been in a position to conduct the intended sample testing and therefore have not been able to review the accuracy of the Tracing Exercise.
- 34. I set out below a modified version of the table found at paragraph 64 of the Nineteenth Tracy Affidavit, with additional total figures included in a new column on the right-hand side of the table.

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Methodology	CF Account x 4141	CDPF Bank Accounts	Total
Account-to-account tracing	\$3,917,939.69 (78%)	\$13,909,778.84 (86%)	\$17,827,718.53 (83.88%)
Documentary tracing	\$435,452.01 (9%)	\$713,056.83 (4%)	\$1,148,508.84 (5.40%)
Account transaction descriptions	\$646,608.30 (13%)	\$1,630,668.57 (10%)	\$2,277,276.87 (10.71%)
TOTAL	\$5,000,000 (100%)	\$16,253,504.24 (100%)	\$21,253,504.24 (100%)

35. While we agree with the view expressed in paragraph 65 of the Nineteenth Tracy Affidavit that the tracing methodology employed “is the most reasonable approach in the circumstances”, we are cognisant of the limitations of that methodology discussed below.

D. CONCERNS WITH UNVERIFIED OUTFLOWS

36. Notwithstanding our findings following our review of the Keystone Appointees’ Tracing Exercise, the Contradictors remain concerned that the Proposed Falcon Claim Holdback is insufficient to mitigate the risk of prejudice to Falcon from the proposed distribution and that further investigations can, and should, be undertaken to determine the ultimate destination of certain of the CDPF Funds.

37. In paragraph 65 of the Nineteenth Tracy Affidavit, the Keystone Appointees have identified the following limitations with the methodology applied in the Tracing Exercise:

- (a) relying on account transaction descriptions is a less reliable approach than direct account-to-account tracing as descriptions may be misleading and not accurately reflect the actual destination of the transfer;
- (b) the “database of documents the Keystone Appointees hold is most comprehensive in the period from 22 February 2022 to 22 February 2024 being the period covered by records from Paul Chiodo’s email address mailboxes. The database the Keystone Appointees hold is less comprehensive in the period prior to 22 February 2022, in which a significant portion of the funds were transferred”. This limited the Keystone Appointees’ ability to reconcile transactions to documentary evidence in the period prior to 22 February 2022, in circumstances where the entire \$18.65 million the subject of the Blakeley Affidavit was transferred before that date; and

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- (c) the Keystone Appointees “do not hold some potentially important bank statements which reduces the extent of account-to-account tracing”, and that they are still “continuing to seek production of further bank statements to increase the portion of funds that can be traced via account-to-account tracing”.

38. The Contradictors are also concerned about these limitations. In particular, we are concerned that the Keystone Appointees appear to be proceeding on the basis that Falcon and/or the CDPF has no possible claim in respect of the “Unverified Outflows”. These are outflows of CDPF Funds in respect of which the Keystone Appointees appear to have no information as to the destination and/or application of the funds other than by reference to the bank account transaction description. As stated at paragraph 63 of the Nineteenth Tracy affidavit, the Keystone Appointees acknowledge that they have seen instances where transaction descriptions were misdescribed (which is an experience that the Contradictors have also had in the course of the Falcon liquidation). Further, some of the transaction descriptions provide no insight or information at all as to the intended use of the funds.

The “Unverified Transactions” are summarised in paragraphs 67 and 68 of the Nineteenth Tracy Affidavit and comprise:

- (a) in respect of the \$5 million of CDPF Funds paid into CF Account x4141, outflows in the amount of \$646,608.30 are “Unverified Outflows”; and
 - (b) in respect of the \$16,279,073.43 of CDPF Funds paid into the CDPF Bank Accounts, outflows in the amount of \$1,630,668.57 are “Unverified Outflows” (together, \$2,277,276.87).
39. The Contradictors consider that there is a risk of prejudice to Falcon in the Keystone Appointees proceeding on the basis that the Unverified Outflows were *not* amounts applied to pay SMF Scheme Related Expenses simply by reference to a bank account statement narration. In our view, it is possible (and necessary) to conduct further traces and/or investigations to verify at least some of these Unverified Outflows, which we discuss further below, so as to obtain a greater level of certainty as to whether or not they were amounts applied to pay SMF Scheme Related Expenses. In our view, a conservative approach would be to take these steps before the Keystone Appointees proceed with a distribution on the basis Falcon has no claim to the SMF assets by reason of those transactions.

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“Cash withdrawals”

40. Purported cash withdrawals make up the highest percentage of “Unverified Outflows” from both the CDPF Bank Accounts (two transactions totalling \$743,326.35) and CF Account x4141 (two transactions totalling \$168,125.69). It appears from the Nineteenth Tracy Affidavit that bank traces have not been conducted to verify that these amounts were in fact, withdrawals of cash, and not, for example, bank cheques made out to an identifiable payee.
41. The Contradictors have experienced multiple instances in their capacity as liquidators of Falcon where bank cheques were inaccurately described as cash withdrawals within Falcon’s bank statements. For example, the following transactions were recorded in the following pre-appointment Falcon Westpac accounts:

Date	Account	Description	Amount (\$)
11/02/2025	WBC - 9080	Transfer Withdrawal at Wales Corner, Melbourne VIC	346,537.88
11/02/2025	WBC - 1168	Transfer Withdrawal at Wales Corner, Melbourne VIC	100,000.00

42. Upon conducting traces for the above transactions, it was identified these amounts were transferred via bank cheque to an associated entity of one of the directors of Falcon, Mr Simon Selimaj, NAB Fidelity Pty Ltd (formerly ANZ Asia Fidelity Pty Ltd, formerly FGC Management Pty Ltd) (**FGC Management**). An extract of the trace (with is outlined below.

Falcon Capital Limited – Westpac Account – 033-165 29-9080

- Withdrawal of \$346,537.88
- Paid to FGC Management 033-005 12-9939

ØTERM NO.	TELLER ID	TIME	BSB NO.	ACCT NO.	TXN TYPE	SERIAL NO.	PHYS CASH AMOUNT	TRANSFER AMOUNT	TRANSACTION AMOUNT	CUSTOMER PRESENT
0983	M011932	14:09	033165	299080	WDL	0000000	346,537.88	0.00	346,537.88	
0983	M011932	14:09	033005	129939	DEP	0000000	346,537.88	0.00	346,537.88	Y

Falcon Capital Limited – Westpac Account – 033-165 27-1168

- Withdrawal of \$100,000.00
- Paid to FGC Management 033-005 129-939

TRANSACTION NO.	TIME	BSB NO.	ACCT NO.	TXN TYPE	SERIAL NO.	PHYS CASH AMOUNT	TRANSFER AMOUNT	TRANSACTION AMOUNT	CUSTOMER PRESENT	
0983	M011932	14:22	033165	271168	WDL	0000000	100,000.00	0.00	100,000.00	
0983	M011932	14:22	033005	129939	DEP	0000000	100,000.00	0.00	100,000.00	Y

43. The Contradictors therefore consider it appropriate for the transactions described as “cash withdrawals” from the CDPF Bank Accounts and CF Account x4141 to be verified by a bank trace. Until those investigations occur, we consider that the proper and conservative

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approach is to hold back from the distribution the amount of these transactions to ensure that there is no prejudice to Falcon and/or the CDPF.

“Legal fees”

44. Another category of “Unverified Outflows” are described as “Legal fees” (assigned based on the transaction description in the bank account statements). Outflows from the CDPF Bank Accounts totalling \$119,912.14 have been categorised this way. We understand that the Keystone Appointees have not been able to reconcile these transactions to documentary evidence to verify the accuracy of the description.
45. We have reviewed each of the specific descriptions in the narrations for these transactions in the bank statements, and are particularly concerned regarding the transactions in respect of which the description does not assist one way or the other in determining whether the purported legal fees relate to SMF-related work, or some other legal work. These transactions total \$85,404.14 and are extracted below:

DATE	DESCRIPTION	PAYMENT
12/07/2021	Withdrawal-OSKO PAYMENT 1134666 Yorston Legal Trustee Legal Costs JUNE/JULY TRUSTEE LEGAL COSTS JUNE/JULY 10 JUL 2021	16,202.07
28/07/2021	WITHDRAWAL -OSKO PAYMENT 1032522 YORSTON LEGAL FUND LEGAL - MARK YORSTON FUND LEGAL - MARK YORSTON	16,202.07
8/10/2021	WITHDRAWAL-OSKO PAYMENT 1980406 BRAND PARTNERS TRUST ACCOUNT COOLANGATTA - BRAND PARTNERS COOLANGATTA - BRAND PARTNERS	12,000.00
22/11/2021	WITHDRAWAL-OSKO PAYMENT 1690707 BRAND PARTNERS TRUST ACCOUNT LEGAL FEES LEGAL FEES	30,000.00
25/11/2021	WITHDRAWAL-OSKO PAYMENT 1191057 BRAND PARTNERS TRUST ACCOUNT COOLANGATTA - VALUER EXPERT COOLANGATTA - VALUER EXPERT	11,000.00
TOTAL		85,404.14

46. The Contradictors therefore consider the proper and conservative approach is for the amount of \$85,404.14 to be held back from the proposed interim distribution to account for the transactions described as “legal fees” from the CDPF Bank Accounts, and for those transactions to be subject to further investigation, rather than for the Keystone Appointees to simply proceed on the basis that Falcon and/or the CDPF has no potential claim in respect of those amounts.
47. The Contradictors consider the remaining three transactions comprising the outflows categorised as “Legal Fees” totalling \$34,508.00 can reasonably be assumed to be legal fees associated with the Norwood Ponds development and Warrigal Road Ashburton

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development based on transaction description, and therefore can reasonably be assumed not to be SMF Scheme Related Expenses.

“Other Expenditure”

48. The final category of “Unverified Outflows” with which the Contradictors are concerned are those described in the Keystone Appointees’ material as:
- (a) “Other Expenditure” (comprising outflows from the CDPF Bank Accounts the period 13 July 2021 to 13 December 2021 totalling \$332,072.70); and
 - (b) “Unknown” (comprising an outflow from the CF Account x4141 on 16 June 2021 in the amount of \$9,300).
49. The description used for these transactions provides no information as to the intended use of the transactions. We also understand that the Keystone Appointees have not been able to reconcile these transactions to documentary evidence, as they do not hold a comprehensive database for books and records prior to 22 February 2022, and the Third Tracy Affidavit does not appear to provide any explanation for this category and/or the basis on which the Keystone Appointees have reached the concluded view that these outflows were not amounts paid for SMF Scheme Related Expenses.
50. In the Contradictors’ view, the proper (and conservative) approach is to hold back an amount from the proposed distribution to account for the possibility that Falcon and/or the CDPF has a claim against SMF scheme assets in respect of the “Other Expenditure”.

E. CONCLUSION

51. For the reasons set out in this affidavit, and on the basis of the matters set out in the Nineteenth Tracy Affidavit, it is our view that - if an interim distribution is to be made - in addition to the Proposed Falcon Claim Hold Back, it is appropriate for the Keystone Appointees to withhold a further amount of \$1,338,229 from the proposed distribution. This is because:
- (a) funds in this amount have been traced from CDPF Funds into either the CDPF Bank Accounts or the CF Account x4141 and out of those accounts to an ultimate destination/application;
 - (b) the narration provided in the bank statement for each of the outflows (assuming its accuracy) is not sufficiently detailed to determine the ultimate destination/application of the funds;



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- (c) the Keystone Appointees have not yet been able to identify documentary evidence to verify any of the outflows, and therefore cannot with any level of certainty determine that the funds were *not* applied to SMF Scheme Related Expenses; and
- (d) there are further investigations that the Keystone Appointees can, and should, be undertaking to verify the application of these funds.

52. Should an amount of \$2,393,781.07 (Proposed Falcon Claim Holdback plus the Contradictors' proposed additional holdback of \$1,338,229) be retained by the Keystone Appointees to account for the possible Falcon or CDPF claim to SMF-assets in that amount, the Contradictors are reasonably satisfied (having regard also to the \$8 million 'contingency' retention referred to at paragraph 84 of the Nineteenth Tracy Affidavit), that there are funds sufficient to cover any potential claim Falcon may have against the SMF Assets.
53. The contents of this affidavit are true and correct and I make it known that a person making a false affidavit may be prosecuted for the offence of perjury.

Affirmed by the deponent
 at Melbourne
 in the state of Victoria
 on 11 June 2026
 Before me:

)
) 
)
) _____
) Signature of Paul Stuart Harlond
)



 Signature of witness

Jessica Celeste Gordon
 Level 6, 530 Collins Street
 Melbourne, Victoria, 3000
 An Australian Legal Practitioner within the
 meaning of the Legal Profession Uniform Law (Victoria)

A person authorised under section 19(1) of the *Oaths and Affirmations Act 2018* (Vic) (**Oaths Act**) to take an affidavit.

The deponent made the affirmation and signed this affidavit by audio visual link, pursuant to s 25 of the Oaths Act.

The deponent and witness signed this affidavit by electronic means, pursuant to s 18A of the Oaths Act.

The witness signed an electronic copy of this affidavit rather than an original, pursuant to s 26(4) of the Oaths Act.