

10 September 2024

Notice to creditors

Dear Sir/Madam

**Keystone Asset Management Ltd
(Receivers & Managers Appointed) (Administrators Appointed)
ACN 612 443 008 (the Company)**

I refer to my initial notice to creditors dated 6 September 2024 and the First Meeting of Creditors convened on 9 September 2024. The purpose of this notice is to provide creditors with copies of documents which were tabled at the First Meeting of Creditors:

1. Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

As advised in the First Meeting of Creditors held on 9 September 2024, we attach our DIRRI at **Schedule A**. The DIRRI discloses information regarding our independence, any prior personal or professional relationships that the Administrators and Deloitte had with the Company or related parties and any indemnities received relating to this appointment.

2. Administrators' Remuneration

We also attach a schedule of our hourly rates. Please refer to **Schedule B**.

Updates & Contact information

All updates on the administration can be found on a dedicated webpage which can be accessed through the following link: <https://www.deloitte.com/au/keystone>.

Should you have any questions in relation to this matter or experience any difficulty in accessing the notices and documents made available to you, please contact our office by email to shieldinvestors@deloitte.com.au.

Yours faithfully



Jason Tracy
Joint and Several Administrator

- Annexure A** A Declaration of Independence, Indemnities & Relevant Relationships (**DIRRI**) for the purposes of Section 436DA of the Act
- Annexure B** Schedule of the Administrators Hourly Rates

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Keystone Asset Management Ltd (ACN 612 443 008) (KAM or the Company)

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

1. their independence generally;
2. relationships, including:
 - 1.1 the circumstances of the appointment;
 - 1.2 any relationships with the Company and others within the previous 24 months;
 - 1.3 any prior professional services for the Company within the previous 24 months;
 - 1.4 that there are no other relationships to declare; and
3. any indemnities given, or up-front payments made, to the Practitioners.

This declaration is made in respect of ourselves, our partners and Deloitte Australia. In this document, Deloitte Australia means the Australian partnership of Deloitte Touche Tohmatsu and each of the entities under its control, including Deloitte Financial Advisory Pty Limited.

A. Independence

We, Jason Tracy and Lucica Palaghia of Deloitte have undertaken a proper assessment of the risks to our independence prior to accepting the appointment by the Court as Voluntary Administrators (in replacement of Scott Langdon, John Mouawad and Michael Korda of KordaMentha) of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence in light of the orders of his Honour, Justice Moshinsky of the Federal Court of Australia (the **Court**) in *Australian Securities and Investments Commission v Keystone Asset Management Ltd (Receivers and Managers appointed) (Administrators appointed) (ACN 612 443 008) and Anor* in VID 536/2024 (**Proceedings**) on 5 September 2024 (**5 September Orders**). We are not aware of any reasons that would prevent us from accepting this appointment.

When the Court's reasons for the 5 September Orders are published, these will be made available and will be published on the Deloitte website at: <https://www.deloitte.com/au/keystone> and creditors will be notified.

B. Declaration of Relationships

Circumstances of appointment

The circumstances leading to our appointment by the Court as Voluntary Administrators of KAM initially arose from the work that we undertook in respect of KAM and the Relevant Associated Entities as listed in Schedule A. In this regard, in this section of our DIRRI, we have provided details of the circumstances which led to this initial work in relation to KAM and the Relevant Associated Entities as listed in Schedule A up until the date of this declaration. We note that following our initial engagement, the Court appointed us, with ASIC's consent, to take control of KAM's bank accounts, supervise KAM's payments and produce a report to ASIC (among other things). The Court then appointed us as Receivers and Managers on the application of ASIC and finally, as Voluntary Administrators. Our previous interactions with KAM were disclosed to the Court and formed the factual basis upon which the Court made the subsequent appointment orders. Since 26 June 2024, we have been under the supervision of the Court and acting in compliance with the Court orders in these Proceedings.

Circumstances of our initial engagement

On 1 February 2024, Jason Tracy was contacted by Samantha Kinsey, Partner of King & Wood Mallesons (**KWM**) who requested that Deloitte Financial Advisory Pty Ltd (**Deloitte**) undertake conflict searches to determine whether Deloitte could provide services in connection with KAM in its capacity as the Responsible Entity for the Shield Master Fund (**SMF**) and in its capacity as Trustee for the Advantage Diversified Property Fund (**ADPF**). KWM were engaged as KAM's legal advisors in relation to KAM's related party arrangements.

Engagement between Deloitte and KWM ("8 February Engagement")

On 8 February 2024, Deloitte was engaged by KWM, on a privileged and confidential basis, for the purpose of providing "...an independent review of the related party arrangements (**Arrangements**) entered into by [KAM] as Trustee for the Shield Master Fund ARSN 650 112 057 (**Shield**) and the Advantage Diversified Property Fund (the **Services**) to assist KWM in providing legal advice to KAM. The purpose of the engagement and scope of the Services was set out in the engagement letter as follows:

"The purpose of the Services is to assist you to advise [KAM] in relation to the Arrangements and whether those Arrangements reflect at least arm's length terms and to extent that those Arrangements do not reflect arm's length terms, providing recommendations in respect of amendments to the Arrangements to ensure (to the extent possible) that they can be properly characterized as arrangements on arm's length terms (the Purpose).

...

The scope of the work is detailed below:

Phase 1: Review of related party arrangements

- Understand the current and proposed Arrangements, including:
 - Entity, legal and security structures
 - Assets held by entity and value of those assets
 - Key financing and other contractual agreements, including value of loans and amounts outstanding
 - Management agreements
 - Value of investor funds and forecast redemption cycles

- *Review of public disclosure documents*
- *Review and comment on the key terms of the Arrangements, and the extent to which they reflect at least arm's length terms and to extent that those Arrangements do not reflect arm's length terms, providing recommendations in respect of amendments to the Arrangements to ensure (to the extent possible) that they can be properly characterized as arrangements on arm's length terms." [Deloitte did not conclude or provide an opinion in relation to this scope item.]*

Variation to the engagement between Deloitte and KWM ("4 March Variation")

On 4 March 2024, Deloitte and KWM agreed to vary the Services which Deloitte had been engaged to provide pursuant to the engagement letter dated 8 February 2024 discussed above. Pursuant to the variation, Deloitte were engaged to provide the following services on a privileged and confidential basis:

"Shield Master Fund | Verification of Sources and Uses of Funds Under Management

Verify the source and uses of Shield funds under management by:

- i. *Agreeing the funds invested in Shield to Boardroom registry records and bank statements*
- ii. *Where funds have been invested by Shield into ADPF:*
 - a) *Agree the amount invested by Shield to ADPF unit registers and verify payment to bank statements*
 - b) *For each of the loans advanced by ADPF to development SPVs, understand the purpose of each drawdown request by agreeing loan drawdowns to:*
 - *The loan draw down notice*
 - *Supporting documentation for each development cost included in the drawdown notice (such as development cost invoices, land acquisition and other contracts, construction claims)*
 - *Agree payment of the drawdown amount by ADPF to the ADPF bank statements*
 - *For each drawdown amount received by the Developer from ADPF, agree payment of the development cost from the Developer's bank statement to third parties.*
- iii. *Agreeing Shield's investment into the SPW Global Growth Fund, Archangle [sic] Ventures 2022, Fiducial SMA Funds and Direct Listed investments to third party statements*
- iv. *All other Shield fund outflows: Agree outflows to supporting documentation (such as invoices, investment management agreements) and verify payment of the outflows to bank statements."*

Engagement between Deloitte and KAM as the Responsible Entity for the SMF ("4 March Engagement")

On 4 March 2024, Deloitte was engaged by KAM in its capacity as the Responsible Entity for the SMF to provide the following services:

"Verification of loan draw down requests

For each loan draw down request:

1. *Verify the loan draw down amount per the draw down notice to third party invoices*
2. *Confirm that the third party invoice relates to the project to which the draw down has been requested*
3. *For construction invoices, independently verify with the Construction Manager amounts owing to each subcontractor and the project to which they relate*
4. *For development invoices, independently verify with the Development Manager amounts owing to each consultant and the project to which they relate*
5. *On a weekly basis, once loan funds have been advanced from ADPF to the related party development entity, reconcile payment of the third party invoices to the Developer bank statements*

The scope of the work contained within our 8 February Engagement, 4 March Variation and 4 March Engagement was provided to the Court before all of our appointments made by Orders of the Court.

Work undertaken pursuant to the Court Orders dated 26 June 2024 in the matter of ASIC -v- Keystone and another, Paul Anthony Chiodo in Proceeding No. VID536/2024 in the Federal Court of Australia ("26 June Orders")

On 17 June 2024, ASIC applied to the Court in the Proceedings for, among other things, appointment of receivers and managers to the property of the SMF, ADPF and Quantum PE Fund.

Pursuant to the 26 June Orders (which were made by the Court with the consent of ASIC), we were:

1. "... appointed, jointly and severally without giving security, to have full control of any bank account held in the name of the [KAM], the Shield Master Fund, or beneficially held by either, until further order."
2. Required to "... validate ..." whether "the First Defendant is permitted to enter into ... transactions as validated ... in accordance with paragraph (a) of the Undertaking above (**Permitted Transactions**)"
3. Required to "provide a weekly report to the Plaintiff [ASIC] each Friday listing all Permitted Transactions entered into by the First Defendant during that week and identifying any rejected transactions;"
4. Required to "... provide to the Plaintiff [ASIC] by 23 July 2024 a report ... on the financial position of the Shield Master Fund and the Advantage Diversified Property Fund."

Subsequent to 26 June 2024, in addition to undertaking work to comply with the 26 June 2024 Orders, Deloitte has also undertaken work to:

- Review and respond to queries from ASIC with respect to information disclosed within the report which we prepared with respect to the financial position of the SMF and the ADPF as required by the abovementioned court orders, and
- Collating records to comply with a notice to produce documents which was provided to us by ASIC. This notice requested documents which related to the report which we prepared with respect to the financial position of the SMF and the ADPF as required by the abovementioned court orders.

A copy of the 26 June 2024 Orders is attached.

ASIC's application for appointment of receivers to the property of the Funds was listed for hearing on 27 August 2024.

Work undertaken pursuant to the Court Orders dated 27 August 2024 in the matter of ASIC -v- Keystone and another, Paul Anthony Chiodo in Proceeding No. VID536/2024 in the Federal Court of Australia ("27 August Orders")

At the hearing in the Proceeding on 27 August 2024, ASIC sought orders appointing us as Receivers and Managers (**Receivers**) of KAM in its capacity as the Responsible Entity for the Shield Master Fund, Trustee for the Advantage Diversified Property Fund and Trustee of the Quantum PE Fund (being the **Relevant Capacities**). The application was opposed by KAM who sought a two-week adjournment of the hearing to explore alternative options.

ASIC was successful in its application and, pursuant to the Court Orders dated 27 August 2024 in the Proceedings, we were appointed court appointed Receivers and Managers of KAM in its capacity as the Responsible Entity for the Shield Master Fund, Trustee for the Advantage Diversified Property Fund and Trustee of the Quantum PE Fund (being the **Relevant Capacities**) for the purposes of:

"a. identifying, collecting and securing the Property of [KAM] held in any of its Relevant Capacities;

- b. ascertaining the amount of the Investor Funds received by [KAM];
- c. identifying any dealings with, payments of, distributions of or uses made of the Investor Funds by [KAM];
- d. identifying any Property purchased or acquired, directly or indirectly, with Investor Funds; and
- e. recovering Investor Funds”

for the purpose of attaining the objectives set out above, the Court granted the Receivers with the powers set out in Sections 420(1) and (2)(a), (b), (e), (f), (g), (h), (j), (k), (n), (p), (q), (r), (t) and (u) of the Corporations Act 2001 (Cth), and with a power to apply to the Court for directions or further orders. The 27 August Orders did not extend to the sale of any property of KAM without prior leave of the Court.

This appointment is ongoing as at the date of this DIRRI. A copy of the 27 August Orders is attached.

Prior professional services in respect of KAM

We have provided the professional services set out in the table below in the 24 months prior to acceptance of this appointment. On the bases set out for each engagement below, we do not consider that these prior services (whether individually or collectively) hamper, impede or influence our capacity to fully discharge the statutory and fiduciary obligations associated with the external administration of KAM in light of the 5 September 2024 Orders.

1. 8 February Engagement and 4 March 2024 Variation

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 8 February Engagement and 4 March Variation described above	<ul style="list-style-type: none"> The engagement involved undertaking an independent review of the related party arrangements entered into by KAM in its role as Responsible Entity for the Shield Master Fund and the Advantage Diversified Property Fund, and the development of a ‘sources and uses’ analysis of the funds controlled by KAM in its capacity as Responsible Entity of the Shield Master Fund based on company and third-party records (such as bank statements). While the 8 February Engagement letter originally anticipated that Deloitte would provide recommendations in respect of amendments to the related party arrangements to ensure that they could be properly characterised as arrangements on arm's length terms, we did not conclude or provide an opinion in relation to this scope item. At no time did Deloitte have any responsibility for any financial and/or management functions of the Company.
Parties	KWM and Deloitte	
Date of commencement and completion	Work commenced on 8 February 2024, and the engagement was terminated on 26 June 2024	
Fees	<p>Deloitte billed a total of \$796,075 (excluding GST) to KWM for these services and has since reduced this amount by \$44,649 (excluding GST).</p> <p>Deloitte received \$751,426 (excluding GST) in relation to these services, \$701,075 (excluding GST) of which was received within the last 6 months).</p>	

		<p>Deloitte was not responsible for the creation or modification of any related party arrangements. Deloitte was not responsible for the creation or modification of any financial records of the Company.</p> <ul style="list-style-type: none"> • We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the Company's liquidation, due to the nature of the engagement. • Deloitte undertakes work from time to time referred to us on behalf of KWM, as do insolvency practitioners from other firms. This includes the appointment of Deloitte registered liquidators to companies as a formal appointment where KWM has asked us to consent to act. • We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. This relationship does not impact our independence. • Referrals from lawyers, accountants, business advisors and government agencies are commonplace and do not affect our independence in discharging our duties as voluntary administrators.
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2. 4 March Engagement

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 4 March Engagement described above	<ul style="list-style-type: none"> • The engagement involved certain matching and confirmation procedures relating to draw-down requests received by KAM in its capacity as Responsible Entity for the Shield Master Fund to third party invoices and other documents supporting the draw-down amount. • Deloitte was not responsible for the creation or modification of any financial records of the Company. • We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the Company's liquidation, due to the nature of the engagement.
Parties	KAM and Deloitte	
Date of commencement and completion	Work commenced on 4 March 2024, and work was completed by 6 March 2024	
Fees	<p>Deloitte billed a total of \$5,113 (excluding GST) to KAM for these services.</p> <p>Deloitte received \$5,113 (excluding GST) in relation to these services (all of which was received within the last 6 months).</p>	

		<ul style="list-style-type: none"> We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. The relationship has not impacted our independence.
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3. 26 June Orders

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 26 June Orders as noted above.	<ul style="list-style-type: none"> This engagement was undertaken by Order of the Federal Court of Australia in Proceeding No. VID536/2024. Full disclosure of our prior work and relationship to the KAM and the Relevant Associated Entities listed in Appendix A was provided to the Court and the Plaintiff (ASIC) prior to the Orders being made. The Orders were consented to by ASIC and were pursuant to the Court hearing. The Orders provided us with control over certain bank accounts operated by KAM and required us to independently report to ASIC on the financial position of the Shield Master Fund and the Advantage Diversified Property Fund. While Deloitte had control over certain bank accounts, we were not responsible for management of the business and its affairs, but rather, we were responsible to the Court. Deloitte was not responsible for the creation or modification of any financial records of the Company. We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the Company's liquidation, due to the nature of the engagement. We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. The relationship has not impeded our independence.
Parties	Deloitte	
Date of commencement and completion	Work commenced immediately upon the Court orders being made on 26 June 2024. Deloitte's report to the Court was delivered on 27 July 2024. Our control of the relevant bank accounts remained in place until 4pm on 28 August 2024 .	
Fees	<p>Under the terms of the 26 June Orders, Deloitte fees are required to be approved by the Court prior to payment.</p> <p>At this stage, we have not sought approval of our fees in this engagement from the Court however this will be done in due course.</p>	

4. 27 August 2024 Orders

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 27 August Orders described above	<ul style="list-style-type: none"> • This engagement was undertaken by Order of the Federal Court of Australia in Proceeding No. VID536/2024. • Our appointment pursuant to the Orders was sought by ASIC. • Full disclosure of our prior relationship to the KAM and the Relevant Associated Entities listed in Appendix A was provided to the Court and the Plaintiff (ASIC) prior to the orders being made. • The Orders provided us with control over KAM in its capacity as the Responsible Entity of Shield Master Fund only. • The purpose and scope of the engagement is aligned to the Voluntary Administration process in terms of identifying, protecting and securing KAM's assets. • We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the Company's liquidation, due to the nature of the engagement. • We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. The relationship has not impeded our independence.
Parties	Deloitte	
Date of commencement and completion	Work commenced immediately upon the stay on the 27 August Orders being lifted at 4pm on 28 August 2024 and now continues in parallel to the Voluntary Administration appointment.	
Fees	<p>Under the terms of the 27 August Orders, Deloitte's fees are required to be approved by the Court prior to payment.</p> <p>At this stage, we have not sought approval of our fees in this engagement from the Court however expect this will be done in due course.</p>	

Relevant relationships (excluding Professional Services to the Company)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with KordaMentha, the firm of which the former Voluntary Administrators of the Company are Partners. Details of this nature of this relationship and the reasons it does not result in a conflict of interest are below:

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
KordaMentha	<p>Partners of KordaMentha were formerly appointed as Voluntary Administrators of the Company.</p> <p>Deloitte Australia has undertaken a number of GST advisory engagements referred to us by KordaMentha in the usual course of business.</p>	<p>We do not consider previous GST advisory engagements for KordaMentha to present a conflict as there is no connection between these engagements and the Company.</p> <p>The provision of GST advisory services to KordaMentha brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Company.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements for KordaMentha and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore, there is no relationship with KordaMentha which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>

No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

We have not been provided with any indemnities, other than any indemnities which may be available to us under statute, and we have not received any up-front payments in respect of our remuneration or disbursements.

DATED this 9th day of September 2024



Jason Tracy
Partner
Deloitte



Lucica Palaghia
Partner
Deloitte

Notes:

1. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 (Cth) and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of Components 1, 2 and 3 of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Schedule A – Details of KAM and its Relevant Associated Entities

Company Name	ACN
Keystone Asset Management Ltd	612 443 008
Keystone Asset Management Ltd in its capacity as the Responsible Entity for the Shield Master Fund	650 112 057
Keystone Asset Management Ltd in its capacity as the trustee for the Advantage Diversified Property Fund	-
Keystone Asset Management Ltd in its capacity as the trustee for the Quantum PE Fund	-



Federal Court of Australia

District Registry: Victoria

Division: General

No: VID536/2024

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

Plaintiff

KEYSTONE ASSET MANAGEMENT LTD ACN 612 443 008 and another named in the
schedule

Defendant

ORDER

JUDGE: JUSTICE O'CALLAGHAN

DATE OF ORDER: 26 June 2024

WHERE MADE: Melbourne

PENAL NOTICE

TO: KEYSTONE ASSET MANAGEMENT LTD ACN 612 443 008

IF YOU (BEING THE PERSON BOUND BY THIS ORDER):

- (A) REFUSE OR NEGLECT TO DO ANY ACT WITHIN THE TIME SPECIFIED IN THIS ORDER FOR THE DOING OF THE ACT; OR**
- (B) DISOBEY THE ORDER BY DOING AN ACT WHICH THE ORDER REQUIRES YOU NOT TO DO,**

YOU WILL BE LIABLE TO IMPRISONMENT, SEQUESTRATION OF PROPERTY OR OTHER PUNISHMENT.

ANY OTHER PERSON WHO KNOWS OF THIS ORDER AND DOES ANYTHING WHICH HELPS OR PERMITS YOU TO BREACH THE TERMS OF THIS ORDER MAY BE SIMILARLY PUNISHED.



UNDERTAKING:

Jason Tracy and Lucica Palaghia of Deloitte Financial Advisory Pty Ltd (**Deloitte**) undertake to the Court (**Annexure A**) that they will, until further order of the Court:

- (a) verify whether any payments and other transactions proposed to be entered into by the First Defendant constitute Permitted Transactions (as defined in paragraph 3 below) by way of the following process:
 - (i) Simon Milne of CF Capital Investments Pty Ltd (**CF Capital**) to issue proposed payment approvals (**PPAs**) to Deloitte in respect of all proposed transactions;
 - (ii) Deloitte to issue a response to the PPAs either verifying those purchase orders as Permitted Transactions or rejecting those PPAs;
- (b) provide a weekly report to the Plaintiff each Friday listing all Permitted Transactions entered into by the First Defendant during that week and identifying any rejected transactions;
- (c) prepare the report on the financial position of the Shield Master Fund and the Advantage Diversified Property Fund referred to in paragraph 6 below; and
- (d) notify the Plaintiff forthwith if Deloitte becomes aware of any non-compliance with these Orders.

UPON RECEIPT OF THE UNDERTAKING, THE COURT ORDERS BY CONSENT OF THE PLAINTIFF AND FIRST DEFENDANT THAT:

1. Pursuant to sections 1323(1)(h) and (3) of the *Corporations Act 2001* (Cth) and section 23 of the *Federal Court of Australia Act 1976* (Cth) and the Court's inherent jurisdiction, Jason Tracy and Lucica Palaghia of Deloitte be appointed, jointly and severally without giving security, to have full control of any bank account held in the name of the First Defendant, the Shield Master Fund, or beneficially held by either, until further order.



2. Save as provided for by paragraph 3, the First Defendant, by itself, its agents or employees, including the Second Defendant in his capacity as agent of the First Defendant, is restrained until further order from:
- (a) removing, or causing or permitting to be removed from Australia all real or personal property, assets or interests in property of any kind, within or outside Australia, comprising, further to 1323(2A) of the Corporations Act, the Shield Master Fund (ARSN 650 112 057), the Advantage Diversified Property Fund and the Quantum PE Fund (**the Property**);
 - (b) selling, charging, mortgaging, encumbering or otherwise dealing with, disposing of and/or diminishing the value of all or any of the Property;
 - (c) causing or permitting to be sold, charged, mortgaged, encumbered or otherwise dealt with, disposed of, or diminished in value, all or any of the Property;
 - (d) without limiting the terms of sub-paragraphs (a) to (c) above, incurring new liabilities including, without limitation, liabilities incurred either directly or indirectly, through the use of a credit card, a credit facility, a drawdown facility or a re-draw facility; and
 - (e) without limiting the terms of sub-paragraphs (a) to (d) above, withdrawing, transferring or otherwise disposing of or dealing with, any monies available in any account with any bank, building society or other financial institution (in Australia and elsewhere), in which the First Defendant has any legal or equitable interest.
3. The First Defendant is permitted to enter into the following transactions as validated by Deloitte in accordance with paragraph (a) of the Undertaking above (**Permitted Transactions**):
- (a) paying or otherwise incurring a liability for legal costs or disbursements reasonably incurred in these proceedings and any criminal proceedings arising from the Plaintiff's investigation into the affairs of the First Defendant (save that any bank, building society or



financial institution may exercise any right of setoff which it may have in respect of a facility afforded by the First Defendant prior to the date of these orders without the need for verification by Deloitte);

- (b) all trustee fees and other amounts payable by the First Defendant from the Property in its capacity as responsible entity and trustee, but only to the extent that, in the opinion of Deloitte, the payment is in the best interests of Shield Master Fund unit holders and underlying investors, including, without limitation, in respect of the following matters:
 - (i) valuer and auditor fees;
 - (ii) legal and professional fees and costs including in respect of the Plaintiff's investigation, the Governance Review Plan and these orders;
 - (iii) investment management fees to CF Capital (including for payment to CF Capital employees);
 - (iv) any applicable insurance premiums, taxes, AFSL fees, ASIC fees and any other regulatory fees or charges;
 - (v) office rent and associated utilities and any other day to day costs of the Shield Master Fund or Advantage Diversified Property Fund; and
 - (vi) third party service providers in connection with the ongoing operation of the Keystone Funds.
- (c) Advantage Diversified Property Fund draw downs under loans for construction, mortgage and senior finance payments, development management fees and other project related costs and expenses, but only to the extent that, in the opinion of Deloitte, the draw down is in the best interests of Shield Master Fund unit holders and underlying investors, for the following projects:
 - (i) 21-23 Norwood Crescent, Moonee Ponds VIC (Norwood Ponds (Land) Pty Ltd (ACN 617 075 411));



- (ii) 33 & 35 Nicholson Street, Bentleigh 3204 VIC (Nicholson Street Bentleigh Pty Ltd (ACN 623 115 926));
 - (iii) 348-350 Warrigal Road, Ashburton 3147 VIC (Warrigal Road Ashburton Pty Ltd (ACN 621 641 165));
 - (iv) 141-145 Augustine Terrace, Glenroy 3046 VIC (Augustine Terrace Glenroy Pty Ltd (ACN 626 000 477));
 - (v) 33 Davidson Street, Port Douglas 4877 QLD (33 Davidson Street Pty Ltd (ACN 615 764 568));
 - (vi) 417 Bellmere Road, Bellmere QLD 4510 (417 Bellmere Road Pty Ltd (ACN 667 543 651));
 - (vii) the Fairmont Port Douglas project, located at 71 to 85 Port Douglas Road, Port Douglas QLD 4877;
 - (viii) the Ritz Carlton Numuka Bay, Fiji project, located at TLTB Ref: No: 4/11/39403, TLTB Ref: No: 4/11/50037898, TLTB Ref: No: 4/11/41543 (Fiji); and
 - (ix) 'La Sessola' JW Marriott, Venice; and payment to CF Capital employees);
- (d) redemptions from Shield Master Fund to the extent otherwise permitted by law.
4. Deloitte shall be entitled to reasonable remuneration and reasonable costs and expenses properly incurred in the performance of their duties pursuant to these orders as may be fixed by the Court on the application of Deloitte, such sum to be calculated on the basis of the time reasonably spent by Deloitte, their partners and staff, at the rates specified in the Consent to Act at **Annexure B** to these orders, such fees to be paid out of the Property.
5. Deloitte shall be entitled to be indemnified out of the Property for any liability properly incurred in performing its duties and discharging its functions pursuant to these Orders.



6. The First Defendant will provide to the Plaintiff by 23 July 2024 a report prepared by Jason Tracy and Lucica Palaghia of Deloitte on the financial position of the Shield Master Fund and the Advantage Diversified Property Fund.
7. Orders 8-10 of the orders of O'Callaghan J made on 18 June 2024 cease to have effect forthwith.
8. The further hearing of the Originating Process be adjourned until not before 6 August 2024.
9. Costs reserved.
10. Each party, Deloitte and any other person who is affected by these Orders to have liberty to apply in relation to any matter arising in connection with these Orders upon giving reasonable notice to the parties and Deloitte.

Date orders authenticated: 26 June 2024


Registrar

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.



ANNEXURE A



No VID 536 of 2024

Federal Court of Australia
District Registry: Victoria
Division: General

Australian Securities and Exchange Commission

Plaintiff

Keystone Asset Management Ltd (ACN 612 443 008) and another

Defendants

Undertaking

We, Jason Mark Tracy, of Deloitte Financial Advisory Pty Ltd, Quay Quarter Tower, 50 Bridge Street, Sydney NSW 2000 and Lucica Palaghia of Deloitte Financial Advisory Pty Ltd, 477 Collins St, Melbourne, Victoria, undertake to the Court that we will, until further order of the Court:

- (a) verify whether any payments and other transactions proposed to be entered into by the First Defendant constitute Permitted Transactions (as defined in the orders of the Court made in Proceeding VID 536 of 2024 on 26 June 2024 (**Orders**)) by way of the following process:
 - (i) Simon Milne of CF Capital Investments Pty Ltd (CF Capital) to issue proposed payment approvals (**PPAs**) to Deloitte in respect of all proposed transactions;
 - (ii) Deloitte to issue a response to the PPAs either verifying those purchase orders as Permitted Transactions or rejecting those PPAs;
- (b) provide a weekly report to the Plaintiff each Friday listing all Permitted Transactions entered into by the First Defendant during that week and identifying any rejected transactions;
- (c) prepare the report on the financial position of the Shield Master Fund and the Advantage Diversified Property Fund referred to in the Orders; and
- (d) notify the Plaintiff forthwith if Deloitte becomes aware of any non-compliance with the Orders.

68894679_2



DATE:

A handwritten signature in black ink, appearing to read "Jason Mark Tracy", is written over a horizontal dotted line.

Signed by:

Jason Mark Tracy

A handwritten signature in black ink, appearing to read "Lucica Palaghia", is written over a horizontal dotted line.

Signed by:

Lucica Palaghia



ANNEXURE B



CORPORATIONS ACT 2001

CONSENT TO ACT PERFORMING THE FUNCTIONS DETERMINED BY THE ORDER OF THE COURT

To: Keystone Asset Management Limited in its capacity as Responsible Entity of the Shield Master Fund (ARSN 650 112 057) and as trustee of the Advantage Diversified Property Fund and as trustee for the Quantum PE Fund

We, Jason Mark Tracy, of Deloitte Financial Advisory Pty Ltd, Quay Quarter Tower, 50 Bridge Street, Sydney NSW 2000, and Lucica Palaghia of Deloitte Financial Advisory Pty Ltd, 477 Collins St, Melbourne, Victoria hereby consent to act to perform the functions determined by the order of the Court in Federal Court of Australia proceeding number VID 536 of 2024.

We are not aware of any conflict of interest or duty that would make it improper for us to act pursuant to the order of the Court.

The hourly rates to be charged in respect of our work by us and our staff who may perform work are set out in in Schedule A which is attached to this Consent. We acknowledge that our appointment by the Court does not constitute an express or implied approval by the Court of these hourly rates.

DATED this 26th day of June 2024.

A handwritten signature in black ink, appearing to read "J. Mark Tracy", written over a dotted line.

JASON MARK TRACY

A handwritten signature in black ink, appearing to read "Lucica Palaghia", written over a dotted line.

LUCICA PALAGHIA



SCHEDULE A | Schedule of Hourly Rates

Position	Hourly rate \$ (excluding GST)
Partner	890
Director	780
Associate Director	675
Manager	580
Senior Analyst	500
Analyst	460
Graduate	350

~TK VA_DOCSVA-A-006



Schedule

No: VID536/2024

Federal Court of Australia

District Registry: Victoria

Division: General

Second Defendant PAUL ANTHONY CHIDO



Federal Court of Australia

District Registry: Victoria Registry

Division: General

No: VID536/2024

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

KEYSTONE ASSET MANAGEMENT LTD (ACN 612 443 008) and another named in
the schedule

Defendants

ORDER

JUDGE: Justice Moshinsky

DATE OF ORDER: 27 August 2024

WHERE MADE: Melbourne

THE COURT NOTES THAT:

In these orders:

“**ADPF**” means the Advantage Diversified Property Fund;

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

“**Investor Funds**” means monies provided to the First Defendant in its capacity as responsible entity of the SMF;

“**Property**” means all real or personal property, assets or interests in property of any kind, within or outside Australia including choses in action and, by virtue of s 1323(2A) of the Corporations Act, any property held otherwise than as sole beneficial owner;

“**Relevant Capacities**”, in relation to the First Defendant, means its capacity as responsible entity of the SMF, its capacity as trustee for the ADPF, and its capacity as trustee for the Quantum PE Fund; and

“**SMF**” means the Shield Master Fund (ARSN 650 112 057).



THE COURT ORDERS THAT:

Leave to amend

1. Pursuant to r 8.21 of the *Federal Court Rules 2011*, the Plaintiff has leave to file an amended originating process in the form of the proposed amended originating process annexed to the affidavit of Rebecca Jaffe dated 22 August 2024 (**Amended Originating Process**). The Amended Originating Process is to be filed and served as soon as practicable.
2. The Amended Originating Process be returnable *instanter*.

Adjournment application

3. The First Defendant's application for an adjournment be dismissed.

Appointment of receivers

4. Until further order, pursuant to s 1323(1)(h) of the Corporations Act, Jason Tracy and Lucica Palaghia of Deloitte Financial Advisory Pty Ltd be appointed as joint and several receivers and managers (**Receivers**), without security, of the Property of the First Defendant, for the purposes of:
 - a. identifying, collecting and securing the Property of the First Defendant held in any of its Relevant Capacities;
 - b. ascertaining the amount of the Investor Funds received by the First Defendant;
 - c. identifying any dealings with, payments of, distributions of or uses made of the Investor Funds by the First Defendant;
 - d. identifying any Property purchased or acquired, directly or indirectly, with Investor Funds; and
 - e. recovering Investor Funds.
5. For the purpose of attaining the objectives for which the Receivers are appointed, the Receivers have the following powers:
 - a. the powers set out in s 420(1) and (2)(a), (b), (e), (f), (g), (h), (j), (k), (n), (p), (q), (r), (t) and (u) of the Corporations Act; and
 - b. the power to apply to the Court for directions or further orders.
6. The powers in paragraph 5 above shall not extend to the sale of any Property of the First Defendant without prior leave of the Court.
7. The Receivers shall within 28 days of the date of this order provide to the Court and the parties a report as to the receivership of the Property of the First Defendant, including:
 - a. a report in relation to the matters referred to in paragraphs 4(a) to (e) above;
 - b. an opinion as to the solvency of the First Defendant;



- c. an opinion as to the likely return to creditors and investors in the event that each of the First Defendant and the SMF were to be wound up; and
 - d. any other information necessary to enable the financial position of the First Defendant, the SMF and the ADPF to be assessed.
- 8. In addition to the powers conferred on them by paragraph 5 above, the Receivers have the power to investigate and report on the matters set out in paragraph 7 above.
- 9. The Receivers shall be entitled to reasonable remuneration and reasonable costs and expenses properly incurred in the performance of their duties pursuant to these orders as may be fixed by the Court on the application of the Receivers, such sum to be calculated on the basis of the time reasonably spent by the Receivers, at the rates specified in the Consent to Act at Annexure A to these orders, such fees to be paid out of the Property of the First Defendant.
- 10. The Receivers shall be entitled to be indemnified out of the Property of the First Defendant for any liability properly incurred in performing their duties and discharging their functions pursuant to these orders.

Books and records

- 11. The First Defendant shall immediately make available to the Receivers all books and records (including all files, computer records and data in its possession, custody or control) which relate to the Property of the First Defendant.
- 12. The Plaintiff shall, on the reasonable request of the Receivers, make available to the Receivers all documents and books concerning the First Defendant which have been obtained by the Plaintiff under Division 3 of Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth).

Notice of orders to third parties

- 13. To the extent necessary, the Plaintiff has leave to give to:
 - a. the relevant authorities (domestic and overseas) that record, control and/or regulate the ownership of real property;
 - b. the relevant authorities and entities (domestic and overseas) that record, control and/or regulate the ownership of securities;
 - c. any bank, building society or other financial institution (domestic and overseas) with which, to the best of the Plaintiff's knowledge, the First Defendant operates any account;
 - d. any other person or entity (domestic and overseas), holding or controlling property which, to the best of the Plaintiff's knowledge and belief, belongs to the First Defendant or is part of the Property of the First Defendant;
 - e. the Australian Prudential Regulation Authority;
 - f. Macquarie Investment Management Ltd (ACN 002 867 003; AFSL 237492); and



g. Equity Trustees Superannuation Limited (ACN 055 641 757; AFSL 229757),

notice of the making of these orders, by delivering a copy of a minute of the orders to that entity or person and/or any person apparently in the employ of that entity or person.

General orders

14. Paragraphs 1 and 3 of the orders made on 26 June 2024 be vacated.
15. The First Defendant pay the Plaintiff's costs of and incidental to the Originating Process and Amended Originating Process.
16. Paragraphs 4 to 15 of these orders be stayed until 4.00 pm on 28 August 2024.
17. Paragraph 2 of the interlocutory process filed on behalf of Jason Tracy and Lucica Palaghia of Deloitte Financial Advisory Pty Ltd on 12 August 2024 be adjourned to a date to be fixed.
18. There be liberty to apply on 24 hours' notice.

Date orders authenticated: 27 August 2024


Registrar

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.



"Annexure A"

CORPORATIONS ACT 2001

CONSENT TO ACT AS COURT APPOINTED RECEIVER

Keystone Asset Management Ltd in its own capacity and in its capacity as Responsible Entity of the Shield Master Fund (ARSN 650 112 057) and as trustee of the Advantage Diversified Property Fund and as trustee for the Quantum PE Fund

We, Jason Mark Tracy, of Deloitte Financial Advisory Pty Ltd, Quay Quarter Tower, 50 Bridge Street, Sydney NSW 2000 and Lucica Palaghia of Deloitte Financial Advisory Pty Ltd, 477 Collins St, Melbourne, Victoria, hereby consent to act to perform the functions of a court appointed receiver by an order of the Federal Court of Australia (**Court**).

We are not aware of any conflict of interest or duty that would make it improper for us to act as a court appointed receiver pursuant to an order of the Federal Court of Australia.

The hourly rates to be charged in respect of our work by us and our staff who may perform work are set out in in **Schedule A** which is attached to this Consent. We acknowledge that our appointment by order of the Federal Court of Australia does not constitute an express or implied approval by the Court of these hourly rates.

DATED this 23rd day of August 2024.

A handwritten signature in black ink, appearing to read "J. Tracy", written over a dotted line.

JASON MARK TRACY

A handwritten signature in black ink, appearing to read "Lucica Palaghia", written over a dotted line.

LUCICA PALAGHIA



SCHEDULE A | Schedule of Hourly Rates

Position	Hourly rate \$ (excluding GST)
Partner	840
Principal	740
Director	700
Associate Director	650
Manager	580
Senior Analyst	500
Analyst	410
Graduate	350



Schedule

No: VID536/2024

Federal Court of Australia

District Registry: Victoria Registry

Division: General

Second Defendant

PAUL ANTHONY CHIDO



Federal Court of Australia

District Registry: Victoria Registry

Division: General

No: VID536/2024

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

KEYSTONE ASSET MANAGEMENT LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED) (ACN 612 443 008) and another
named in the schedule
Defendants

ORDER

JUDGE: Justice Moshinsky

DATE OF ORDER: 5 September 2024

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 440D of the *Corporations Act 2001* (Cth) (**Act**), ASIC have leave now for then to proceed with proceeding VID 536 of 2024 and to commence the application the subject of the plaintiff's interlocutory process dated 30 August 2024 (the **Interlocutory Process**).
2. Pursuant to s 467(3)(b) of the Act, dispense with the requirements of s 465A of the Act and Rules 2.7, 5.4 and 5.6 of the *Federal Court (Corporations) Rules 2000* (Cth).
3. The time for the service of the Interlocutory Process be abridged and the application be made returnable on 5 September 2024.
4. Pursuant to s 448C(1) of the Act, Jason Tracy and Lucica Palaghia have leave now for then to seek or consent to be appointed as the administrators of the First Defendant (**Keystone**) and of any deed of company arrangement to which Keystone may become party.
5. Pursuant to s 447A(1) of the Act and/or s 90-15 of the *Insolvency Practice Schedule (Corporations)* (being Sch 2 to the Act), Michael Korda, John Mouawad and Scott David Harry Langdon be removed as the administrators of Keystone, and Jason Tracy and Lucica Palaghia be appointed as the joint and several administrators of Keystone.



6. In relation to costs:

- a. The Plaintiff's costs of the Interlocutory Process be reserved.
- b. The costs of the Directors of Keystone of the Interlocutory Process be paid out of the Property of Keystone (as defined in the 27 August 2024 orders).
- c. The Second Defendant's costs of the Interlocutory Process be reserved.
- d. The costs of the administrators (namely Mr Korda, Mr Mouawad and Mr Langdon) of the Interlocutory Process be paid out of the Property of Keystone (as defined in the 27 August 2024 orders).
- e. The Receivers' costs of the Interlocutory Process be costs in the administration of Keystone.
- f. Otherwise, there be no order as to costs in relation to the Interlocutory Process.

Date orders authenticated: 5 September 2024


Registrar

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.



Schedule

No: VID536/2024

Federal Court of Australia

District Registry: Victoria Registry

Division: General

Second Defendant

PAUL ANTHONY CHIDO

Annexure B | Schedule of hourly rates

Position	Hourly rate \$ (excluding GST)
Partner	840
Principal	740
Director	700
Associate Director	650
Manager	580
Senior Analyst	500
Analyst	410
Graduate	350