

17 April 2014

## Report to the Investors

of

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

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

### Claim against Equititrust Income Fund ("EIF")

At present, there are a number of ongoing issues between the Company and the Receiver of the EIF, an update in relation to these matters can be summarised as follows:

#### Indemnity Claim

- The matter was heard on Wednesday, 18 December 2013 at which time the matter was listed for directions on 4 March 2014 and hearing on 24 March 2014;
- However, our solicitors recommended that the matter proceed by way of negotiation between the relevant parties;
- Negotiations are continuing in this regard.

#### Proof of Debt issue

- By way of background, I advise that the Court Appointed Receiver lodged a Proof of Debt in the Administration in the amount of \$537,656.67;
- The Liquidator rejected the Proof of Debt submitted by the Court Appointed Receiver, following which the Court Appointed Receiver appealed the rejection;
- Prior to the POD appeal hearing, the Court Appointed Receiver confirmed he was withdrawing the Proof of Debt;
- The Liquidators were of the view that they were required to consent to the Proof of Debt being withdrawn.
- As such, the Liquidators sought Directions from the Court;
- On 17 December 2013, the Court ordered that the Proof of Debt submitted in the Administration was not a Formal Proof of Debt and therefore the Court Appointed Receiver was entitled to withdraw it without the consent of the Liquidator;
- Negotiations in regards to the respective claims are continuing in this regard.

### KPMG Application to set aside Summonses

- KPMG's application to set aside the examination summonses was heard on 24 March 2014 before Foster J in the Federal Court in Sydney;
- KPMG's argument can be summarised as follows:
  - The examinations are being conducted for an improper purpose because the Liquidators already know everything they legitimately need to know in regards to the claim;

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- Even if there is no improper purpose, the huge disadvantage the auditors will face if they are examined means that directions should be made now as to what topics they can be examined about.
- The Liquidators response can be summarised as follows:
  - There is nowhere near enough evidence to allow the Court to draw an inference of improper purpose;
  - The examination process is a statutory regime which allows broad latitude to Liquidators with respect to the actual conduct of the examination process.
- The Judge reserved his decision.

## Public Examinations

- It is now likely that the Public Examinations of various parties will be postponed until at least 2 June 2014.

## Claim by the Liquidators

- Unit holders would be aware that the claim was filed on 27 September 2013;
- Unit holders are advised that this claim is in substitution of the claim previously contemplated by Piper Alderman on behalf of the unit holders of the Equititrust Income Fund Class Action.
- Unit Holders are advised that Piper Alderman issued an update on their website. Please visit the following link for further information:

<http://www.piperalderman.com.au/class-actions/equititrust-limited>

## Committee of Inspection (“COI”)

- Following Amanda Banton’s resignation from the COI, Piper Alderman endeavoured to identify a replacement to fill her position;
- I am advised that Piper Alderman were not able to identify a suitable replacement;
- As such, the COI is defunct and the Liquidators are currently considering the necessity and estimated expense to appoint a replacement COI.

## Liquidators Remuneration

Please find enclosed monthly schedules for the remuneration incurred from 1 December 2013 – 31 March 2014, summary as follows (noting that the figures below are exclusive of GST):

Month	Amount (\$)
December 2013	14,143.00
January 2014	4,883.50
February 2014	7,740.00
March 2014	10,129.50

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

Yours faithfully,



**BLAIR PLEASH**  
LIQUIDATOR

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

Schedule 1												
Employee	Position	\$/hour	Total hours	Total \$	Administration Hours	Administration (\$)	Creditor Hours	Creditors (\$)	Investigation n/Hours	Investigation (\$)	Litigation Hours	Litigation (\$)
Blair Pleash	Appointee/Partner	640.00	2.20	1,408.00	-	-	-	-	-	-	2.20	1,408.00
Timothy Cook	Senior Associate	590.00	4.50	2,655.00	0.10	59.00	0.20	118.00	3.70	2,183.00	0.50	295.00
Jovan Singh	Senior Manager	525.00	10.60	5,565.00	0.20	105.00	0.20	105.00	0.40	210.00	9.80	5,145.00
Roy Gillespie	Senior 1	375.00	7.30	2,737.50	0.10	37.50	3.20	1,200.00	0.80	300.00	3.20	1,200.00
Evelyn Sanchez	Senior 1	375.00	1.00	375.00	0.60	225.00	-	-	0.40	150.00	-	-
Adam Simpson	Intermediate 1	300.00	1.70	510.00	0.20	60.00	-	420.00	-	-	0.10	30.00
Jeremy Song	Administration Assistant	140.00	0.20	28.00	0.20	28.00	-	-	-	-	-	-
Constance Zhu	Administration Assistant	140.00	0.20	28.00	0.20	28.00	-	-	-	-	-	-
Lysa Anghin	Administration Assistant	135.00	0.20	27.00	0.20	27.00	-	-	-	-	-	-
Michelle Evers	Filing Assistant	55.00	0.40	22.00	0.40	22.00	-	-	-	-	-	-
<b>Subtotal</b>			<b>28.30</b>	<b>13,355.50</b>	<b>2.20</b>	<b>591.50</b>	<b>5.00</b>	<b>1,843.00</b>	<b>5.30</b>	<b>2,843.00</b>	<b>15.80</b>	<b>8,078.00</b>
<b>Average \$/hour</b>				<b>471.93</b>		<b>268.86</b>		<b>368.60</b>		<b>536.42</b>		<b>51,127</b>

Schedule 2														
Employee	Position	\$/hour	Total hours	Total \$	Litigation- Indemnity Hours	Litigation- Indemnity (\$)	Litigation- Examinations Hours	Litigation- Examinations (\$)	Litigation- Directors Hours	Litigation- Directors (\$)	Litigation- Auditor Hours	Litigation- Auditor (\$)	Reports Hours	Reports (\$)
Roy Gillespie	Senior 1	375.00	2.10	787.50	0.40	150.00	0.40	150.00	0.80	300.00	0.40	150.00	0.10	37.50
<b>Subtotal</b>			<b>2.10</b>	<b>787.50</b>	<b>0.40</b>	<b>150.00</b>	<b>0.40</b>	<b>150.00</b>	<b>0.80</b>	<b>300.00</b>	<b>0.40</b>	<b>150.00</b>	<b>0.10</b>	<b>37.50</b>
<b>Total</b>			<b>30.40</b>	<b>14,143.00</b>										
<b>GST (10%)</b>				<b>1,414.30</b>										
<b>Total (incl. GST)</b>				<b>15,557.30</b>										
<b>Average \$/hour</b>				<b>465.23</b>		<b>375.00</b>		<b>375.00</b>		<b>375.00</b>		<b>375.00</b>		<b>375.00</b>

Schedule 3	
Internal Disbursements	Amount (\$)
Courier	119.22
Postage & Handling	6
Search Fees	24.4
<b>Total</b>	<b>149.62</b>

Equitrust Limited (Receiver Appointed) (In Liquidation) (Receivers and Managers Appointed)  
 Remuneration Report: Calculation of Remuneration  
 For the Period 1 January 2014 to 31 January 2014

Schedule 1

Employee	Position	\$/hour	Total hours	Total \$	Administration Hours	Administration (\$)	Creditor Hours	Creditors (\$)	Investigation Hours	Investigation (\$)	Litigation Hours	Litigation (\$)
Blair Pleash	Appointee/Partner	640.00	1.80	1,152.00	-	-	-	-	-	-	1.80	1,152.00
Timothy Cook	Senior Associate	590.00	0.10	59.00	-	-	0.20	105.00	-	-	0.10	59.00
Jovan Singh	Senior Manager	525.00	3.10	1,627.50	-	-	3.00	1,125.00	-	-	2.90	1,522.50
Roy Gillespie	Senior 1	375.00	4.20	1,575.00	0.70	262.50	0.70	210.00	0.10	37.50	0.40	150.00
Adam Simpson	Intermediate 1	300.00	1.10	330.00	0.40	120.00	0.30	82.50	-	-	-	-
Charmaine Doyle	Intermediate 2	275.00	0.30	82.50	-	-	-	-	-	-	-	-
Cynthia Cheung	Junior	165.00	0.10	16.50	0.10	16.50	-	-	-	-	-	-
Erinna Shi	Administration Assistant	140.00	0.10	14.00	0.10	14.00	-	-	-	-	-	-
Jennifer Hyunh	Administration Assistant	135.00	0.20	27.00	0.20	27.00	-	-	-	-	-	-
<b>Subtotal</b>			<b>11.00</b>	<b>4,883.50</b>	<b>1.50</b>	<b>440.00</b>	<b>4.20</b>	<b>1,522.50</b>	<b>0.10</b>	<b>37.50</b>	<b>5.20</b>	<b>2,883.50</b>
<b>GST (10%)</b>				<b>488.35</b>								
<b>Total (Incl GST)</b>				<b>5,371.85</b>		<b>293.33</b>		<b>362.50</b>		<b>375.00</b>		<b>554.52</b>
<b>Average \$/Hour</b>				<b>488.35</b>								

Schedule 2

Internal Disbursements	
Description	Amount (\$)
Storage	237.68
<b>Total</b>	<b>237.68</b>



Equititrust Limited (Receiver Appointed) (In Liquidation) (Receivers and Managers Appointed)  
 Remuneration Report: Calculation of Remuneration  
 For the Period 1 February 2014 to 28 February 2014

Schedule 1														
Employee	Position	\$/hour	Total hours	Total \$	Administration Hours	Administration (\$)	Creditor Hours	Creditors (\$)	Assets Hours	Assets (\$)	Investigation Hours	Investigation (\$)	Litigation Hours	Litigation (\$)
Blair Pleash	Appointee/Partner	640.00	0.50	320.00	-	-	-	-	-	-	-	-	0.50	320.00
Jovan Singh	Senior Manager	525.00	6.80	3,570.00	-	-	0.30	157.50	0.10	52.50	-	-	6.40	3,360.00
Rory Gillespie	Supervisor	430.00	7.20	3,096.00	0.30	129.00	0.80	344.00	-	-	1.60	688.00	4.50	1,935.00
Adam Simpson	Senior 2	330.00	0.70	231.00	-	-	0.70	231.00	-	-	-	-	-	-
Cynthia Cheung	Intermediate 2	275.00	1.80	495.00	-	-	0.30	82.50	-	-	-	-	0.20	55.00
Ermi Shi	Administration Assistant	140.00	0.20	28.00	0.20	28.00	-	-	-	-	-	-	-	-
<b>Subtotal</b>			<b>17.20</b>	<b>7,740.00</b>	<b>1.80</b>	<b>514.50</b>	<b>2.10</b>	<b>815.00</b>	<b>0.10</b>	<b>52.50</b>	<b>1.60</b>	<b>688.00</b>	<b>11.60</b>	<b>5,670.00</b>
<b>GST (10%)</b>				<b>774.00</b>										
<b>Total (incl. GST)</b>				<b>8,514.00</b>										
<b>Average \$/hour</b>				<b>495.00</b>		<b>285.83</b>		<b>388.10</b>		<b>525.00</b>		<b>430.00</b>		<b>488.79</b>

Schedule 2	
Internal Disbursements	Amount (\$)
Postage & Handling	653.34
Storage	2
<b>Total</b>	<b>655.34</b>

Equitrust Limited (Receiver Appointed) (In Liquidation) (Receivers and Managers Appointed)  
 Remuneration Report: Calculation of Remuneration  
 For the Period 1 March 2014 to 31 March 2014

Schedule 1

Employee	Position	\$/hour	Total hours	Total \$	Administration Hours	Administration (\$)	Creditor Hours	Creditors (\$)	Litigation Hours	Litigation (\$)	Litigation - Auditor Hours	Litigation - Auditor (\$)
Richard Albarran	Appointee/Partner	640.00	0.10	64.00	-	-	-	-	0.10	64.00	-	-
Blair Pleash	Appointee/Partner	640.00	2.90	1,856.00	0.40	256.00	-	-	2.50	1,600.00	-	-
Timothy Cook	Senior Associate	590.00	0.10	59.00	0.10	59.00	-	-	-	-	-	-
Jovan Singh	Senior Manager	525.00	8.30	4,357.50	-	-	0.80	420.00	7.30	3,832.50	0.20	105.00
Roy Gillespie	Supervisor	430.00	5.90	2,537.00	-	-	1.60	688.00	4.30	1,849.00	-	-
Adam Simpson	Senior 2	330.00	0.10	33.00	-	-	0.10	33.00	-	-	-	-
Charmaine Doyle	Intermediate 2	275.00	3.70	1,017.50	-	-	1.20	330.00	2.50	687.50	-	-
Allen Han	Administration Assistant	140.00	0.30	42.00	0.30	42.00	-	-	-	-	-	-
Emma Shi	Administration Assistant	140.00	0.30	42.00	0.30	42.00	-	-	-	-	-	-
Ellie Barrett	Administration Assistant	135.00	0.10	13.50	0.10	13.50	-	-	-	-	-	-
Sarah Cotterill	Administration Assistant	135.00	0.50	67.50	0.50	67.50	-	-	-	-	-	-
Marie Outeirinho	Administration Assistant	135.00	0.30	40.50	0.30	40.50	-	-	-	-	-	-
<b>Subtotal</b>			<b>22.60</b>	<b>10,129.95</b>	<b>2.00</b>	<b>520.50</b>	<b>3.70</b>	<b>1,471.00</b>	<b>16.70</b>	<b>8,033.00</b>	<b>0.20</b>	<b>105.00</b>
<b>GST (10%)</b>				<b>1,012.95</b>								
<b>Total (Incl. GST)</b>				<b>11,142.45</b>								
<b>Average \$/hour</b>				<b>493.03</b>		<b>260.25</b>		<b>397.57</b>		<b>481.02</b>		<b>525.00</b>

Schedule 2

Description	Internal Disbursements Amount (\$)
Photocopying	19.80
Postage & Handling	2.00
Storage	151.48
Travel & Parking	10,685.56
<b>Total</b>	<b>10,958.84</b>