
TRANSCRIPT OF PROCEEDINGS

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SUPREME COURT OF VICTORIA

COMMERCIAL COURT

MELBOURNE

WEDNESDAY, 19 AUGUST 2020

(2nd day of hearing)

BEFORE JUDICIAL REGISTRAR MATTHEWS

IN THE MATTER OF IPO WEALTH HOLDINGS NO 2 PTY LTD
(ACN 620 610 157) (IN PROVISIONAL LIQUIDATION)

PUBLIC EXAMINATION

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1 JUDICIAL REGISTRAR: It's Judicial Registrar Matthews here.
2 Can I have the appearances, please, for the plaintiffs?
3 MR GALVIN: Yes. Judicial Registrar, Galvin here. I appear
4 with Ms Papaleo for the provisional liquidators.
5 JUDICIAL REGISTRAR: Thank you, Mr Galvin. And - - -
6 MR HAY: If it - - -
7 JUDICIAL REGISTRAR: Sorry.
8 MR HAY: Yes, if it please the court, my name is Hay, H-a-y,
9 initials P.D., counsel instructed by AJ & Co Lawyers for
10 Mr Mawhinney.
11 JUDICIAL REGISTRAR: Thank you, Mr Hay. All right then. Thank
12 you. Now, we're resuming the examination of Mr Mawhinney
13 this morning and I understand my associate's already
14 tested that everyone can be heard and seen.
15 Mr Mawhinney, if you could just confirm for me that you
16 can hear me.
17 MR MAWHINNEY: Good morning, Registrar. Yes, I can.
18 JUDICIAL REGISTRAR: Thank you. All right then. Are there any
19 preliminary matters?
20 MR GALVIN: There's just the matter of the document we called
21 for on Monday.
22 JUDICIAL REGISTRAR: Yes.
23 MR GALVIN: I don't know if my learned friend's been able to
24 get instructions about that.
25 JUDICIAL REGISTRAR: Yes. Mr Hay, do you have instructions yet
26 about that document?
27 MR HAY: I do. The document, as you may recall, is in the
28 nature of a complaint to an industry body, The Tax
29 Institute, in respect of a professional accounting
30 services firm and some members of that firm.
31 JUDICIAL REGISTRAR: Yes.

1 MR HAY: It's not a document of its nature that's intended for
2 - by Mr Mawhinney for publication. In those
3 circumstances, we have it available but Mr Galvin would
4 need to seek a direction that it be produced.

5 JUDICIAL REGISTRAR: I understand. All right then. Thank you.

6 MR HAY: If I could mention - apologies. I should mention one
7 other thing.

8 JUDICIAL REGISTRAR: Yes.

9 MR HAY: We would also be seeking some orders of the nature
10 prohibiting the publication of that document, beyond
11 what's necessary for the proper purposes, of course, of
12 the examination. I haven't had the opportunity to confer
13 with my learned friend Mr Galvin about that. I'm happy
14 either to discuss that with him briefly now, if that were
15 possible, or I can otherwise outline what I had in mind
16 about that.

17 JUDICIAL REGISTRAR: Well, Mr Hay and Mr Galvin, I'm just
18 wondering whether it would be better for you to discuss
19 that over the lunch break.

20 MR GALVIN: Yes, I agree with that.

21 JUDICIAL REGISTRAR: And then if there's - you can let me know
22 after lunch what's happening in respect of that.

23 MR GALVIN: Yes, thank you. Thank you, Registrar.

24 MR HAY: Thank you, Judicial Registrar.

25 JUDICIAL REGISTRAR: Yes. All right then. So we'll come back
26 to that. Thank you. There are no other preliminary
27 matters, I take it, Mr Galvin?

28 MR GALVIN: Just we have a supplementary examination book which
29 I might tender, if I may. I think that would be MFI,
30 perhaps, 3 at this stage.

31 JUDICIAL REGISTRAR: I think I marked - I think I - yes.

1
2 #EXHIBIT 2 - (For identification) Supplementary examination
3 book.

4 I have that, my associate has it, and it all seems to be
5 working. So for the purposes of directing my associate
6 to the relevant pages, Mr Galvin, perhaps we'll just
7 treat any reference to the examination book as being to
8 the main examination book, and if you want it out of the
9 supplementary book, if you could say that it's the
10 supplementary book.

11 MR GALVIN: Yes. I'm not intending to make wide reference to
12 the supplementary book.

13 JUDICIAL REGISTRAR: Yes.

14 MR GALVIN: Just in case it's necessary, really.

15 JUDICIAL REGISTRAR: All right then. All right then. Thank
16 you. I'll just note that there are a number of observers
17 this morning. Good morning, everybody. You're all
18 welcome. You've all got your cameras off and are on
19 mute, which is how that needs to remain, and I'll also
20 indicate that the only recording that should be made of
21 this hearing is by the transcript service and by my
22 associate as a backup recording.

23 MR HAY: Judicial Registrar, may I just seek two points of
24 clarification in relation to the supplementary
25 examination book?

26 JUDICIAL REGISTRAR: Yes, Mr Hay.

27 MR HAY: I understand - so that's additional to the main
28 examination book. It's not in replacement for or of the
29 main examination book; is that correct?

30 JUDICIAL REGISTRAR: That's as I understand it, yes.

31 MR GALVIN: That's correct, yes.

32 MR HAY: Thank you. And could I also just ask of Mr Galvin if

1 he could indicate, is he proposing to tender those
2 examination books?

3 MR GALVIN: They have been tendered and marked for
4 identification.

5 MR HAY: All right.

6 MR GALVIN: They won't be marked as exhibits. I think the
7 usual practice - and, Judicial Registrar, correct me if
8 I'm wrong. The usual practice is to mark documents
9 tendered in the public examination for identification
10 with the No.1 or 2.

11 JUDICIAL REGISTRAR: Yes. I think that is usually the case,
12 and the reason for that is that while it's common for
13 examination books to contain a vast number of documents,
14 not all of which end up being used in the examination.
15 So I will treat it that way.

16 MR HAY: Thank you.

17 JUDICIAL REGISTRAR: Thank you. Is there anything further,
18 Mr Hay?

19 MR HAY: Nothing further, thank you, Judicial Registrar.

20 JUDICIAL REGISTRAR: All right. Thank you. All right.

21 Mr Galvin, I'll have Mr Mawhinney prepare to give
22 evidence.

1 <JAMES PETER MAWHINNEY, recalled and examined:

2 JUDICIAL REGISTRAR: Mr Mawhinney, you gave evidence on Monday
3 and you took the oath. I'll remind you that you're still
4 under oath, and so you must tell the truth. And I'll
5 also remind you in very brief terms of the explanation I
6 gave you on Monday in respect of claiming the privilege
7 against self-incrimination. It's used in loose - I'll
8 use that in loose terms. It's really the privilege
9 available under the Corporations Act. So if you wish to
10 claim the privilege, you need to say, 'Privilege', before
11 you answer the question. Do you have any questions,
12 Mr Mawhinney?---No, that's understood. Thank you.

13 Thank you. Thank you, Mr - - -

14 MR HAY: Judicial Registrar, may I just indicate, Mr Mawhinney
15 has been claiming - using the short form to claim that
16 privilege.

17 JUDICIAL REGISTRAR: Yes.

18 MR HAY: Can I just indicate that in doing so, he's intending
19 to obtain the protection given by - all the protection
20 given by s.597(12A) that's - - -

21 JUDICIAL REGISTRAR: Yes. I understood that to be the case,
22 and that all that he needs to do in order to obtain the
23 protection under s.597(12A) is to say the word
24 'privilege' before the answer to the question.

25 MR HAY: Thank you.

26 JUDICIAL REGISTRAR: We don't want to overcomplicate it, if we
27 can help it.

28 MR HAY: No.

29 JUDICIAL REGISTRAR: All right. Thank you, Mr Galvin, you may
30 resume in the examination.

31 MR GALVIN: Thank you, Registrar. Mr Mawhinney, on Monday I

1 asked you some questions about the sources of money that
2 were used to meet IPO 1's obligations to Vasco under the
3 loan agreement; do you recall those
4 questions?---Privilege. I recall some of them.
5 I think you gave evidence, as I understand it - and this is at
6 transcript p.80 - that the payments were met out of the
7 combination of IPO subsidiary or SPV Investment revenue,
8 and (indistinct) I think, from the Mayfair 101, whether
9 it be Iluka or some other entity; is that
10 correct?---Privilege. That's correct.
11 The main that was paid by the SPVs to IPO 1, were they made by
12 way of loan repayment to IPO1?---Privilege (indistinct).
13 I beg your pardon? Sorry?---Privilege. No, they weren't.
14 What was the basis of those payments?---Privilege. That's
15 dealing with capital to the SPV No.1.
16 Do you mean dividends on shares?---Privilege. If I recall
17 correctly, yes, it would've been based on the investments
18 of the SPVs made as they collected revenue, then that was
19 paid back up to SPV No.1.
20 By way of dividend; is that right?---Privilege. I believe so.
21 On the - well, do you know or not?---Privilege. I don't have
22 the information in front of me so I don't know.
23 Well, what other basis could the money have been paid by SPVs
24 to IPO 1?---Privilege. As I (indistinct) that the
25 investments were from SPV No.1 to the subsidiaries were
26 on an equity basis, and therefore the return of capital
27 back to SPV 1 would (indistinct) for it to be done on a
28 dividend basis.
29 Well, if it was return of capital, wouldn't there been
30 adjustment in the shareholding of SP or - sorry - IPO
31 1?---Privilege. That's correct, and that's exactly what

1 was planned and intended with the likes of SPV 3 with the
2 sale of the Accloud shares, so there would be a
3 cancellation of shares in that SPV for funds returned to
4 SPV No. 1.

5 No, just a moment. I'm talking about payments, not transfers
6 of assets of SPVs, but rather payments of money by SPVs
7 to IPO 1. I'm trying to get to an understanding of what
8 the basis of those payments was. You said that it was a
9 return of capital. You've also said, I think, that it
10 was by way of dividend to IPO 1 being the sole
11 shareholder of each of those SPVs. Which is
12 it?---Privilege. I believe it was paid back as a
13 dividend. There was (indistinct) capital from the SPVs
14 to IPO 1, then the shares would be cancelled. It was an
15 adjustment that would be made at the end of each
16 financial year. The financial accounts that Dye & Co
17 have received a copy of are unfinalised for 2018, 2019
18 and 2020, and therefore those adjustments haven't been
19 completed.

20 What's the basis for your belief that it was paid by way of
21 dividend?---Privilege. The SPVs, in fact, very few of
22 the accounts we largely operated off the one bank account
23 for IPO Wealth Holdings No.1, and therefore any proceeds
24 that were collected from the investments that the SPVs
25 had made would go directly into IPO Wealth No.1.

26 What's the basis of your belief that the rationale for the
27 payment was a dividend?---Privilege. Because it was -
28 being an investment in equity in the SPV, that SPV, as it
29 collected proceeds from its investment, those proceeds
30 would naturally flow back up to the parent company, SPV
31 No.1 because that investment had returned - had provided

1 a return.

2 Were there any documents evidencing resolutions of the board of
3 the SPVs to declare dividends to the shareholder, IPO
4 1?---Privilege. I can't recall.

5 Well, I suggest to you that there aren't. What do you say to
6 that?---Privilege. As I said, I cannot recall.

7 Is it possible?---Privilege. It could well be possible.

8 Again, these are all matters that would be finalised in
9 the end of year accounts for each of those three years.

10 Do you recall making any decisions specifically to make a
11 payment by an SPV to IPO 1 by way of a
12 dividend?---Privilege. I believe that there is
13 (indistinct) that Pinnacle Advisory Group was taking care
14 of as - taken care of for us, for the treatment of the
15 movement of monies in the IPO Group.

16 I see. So you didn't, yourself, make a decision about the
17 basis upon which money was moved - were based upon which
18 money was moved from one entity to another. You left
19 that to Pinnacle, did you?---Privilege. They would
20 generally put together - well, they helped prepare the
21 structure for us. In fact, they helped us prepare the
22 structure for the broader group, and then we would take
23 their recommendations where they - we believe that they
24 made, obviously, commercial sense to do so. Given those
25 tax years had not been finalised, that's something that
26 would be taken into account with the preparation of those
27 accounts.

28 That's a very general and vague answer, I must say. What I'm
29 asking you is, specifically, when a decision was made on
30 behalf of an SPV, and the SPV to pay a sum of money to
31 IPO 1 - whether it be into a common bank account or not -

1 are you saying that the decision to do that was made by
2 Pinnacle or by you, as the sole Director of the IPO and
3 the SPV - of IPO 1 and the SPV?---Privilege. The books
4 and records and the entries were largely made by
5 Pinnacle. The movement of monies would often be recorded
6 on the quarterly folio spreadsheet by our internal
7 finance team. We've obviously subsequently identified
8 some discrepancies between the two. In - - -

9 The internal finance - thank you for that - the internal
10 finance team comprised Lydia Lee; is that
11 right?---Privilege. That's correct.

12 Ms Bridgette Pennetta; is that her name?---Privilege.

13 Bridgette Pennetta, correct.

14 And Cindy Wan or Wong; is that right?---Privilege. Cindy's
15 joined our group recently, but we have had previous
16 people which I'm happy to list if that will be of
17 assistance?

18 (indistinct) - - -

19 MR HAY: Judicial Registrar, I'm sorry to interrupt Mr Galvin's
20 questioning. We can hear Mr Galvin fine. We can hear
21 you fine, but we're getting quite a bit of feedback on
22 Mr Mawhinney's microphone which is making it difficult
23 for us to hear.

24 JUDICIAL REGISTRAR: Thank you, Mr Hay. I was about to
25 interrupt as well with the same issue. Mr Mawhinney, I
26 didn't check with you at the beginning, but is there
27 anyone else in the room with you this
28 morning?---Privilege. The same gentleman that was in the
29 room on Monday.

30 All right then. We're getting quite a bit of feedback every
31 time you answer a question. Is there one device being

1 used in the room that you're in, or is there a second
2 device?---There is one device. I do have a microphone I
3 can plug in if that will assist?

4 Would you mind giving that a try please, Mr Mawhinney?---Yes,
5 certainly. Just bear with me one moment.

6 Thank you.

7 MR GALVIN: In the meantime, Registrar, I'd seek a direction
8 that the gentleman with Mr Mawhinney be excluded from the
9 room with Mr Mawhinney. If he wishes to participate, of
10 course he can participate as other observers, but we
11 request a direction that he leave the room and not be in
12 the same room as Mr Mawhinney.

13 JUDICIAL REGISTRAR: Yes, thank you, Mr Galvin. I'll deal with
14 that when Mr Mawhinney comes back online.

15 WITNESS: Is that any better?

16 JUDICIAL REGISTRAR: I think it is. I think so, yes. We'll
17 give it a try now. Thank you. While you were fixing
18 that up, Mr Mawhinney, Mr Galvin sought a direction that
19 the observer present in the room with you not be present
20 in the room with you. They're obviously welcome to
21 observe the hearing in the same way a number of other
22 people are observing the hearing by having their own
23 link. Mr Hay, do you have anything to say about that?

24 MR HAY: I haven't sought any instructions in relation to that
25 at this point in time. Perhaps, as I should do so,
26 briefly, if I may?

27 JUDICIAL REGISTRAR: Thank you.

28 MR HAY: May we stand down just for a moment, Judicial
29 Registrar, so that I can speak with Mr Mawhinney.

30 JUDICIAL REGISTRAR: Yes, thank you. We'll stand down for five
31 minutes, please, Mr Associate.

1 <(THE WITNESS WITHDREW)

2 (Short adjournment)

3 JUDICIAL REGISTRAR: Yes, thank you, Mr Hay.

4 MR HAY: Thank you, Judicial Registrar. There's no objection.

5 As I understand it, when we resume now there will be no

6 one else in the room with Mr Mawhinney.

7 JUDICIAL REGISTRAR: Yes, thank you, and I'll have Mr Mawhinney

8 confirm that on oath as well. Thank you.

1 <JAMES PETER MAWHINNEY, recalled and examined:

2 JUDICIAL REGISTRAR: Mr Mawhinney, a reminder that you're still
3 under oath. Can you confirm, please, whether there is
4 anybody else present in the room with you?---Ah, I can
5 confirm that it's only myself in the room.

6 All right. Thank you. And can you also confirm, please, what
7 documents you have in front of you, either electronically
8 or in hard copy?---Ah, I have no documents in front of
9 me.

10 All right. Thank you. All right. Thank you, Mr Galvin.

11 MR GALVIN: Thank you. Mr Mawhinney, when you say you have no
12 documents in front of you, do you mean hard copy, paper
13 documents, don't you?---Privilege. I have a copy of the
14 Bible in front of me.

15 Yes?---And I have a laptop in front of me that is connected for
16 the purposes of this, ah, examination.

17 There are documents on the laptop, though, aren't there?---Ah,
18 there are many documents on the laptop, none of which
19 have been accessed - - -

20 Okay?--- - - - well, during this examination.

21 Now, just coming back to the questions I was asking you before
22 the break. I just want to be clear about this. When a
23 payment is made by an SPV to IPO 1 or was made, that was
24 because someone made a decision to make that payment; do
25 you agree?---Privilege. Ah, that's correct.

26 And then there's perhaps a separate question about the
27 accounting treatment of that payment which might occur
28 subsequently?---Privilege. That's correct.

29 The person who made the decisions to make the payments in the
30 first instance - leave aside accounting treatment of the
31 moment. The person who made the decision to make the

1 payments was you in each case, surely?---Privilege. Ah,
2 as I said earlier, ah, the vast majority of the SPVs
3 didn't in fact have bank accounts, so the money would be
4 collected or received in the - ah, in SPV No.1s bank
5 account. So there was not an actual, physical payment
6 made.

7 When you say SPV 1, you mean what I've been calling

8 IPO 1?---Privilege. Yeah, IPO Wealth Holdings Pty Ltd.

9 Now, on Monday you gave some evidence about 101 Investments.

10 This is at transcript p.111, line 24 or thereabouts. You
11 said, 'The current director of that company is Nicholas
12 Cook'. And I think I may have created some confusion
13 because I'd also asked you about Graham Cook, who is his
14 father; is that correct?---Privilege. Ah, I was not
15 confused but his father is Graham Cook.

16 No, it wasn't - it's just that my questions on reading them
17 again might be confusing to some, in that you said that
18 Nicholas Cook was the current director, and then I asked
19 you questions about decisions that Graham Cook might
20 currently be making, which, of course, he wouldn't be
21 making because he's no longer a director; isn't that
22 right?---Privilege. That's correct.

23 So when did he cease to be a director?---Privilege. Ah, to the
24 best of my knowledge it was around January this year.

25 And what was the reason for the change in

26 directors?---Privilege. I'm not aware.

27 Did you have a role in that at all?---Privilege. No, I did
28 not.

29 At transcript p.112, line 8, you said that Mr Cook - Mr Graham
30 Cook - made his own decisions in his capacity as a
31 director of that company. Do you recall giving that

1 evidence?---Privilege. That's correct. He makes his own
2 - he has always made his own decisions.
3 And you also said that he makes up his own mind about matters
4 concerning 101 Investments; is that right?---Privilege.
5 That is correct. We have plenty of email correspondence
6 confirming the same.
7 Between you and him?---Privilege. Ah, between myself and him.
8 Ah, also between Mr Craig Van Wegen and Ms Nora Fairbanks
9 of Pinnacle Advisory Group confirming the same.
10 Now, whose decision was it to incorporate 101
11 Investments?---Privilege. Ah, on Pinnacle Advisory
12 Group's recommendation. Ah, we instructed them to
13 incorporate 101 Investments Ltd.
14 Who do you mean by 'we'?---We - privilege. As in myself.
15 Yes. Why weren't you appointed as a director?---Privilege.
16 Because we didn't consider it was necessary and we also
17 felt that, ah, it would make sense to have a degree of
18 independence.
19 Well, Mr Cook has no interest - neither Graham nor Nicholas
20 Cook has an interest in 101 Investments, do
21 they?---Privilege. They are not shareholders of the
22 company, no.
23 Yes. So anything they do would be in the interests of
24 101 Investments shareholder; is that right?---Privilege.
25 As a director, ah, I believe that they would be their
26 role. I'm not familiar with the British Virgin Islands
27 laws, ah, but I would imagine that they're not too
28 dissimilar to the Commonwealth.
29 How was Mr Cook chosen as a director of the
30 company?---Privilege. It was Pinnacle Advisory Group
31 that advised us that, ah, Mr Graham Cook would be

1 appointed director, given that he is a professional
2 director, ah, and based in the British Virgin Islands.
3 Now, you've agreed, I think, yesterday - and this is p.113 of
4 the transcript. You agreed that you're the ultimate -
5 you, personally, James Mawhinney, are the personally -
6 sorry, are the ultimate owner of 101
7 Investments?---Privilege. One-O-one Investments Ltd is
8 owned by - ah, I believe it's Mayfair Group Ltd, um, and
9 that entity is owned by the Kismet Retirement Fund.
10 Yes, and who owns the Kismet Retirement Fund?---Privilege.
11 It's a trust, so no one owns it.
12 Well, who's the beneficiary of the trust? The Principal
13 Beneficiary of the trust?---Privilege. I'm one of the
14 beneficiaries of the trust.
15 Who are the other beneficiaries?---Privilege. I can't recall.
16 I don't have the document in front of me.
17 Are you sure you're not the only beneficiary?---Privilege. I
18 can't recall. I haven't reviewed the document in some
19 time.
20 So as the primary beneficiary of that trust, ultimately, the
21 directors of 101 Investments have to answer to you, don't
22 they?---Privilege. Not necessarily. They have to make
23 a decision based on what's in the best interest of the
24 company.
25 Registrar, can we go to court book 2607, please.
26 JUDICIAL REGISTRAR: Yes, sorry. I forgot to take myself off
27 mute. It will take a minute or two to get up because
28 it's the first screen sharing.
29 MR GALVIN: Of course. I understand. While we're just doing
30 that, I've found a way the other day of having a split
31 screen. I'm just trying to work out how I did it again.

1 MR HAY: Sorry, Mr Galvin, what page number?

2 MR GALVIN: I can't tell you now because my screen's taken up
3 with the document.

4 MR HAY: Okay.

5 MR GALVIN: I'll just work out how - - -

6 MR HAY: (Indistinct) we'll find it.

7 MR GALVIN: That's it. I've done it. It was p.2607. We might
8 need to go above that a little bit. Go up a bit, please.
9 Keep going, please. And just pause there, please. It's
10 an email - - -

11 JUDICIAL REGISTRAR: That's p.2606 just for the record.

12 MR GALVIN: Yes, sorry. That's right, Registrar.

13 Mr Mawhinney, this is an email from Kate Power - sorry -
14 from you to Kate Power of 5 September 2019, sent at 12.58
15 pm. Who was Kate Power?---Privilege. Kate Power is an
16 employee of Pinnacle Group, as the email address up there
17 confirms.

18 There's a reference to a 'binding term sheet'. Do you recall
19 this email?---Privilege. No, I don't.

20 All right. Could we then go to - further up that page,
21 please, Mr Associate. Perhaps to 2603. Just there, I
22 think. Could you just scroll slowly through that email
23 so that Mr Mawhinney could familiarise himself with it?
24 Having seen that email, Mr Mawhinney, are you able to
25 recall what the correspondence related to?---Privilege.
26 The correspondence appears to relate to a restructuring
27 of the group that did, in fact, proceed.

28 Right. So did that restructure contemplate the acquisition by
29 Sunseeker Holdings Pty Ltd of shares in IPO 4 and IPO
30 8?---Privilege. I don't believe that was ever the case,
31 no.

1 It didn't happen, I understand that, but I'm asking you if that
2 was what was contemplated?---Privilege. No, it was never
3 contemplated.

4 Right. Could I ask the Associate, please, to go to p.1441 of
5 the court book? I may have the wrong reference there.
6 Pardon me for a moment. If we go up to 1440, perhaps.
7 The bottom of that page. (To witness) That's an email
8 from you to Mr Van Wegen, W-e-g-e-n, of Pinnacle Group
9 dated 8 July 2019, sent at 5.04 am. You say in that -
10 and who - it's also addressed to Nora Fairbanks which
11 share another account with Pinnacle; is that
12 right?---Privilege. She's one of the two principals of
13 Pinnacle Group, as well as Craig Van Wegen.

14 Thank you. In this email you advise them that you had met Ross
15 James, who is the founder of Accloud, for an update on
16 their listing. So is that a meeting you had around the
17 beginning of July 2019?---Privilege. The email indicates
18 that that would be the case.

19 Is that true? Is that your recollection?---Privilege. I
20 wouldn't have written it if it wasn't the case.

21 Do you have an independent recollection of that
22 meeting?---Privilege. No, I don't. I've met many times
23 over the last five years with the founder of Accloud,
24 both in Australia and in London.

25 You told Mr Van Wegen and Ms Fairbanks that there was a 50 per
26 cent chance that Accloud would be listing within the
27 month, and a 50 per cent chance that it would list
28 in September. Does that mean that there was a - as you
29 understood it, there was a 100 per cent chance that it
30 would list by the end of September?--- Privilege. No,
31 the nature of the listing is that nothing is every

1 guaranteed, however, it indicated that they were
2 obviously on a pathway towards listing, as had been the
3 case for, at least, the three years prior to that.

4 Now, you considered at that time in July 2019 that a listing of
5 Accloud was likely; do you agree?---Privilege. It has
6 been on a trajectory to list for some time now. As I
7 mentioned on Monday, there's a check list of things that
8 a company needs to do to list, and they were nearing
9 completion of that list.

10 Mr Mawhinney, just listen to the question. My question is, is
11 it the case that on 8 July 2019, you were expecting
12 Accloud to list within a few months?---Privilege.

13 Correct.

14 Now, if we can scroll up, please, to the - sorry - yes, we can
15 scroll up, please, to Ms - sorry - Mr Van Wegen's email
16 of 9 July, which is, I think, at the bottom of p.1449.
17 (To witness) Ninth of July 2019, sent at 3.06 am, Mr Van
18 Wegen responded to you and he said: 'We have the
19 documents around the current Accloud Holding ready to
20 go'. What documents was he referring to?---Privilege. I
21 haven't seen the full email train, so I don't know.

22 All right. If we go, please, up to the bottom of p.1438. If
23 we can just go a little bit lower so that Mr Mawhinney
24 can see when the email was sent and by whom. It's sent
25 on 10 July 2019 at 4.20 am by Mr Mawhinney to Mr Van
26 Wegen. (To witness) And you said: 'Hi Craig. At the
27 moment it's likely we will be subject to (indistinct) by
28 holding greater than 10 per cent of Accloud. Having an
29 allocation of shares in the hands of a trusted third
30 party would provide us with some liquidity. Obviously
31 keen to structure this in a tax effective way. Ross has

1 basically given us the green light for this, so keen to
2 hear your thoughts on how we structure this.' What is it
3 that's being talked about here in this
4 email?---Privilege. It's the transaction that wouldn't
5 proceed.

6 What transaction was that?---Privilege. It was the purchase of
7 Accloud's shares from the founder to see him diluted to
8 under 50 per cent. As I said, the transaction did not
9 proceed.

10 I see. So it concerned a purchase of shares from Mr James
11 personally?---Privilege. It was a transaction
12 contemplated but did not proceed.

13 Yes. Can we go, please, to the bottom of p.1436, please.
14 Mr Van Wegen's email of 11 July 2019 sent at 2 am to
15 Mr Mawhinney. Can you just take a moment, please, to
16 look at that and indicate to the associate when you're
17 ready for him to scroll further on for you
18 to - - -?---Yes, you can scroll a bit, thanks. You can
19 scroll a bit further. Can you keep scrolling? Thanks.
20 Okay.

21 Do you recall what this correspondence relates?---Privilege.
22 This relates to the sale of the Accloud shares to
23 101 Investments Ltd.

24 What seems to be contemplated here, if you look at the
25 paragraph numbered 1 on p.1437 - if you could go to that,
26 please, Mr Associate. Thank you. What is proposed is
27 that there be share sale agreements effectively dated
28 30 October 2017 between IPO Wealth Holdings No.3 and each
29 of those three entities, IPO Capital, Online Investments
30 and IPO Wealth Holdings; do you see that?---Privilege.

31 Yes, I do.

1 So what was going to happen, according to this strategy, was
2 that there were going to be agreements for the transfer
3 of shares to IPO Wealth Holdings from those three
4 entities; is that right?---Privilege. That's correct.
5 And those agreements were going to be backdated to 30 October
6 2017; is that right?---Privilege. They would use an
7 effective date of 30 October 2017.
8 What was the purpose of effectively dating them 30 October
9 2017?---Privilege. Ah, that was a recommendation that
10 Pinnacle provided.
11 I'm sorry, I'll ask the question again. What was the purpose
12 of effectively dating the agreements 30 October
13 2017?---Privilege. I don't recall.
14 You didn't question it at the time? You don't recall
15 questioning that?---Privilege. I rely on their
16 professional recommendation for this transaction.
17 Let me ask you again. You don't recall questioning it at
18 all?---Privilege. I don't recall questioning that
19 component, no.
20 All right. Could we then go, please - actually, just if you
21 could go to the paragraph numbered 3, please. 'IPO
22 Wealth Holdings No.3 will then enter into a share sale
23 agreement with 101 Investments effectively dated
24 1 January 2019, under which IPO Wealth Holdings No.3 will
25 agree to sell and 101 Investments will agree to acquire
26 all 20,089,572 shares - Accloud shares - beneficially
27 owned by IPO Wealth Holdings No.3'. Now, that was the
28 agreement which this related to, as you said a few
29 moments ago; that's correct?---Privilege. Ah, that's
30 correct.
31 So as a prelude to that transaction, all the shares were going

1 to be transferred into IPO No.3; is that
2 right?---Privilege. I believe - if I recall correctly,
3 that they were to be sold into IPO Wealth No.3.
4 Sold into IPO No.3. All right. And then IPO No.3 was going to
5 sell all the shares to 101 Investments; is that
6 right?---Privilege. That's correct.
7 What was the reason for that transaction?---Privilege. If I
8 recall correctly, Pinnacle Advisory Group advised me that
9 by having 10 per cent or greater of a foreign, ah, owned
10 company being held by Australian company, there was a
11 capital gains tax exemption for the sale of those shares
12 to a foreign company. Um, it was a structure that made,
13 ah, sense for us for a range of reasons, including
14 taxation, um, including, ah, just the consolidation
15 generally of our investments in technology companies and
16 overseas technology companies into 101 Investments Ltd.
17 Um, it was a recommendation that was obviously put
18 together by, um, Pinnacle in a professional capacity.
19 Before the transaction which - it ultimately occurred, didn't
20 it? We'll go to it shortly. You agree that the
21 transaction occurred; is that right?---Privilege. That's
22 right. The sale of shares did take place.
23 Yes. Now, immediately before the sale of the shares, IPO 1 had
24 a charge or a security interest over the Accloud shares,
25 didn't it?---Privilege. No, it never has. My - my
26 apologies. Ah, it had a general security agreement in
27 place, ah, with respect to the assets of IPO Wealth
28 Holdings No.1 or IPO Wealth Holdings Pty Ltd.
29 JUDICIAL REGISTRAR: Mr Galvin, I'm sorry to interrupt but we
30 seem to be getting quite a bit of feedback again.
31 MR GALVIN: Is that from me?

1 JUDICIAL REGISTRAR: No, I think it's from Mr Mawhinney but
2 what I'm wondering is that if it's because we can hear it
3 coming through on your computer as well. Could we try
4 you putting yourself on mute while Mr Mawhinney is
5 answering?

6 MR GALVIN: Of course.

7 JUDICIAL REGISTRAR: Thank you.

8 MR GALVIN: What I'll do is - what I might do is ask
9 Mr Mawhinney to read out paragraph 2 and I'll turn myself
10 on mute, just so we can conduct that test.

11 JUDICIAL REGISTRAR: Thank you.

12 WITNESS: Privilege. Paragraph 2, ah, says, 'For reasons of
13 expediency, the IPO Wealth Holdings No.3 Pty Ltd were
14 also into a separate nominee shareholder deed with each
15 of IPO Capital Pty Ltd, Online Investments Pty Ltd and
16 IPO Wealth Holdings Pty Ltd, each also effectively dated
17 30 October 2017, the nominee shareholder deeds, under
18 which each of the companies will agree to hold as nominee
19 shareholder for IPO Wealth Holdings No.3 Pty Ltd the
20 ordinary shares of Accloud PLC, which each company sold
21 to IPO Wealth Holdings number - sorry, IPO Wealth
22 Holdings No.3 Pty Ltd'.

23 MR GALVIN: Did that make any difference, Registrar?

24 JUDICIAL REGISTRAR: Yes, Mr Galvin, it seemed much improved,
25 so could we please try that. I know it's a bit
26 cumbersome to keep remembering to put yourself on mute
27 and then unmuting, but if we could try that it would be
28 helpful.

29 MR GALVIN: All right. I'll do that. Thank you, Registrar.

30 JUDICIAL REGISTRAR: Thank you.

31 MR GALVIN: Mr Mawhinney, I think I may have perhaps misled you

1 inadvertently when I said that IPO 1 had security over
2 the Accloud shares. I didn't mean to say that. What I
3 meant to say was that IPO 1 had the shares in SPV 3 - IPO
4 No.3 - which held the Accloud shares. That's correct,
5 isn't it?---Privilege. That's correct. They hold a
6 security interest over the shares of SPV 3.

7 Now, the effect of this transaction - sale of the shares - was
8 to transfer the Accloud shares out of the IPO group,
9 wasn't it?---Privilege. Repeat the question, sorry.

10 The effect of the sale of shares referred to in paragraph No.3
11 on p.1437 was to transfer the Accloud shares outside the
12 IPO group?---Privilege. The effect of the transaction
13 was to sell the shares for valuable consideration, i.e.,
14 cash, however, those shares were obviously sold into 101
15 Investments Ltd, which is outside, ah, the IPO group.

16 What cash did IPO 3 receive in consideration for this
17 transfer?---Privilege. The agreement, ah, specified - I
18 believe it was A\$19.46m or - or very close to that
19 amount.

20 Was that amount paid?---Privilege. Yes, it was, in full.

21 Was it paid by way of cash or cheque or electronic transfer?

22 How was it paid?---Privilege. In cash by electronic
23 transfer from the Eleuthera Group account.

24 I'm sorry. Eleuthera paid the money. What about 101
25 Investments; what money did it pay?---Privilege. One-O-
26 one Investments Ltd entered into a vendor finance
27 agreement/loan - sorry - loan facility agreement, should
28 I say, with Eleuthera Group Pty Ltd to finance its
29 purchase of the shares.

30 So Eleuthera lent the purchase price to 101 Investments, and
31 Eleuthera had paid the money, you say, to IPO 3; is that

1 right?---Privilege. That's correct.

2 And that was paid by way of an electronic transfer, did you

3 say?---Privilege. That was paid progressively over the

4 course of 2019 to - from the Eleuthera Group bank

5 account. Correct.

6 To which bank account?---The bank account of IPO Wealth

7 Holdings No.1. IPO Wealth Holdings Pty Ltd.

8 No, I'm sorry. It was IPO 3 that sold the shares, wasn't it?

9 Is that right? Can you hear me? You seem to have

10 frozen?---Privilege. That's correct. Sorry, can you

11 hear me okay now?

12 Yes, I can.

13 MR HAY: Could we please try that again? We didn't hear

14 anything in the answer of that.

15 JUDICIAL REGISTRAR: Yes. Perhaps if you could repeat the full

16 answer, Mr Mawhinney.

17 MR HAY: Thank you.

18 WITNESS: Certainly. Do you mind repeating the question,

19 Mr Galvin?

20 MR GALVIN: Yes. You said that the cash was paid to a bank

21 account of IPO 1, but it was IPO 3 that sold the shares.

22 So what money was paid to IPO 3?---Privilege. IPO Wealth

23 No.3 - IPO Wealth Holdings No.3, I believe, didn't have a

24 bank account. So the monies were paid into IPO Wealth

25 Holdings No.1 bank account.

26 Well, how was that satisfying the obligation of 101 Investments

27 to pay the purchase price to IPO No.3?---Privilege.

28 Because 101 Investments Ltd, through its relationship

29 with Eleuthera Group, Eleuthera Group paid for the

30 shares, effectively, on behalf of 101 Investments Ltd.

31 I understand that, but money doesn't seem to have gone to IPO 3

1 which was the owner of the shares?---Privilege. I don't
2 believe that to be the case. The payment, albeit the
3 bank - albeit the entity didn't have a bank account, the
4 proceeds will have been recorded to flow into that
5 entity. Ultimately, it would accumulate, or potentially,
6 the capital gain in it - and the monies to be paid back
7 up to IPO Wealth Holdings No.1. And even in that
8 instance, shares would be cancelled that had been issued,
9 given that the capital would've gone in there on an
10 equity basis in the first place.

11 Just a moment, Mr Mawhinney. None of that makes any sense,
12 does it, and you know that?---Privilege. No, I disagree.
13 One-O-one Investments didn't pay any money to IPO 3 for those
14 shares, did it?---Privilege. Eleuthera Group paid the
15 monies for those shares on behalf of 101 Investments Ltd.
16 The arrangements between 101 Investments Ltd and
17 Eleuthera are documented and recorded to that effect.

18 And it didn't pay the money to IPO 3, did it?---Privilege.
19 It's not unusual for any company to make a payment on
20 behalf of another company, particularly in
21 (indistinct) - - -

22 Just a moment, Mr Mawhinney. Can you listen to the question?
23 It didn't pay the money - Eleuthera didn't pay the money
24 to IPO 3, did it?---Privilege. It did. It paid it to
25 the bank account of IPO Wealth 1 because there was no
26 bank account for IPO Wealth 3.

27 How's that a payment to IPO 3?---Privilege. It was the same
28 with all the SPVs that didn't have bank accounts. If
29 they received extra funds, they would go into the master
30 bank account. Given that this is an investment holdings
31 structure, it was untenable to have 17 bank accounts when

1 they were rarely used.

2 Why would they be rarely used if money was coming in from the
3 investments that the SPVs were making?---Privilege.
4 Certain investments were done on an equity basis, in
5 which case there was no cash flow flowing back into those
6 - into those SPVs.

7 Why weren't they receiving dividends?---Privilege. Not every
8 investment that we made was dividend paying. It's not
9 unusual.

10 You mean not every investment was a liquid
11 investment?---Privilege. No, there's a difference
12 between a liquid investment and a dividend paying
13 investment.

14 Yes, but a dividend paying investment results in cash, doesn't
15 it?---Privilege. That's correct.

16 And some of the investments didn't result in payments of cash
17 to the SPVS; is that what you're saying?---Privilege.
18 That's correct. It's not unusual.

19 All right. Mr Associate, could we go, please, to examination
20 book 1437, please. I'm sorry, I should have taken him to
21 one-four - sorry - 1316. Pardon me?---Privilege. Whilst
22 you're doing that, further to our complaint to The Tax
23 Institute, we have this morning also submitted a formal
24 complaint to the Chartered Accountants body of Australia
25 and New Zealand against Mr Van Wegen who is a member of
26 that body.

27 Why have you mentioned that?---Privilege. Because it's quite
28 material to the books and records of the IPO Group which
29 is the subject to this examination.

30 You seem to be very anxious to blame Pinnacle for the woes of
31 the IPO Group, Mr Mawhinney; is that right?---Privilege.

1 Not necessarily. I was (indistinct) - - -
2 Well, you were very - - -?--- - - - simply pointing out
3 professional negligence when I see it.
4 You agree that you're the sole director of all of the SPVs and
5 IPO 1, don't you?---Privilege. Correct.
6 And the transactions which we have been talking about occurred
7 on your watch, didn't they?---Privilege. That's correct,
8 and I relied on professional advice every step of the way
9 in doing so.
10 And you acknowledge that you're ultimately responsible for the
11 transactions?---Privilege. That comes with the territory
12 of being a director. I acknowledge that.
13 All right. Perhaps if we can go to - before we go to that,
14 Mr Associate, could we go to 1443? (To witness) That's a
15 resolution signed by you on 4 September 2019; is that
16 right?---Privilege. Do you mind just scrolling down. I
17 can't find - see the bottom.
18 Of course. Tell us when you're ready to comment on
19 that?---Privilege. I can see that now.
20 So when did you decide to enter into these transactions, the
21 sales of shares - sales of all - sales of Accloud shares
22 or transfers of Accloud shares between IPO entities and
23 101 Investments. When did you decide to do that? Was it
24 around this time in September - well, between July
25 and September 2019?---Privilege. The transaction had
26 been contemplated for, at least, six to nine months prior
27 to that. Given the complexity of the transaction - the
28 number of parties involved - it obviously took some time
29 to put together.
30 Can you point to a document evidencing that it was a - a
31 contemporaneous document, I mean, evidencing that it was

1 contemplated before July 2019?---Privilege. I believe
2 there would only ever be email correspondence to that
3 effect.

4 Well, I don't believe the provision liquidators have identified
5 any email correspondence which suggest there was any
6 thought of transferring these shares before July 2019.
7 What do you say to that?---Privilege. My - if my memory
8 serves me correctly, which generally it does, I would
9 disagree with that statement.

10 All right. So you do remember there being emails. What did
11 you - did you see the emails?---Privilege. It would've
12 been myself. I can't remember the contents; this is some
13 20 months ago, plus, now.

14 When you say you can't remember the contents, how do you know
15 they related to these Accloud share
16 transactions?---Privilege. Because when we first engaged
17 Pinnacle Advisory Group we would've taken them through
18 the various assets of the group, and sought their advice
19 on an optimal structure for those assets. And Accloud
20 being one of our flag - key flagship investments, um, it
21 would categorically have been discussed, um, and
22 contemplated throughout, ah, those various discussions
23 and subsequent communication.

24 The resolutions that appear on p.1443, do you recall that? Do
25 you recall signing that document on 4 September
26 2019?---Privilege. This is the one in front of me now, I
27 take it.

28 Yes?---Privilege. Yes, I do recall.

29 Yes. So if we can go up a bit, please, Mr - yes, there's fine.
30 Thank you. (To witness) You, according to this document,
31 adopted the following resolutions and you noted that the

1 company, with effect from 30 January 2019, transferred to
2 101 Investments the beneficial ownership of those 21
3 million Accloud shares. What did you mean by 'with
4 effect from'? What's that mean?---Privilege. Again,
5 this was a recommendation that Pinnacle Advisory Group
6 provided, um, that, ah, there was an effective date used.
7 Um, subsequent to Pinnacle's resignation in June, we've
8 now had a number of, ah, parties, including KPMG and our
9 law firm, review, um, that terminology and the effect of
10 it. Um, and, ah, we've subsequently formed the view
11 that, um, it is erroneous in that, ah, transaction - or,
12 sorry, the effective date of the transaction is not
13 valid, um, hence we have, ah, recorded the transaction in
14 the group's books as at 4 October now, which is when the
15 share sale agreement was executed.

16 When you signed this document, what did you think the words
17 'with effect from 30 January 2019' meant?---Privilege. I
18 can't recall.

19 Are you sure you can't recall?---Privilege. I can't recall my
20 immediate thoughts, ah, when this was signed nearly 12
21 months ago.

22 Didn't you think that it meant that the transaction was going
23 to operate as if the transfer had occurred in January
24 2019?

25 MR HAY: Objection. The witness has said twice he can't
26 recall.

27 MR GALVIN: I can put - - -

28 MR HAY: He's answered the question.

29 JUDICIAL REGISTRAR: Well, I think Mr Galvin can put
30 propositions to him. He can either agree or disagree,
31 Mr Hay. Mr Mawhinney seems to be quite happily answering

1 questions he's not been asked and expanding on those
2 matters. He can answer the questions that he's been
3 asked. If he can't recall, he can say that but
4 Mr Galvin's entitled to test his memory.

5 MR GALVIN: Thank you, Registrar. Mr Mawhinney, I'm suggesting
6 to you that when you signed this document you would have
7 known that the meaning of the words 'with effect from
8 30 January 2019' was that the shares would be taken to
9 have been transferred as at that date, note at the date
10 of the resolution or the execution of the sale agreement.
11 What do you say to that?---Privilege. Again, I can't
12 recall, ah, what my thoughts were in relation to this
13 resolution when it was executed.

14 Thank you. Now, could I ask the associate, please, to go to
15 p.1316. (To witness) You recognise that document,
16 Mr Mawhinney, just by its heading? I mean, if you want
17 to scroll through it, please ask the associate to do
18 that?---Privilege. I understand the nature of the
19 document by the heading.

20 Yes. It's one of the documents that was contemplated in the
21 transactions we've been talking about, isn't it, where
22 the shares that were held by IPO Capital in Accloud were
23 to be sold to IPO Wealth Holdings No.3; is that
24 right?---Privilege. That's correct. That's effectively
25 group shares held prior to the existence of the IPO
26 group, um, that were sold into IPO Wealth Holdings No.3.

27 Can we go to the end of that document, please, Mr Associate?
28 To where the execution is. There. Just pause there,
29 please. (To witness) That's your signature on behalf of
30 IPO Capital and on behalf of IPO Wealth Holdings No.3; is
31 that right?---Privilege. That's my signature.

1 And it's dated 4 September 2019. That's when it was signed; is
2 that right?---Privilege. That's what the document says.
3 Sorry, my question was is that when it was signed?---Privilege.
4 As you'll see, there isn't a date under the signature but
5 there is, ah, a date at the top left-hand corner. I
6 can't recall the exact date that that agreement was
7 signed.

8 Is there any reason to doubt that it was signed on 4 September
9 2019?---Privilege. I don't believe so but, as I said, it
10 is undated.

11 Pardon me, Mr Associate, would you mind scrolling back up a
12 little bit, please? Just pause there for a moment,
13 please. Can we go to p.1317? Just to make sure we're in
14 the same document, do you mind just going to the cover
15 sheet of this sale agreement, please? Thank you. (To
16 witness) This is the same document. You can see that,
17 Mr Mawhinney. The document is expressed to have been
18 made effectively on 30 October 2017. Do you recall
19 that?---Privilege. Ah, I don't recall that specific
20 component but, again, the document was prepared by
21 Pinnacle Advisory Group.

22 Yes, I understand that you're very anxious to attribute these
23 things to Pinnacle but you signed this document stating,
24 effectively, that it was to be effective on 30 October
25 2017, didn't you?---Privilege. Again, I took a
26 professional recommendation, ah, in the execution of this
27 document.

28 Thank you. Do you recall how much was paid for this transfer
29 of these shares under this agreement?---Privilege. No, I
30 don't.

31 Well, could we scroll down, please, to the definition of 'cash

1 component'? Or, actually, no, perhaps we should go to
2 the paragraph 2.3, please. (To witness) 'In
3 consideration for the shares, the purchaser has agreed to
4 pay to the vendor the cash component'. And then if we go
5 back up to the definition of 'cash component', please, in
6 clause 1.1, we can see that the amount paid was \$1. Is
7 that right, Mr Mawhinney?---Privilege. I can see that,
8 yes.

9 Now, there's a similar document at page - we won't spend time
10 going through it but if I could just get you to identify
11 it at 1329, please. If we can go back to - you can see
12 that this is a similar agreement relating to the sale of
13 Online Investments' Accloud shares to IPO
14 No.3?---Privilege. I can see that, yes.

15 And then at p.1352 - if we could go there, please,
16 Mr Associate. (To witness) That's a similar agreement
17 again relating to the transfer of Accloud shares from IPO
18 Wealth Holdings - what we call IPO No.1 to IPO No.3; is
19 that right?---Privilege. That's the sale agreement, not
20 a transfer.

21 A sale agreement and a transfer was made pursuant to this sale
22 agreement; do you agree with that?---Privilege. Yes.

23 And the terms in these latter two agreements I've taken you to
24 were similar to the first one. Do you accept that or
25 would you like to look at them?---Ah, I'd like to look at
26 this third one, please.

27 All right. If we look, please, at this one, firstly. Let's go
28 through it slowly. You'll see that the definition of
29 'cash component' is \$1. Do you see that?---Yes.

30 You see the completion date is 30 October 2017?---Yes.

31 If we scroll further down to clause 2.1, that's the sale of the

1 agreement - sorry, sale of the shares, rather?---Yes.
2 And then we can see at 2.3 the consideration of \$1, being the
3 cash component?---Privilege. I can't see 2.3, sorry.
4 Yes, thank you?---Privilege. Yes, I can see that.
5 You see clause 3.1, 'Completion will occur on the completion
6 date'?---Privilege. I can see that. Yes.
7 And do you recall that the completion date is 30 October
8 2017?---Privilege. I believe so. I just can't see that
9 section.
10 Well, if we go back up to the definition of completion date,
11 please, Mr Associate. (To witness) Can you see the
12 definition there?---Privilege. Yes.
13 So, again, which agreement contemplates backdating the effect
14 of the transfer and the sale to 30 October 2017? Have a
15 look at the date, please, of the agreement which is on
16 p.1361. Again it's 4 September 2019. So the sale of
17 these shares under this agreement was being backdated to
18 20 October 2017, wasn't it?--- Privilege. I can see that
19 that's the impact of the dates that have been referenced.
20 Again, we've taken professional advice in executing this
21 document.
22 And you knew at the time you signed this, didn't you, that that
23 was the effect of the agreement, or the purported effect
24 of the agreement?--- Privilege. I believe that to be the
25 case. I didn't know - and to be (indistinct) frank - I
26 didn't understand that that was not, necessarily, a
27 suitable way to treat any transaction. Again, I was
28 relying on professional advice in executing these
29 documents.
30 All right?---Yes. Subsequent advice I've received from various
31 parties - legal and accounting advisors - suggest that

1 such an agreement, or the effective dating of such
2 agreement isn't, necessarily, kosher, if I can put it
3 that way.

4 Who did you get the accounting advice from?--- Privilege.
5 KPMG.

6 Is it in writing?--- Privilege. It's not advice in writing,
7 however, they - they have been through this transaction
8 step by step and have pointed out to us certain issues,
9 including the likes of the effective date being non-
10 conforming.

11 Who's 'us'?--- Privilege. When I say 'us', as in the Mayfair
12 Group, myself, our finance team.

13 And who are they?--- Privilege. When I say our finance team,
14 it's staff within the Group that had been present at our
15 onboarding meeting with KPMG about eight or 10 weeks ago.

16 Who are they? What are their names?--- Privilege. I mentioned
17 earlier there was Lydia Lee present, Bridgette Pennetta
18 present, Greg Wallace was present - - -

19 Were any - sorry, I cut you off. Who else?--- Privilege. Greg
20 - Gregory Wallace.

21 Were there any - any of those directors of any IPO entities?---
22 Privilege. No, I believe they were all myself. There
23 are no other directors on those entities referred to.

24 The legal advice, you mentioned; who did you get that from?---
25 Privilege. We had discussed it with our lawyers in
26 Brisbane, AJ&Co, and we also had similar feedback from
27 KHQ Lawyers based in Melbourne.

28 And was the advice of those firms in writing?--- Privilege. We
29 haven't gone to seek formal written legal advice on that
30 topic as yet. We have not sought to make an adjustments
31 to any historical agreements that had been executed,

1 given that we have a formal process that we are a party
2 to at the moment. We don't think - we didn't see that
3 that was appropriate to do so.

4 Right. Could I ask the Associate, please, to go to court book
5 490, please? (To witness) Just take a moment, please, to
6 look at that, and I would ask the Associate to scroll
7 down when you're ready?---Okay.

8 This is an email from Mr James of Accloud. The founder of
9 Accloud; is that right?--- Privilege. It appears to be
10 so.

11 If you look down - if we could go - do you see the paragraph
12 beginning, 'So of this time, there is no debt, and some
13 question in my mind as to the entity that should own the
14 shares associated with the conversion of the convertible
15 loan agreements, I'm surprised that Mr Mawhinney did not
16 mention the conversion of debt to equity because he is
17 obviously aware of this'. What's the 'conversion of debt
18 to equity' a reference to?--- Privilege. I believe he's
19 referring to a convertible note agreement, if not two
20 convertible note agreements, that our Group had with
21 Accloud.

22 What - I see. This is for debt investment that IPO had in
23 Accloud; is that right? As distinct from the share
24 acquisition?--- Privilege. That's correct. It's
25 separate.

26 Thank you. Could I ask the Associate, please, to go to p.1444?
27 (To witness) If you scroll through that - well, you can
28 see from the cover sheet that this is a share sale
29 agreement from IPO 3, now, to 101 Investments which we've
30 discussed previously; do you agree?--- Privilege. I
31 agree.

1 If we scroll through that, please, Mr Associate. Just pause
2 there, please. We'll see who the parties are. If we go
3 down to the definitions - a bit further, please - thank
4 you. (To witness) The cash component there is defined as
5 €12,156,310; do you understand that?--- Privilege. Yes.
6 Is that the figure that's roughly equivalent to about A\$19m at
7 that time, when I - when this (indistinct) to?---
8 Privilege. Yes, that's correct.
9 Do you see at the top of the page - if we could go back,
10 please, Mr Associate, to the top of this page - there's a
11 statement to the effect that the share sale - this share
12 sale agreement is made effective on 30 January 2019. (To
13 witness) Do you see that?--- Privilege. Yes.
14 And if we go towards - to the bottom of the agreement, which is
15 at p.1453, the document has been signed by you on behalf
16 of IPO Wealth Holdings No.3, and by Mr Cook - Graham Cook
17 - on behalf of 101 Investments; do you see that?---
18 Privilege. Yes, I do.
19 And was it signed by you on 4 October 2019?--- Privilege. To
20 the best of my knowledge it was.
21 Do you know when Mr Cook signed it?--- Privilege. It would've
22 been in and around that date in reasonably close
23 succession.
24 All right. Now, if we go back up, please, to paragraph 3.3,
25 please, Mr Associate. (To witness) The purposes of
26 obligation of completion was to pay all the cash
27 component to the vendor. That was the purchase price,
28 wasn't it?--- Privilege. I believe so.
29 Which is the €12m; correct?--- Privilege. That's correct.
30 That's the purchase price.
31 Yes. Now, that's supposed to be at completion. Completion

1 date is 30 January 2019; do you see that definition on
2 p.1445? If you go to that, please, Mr Associate. One-
3 double-four-five. Thank you. If we scroll down to the
4 definition of 'completion date', please. (To witness)
5 That is 30 January 2019, which is some months before the
6 execution of this agreement, isn't it?---Privilege. It
7 is, yes.

8 So this sale has been backdated as well, hasn't
9 it?---Privilege. It appears to be the case.

10 Were you aware of that at the time you executed the
11 agreement?---Privilege. Ah, at the time, I - like I said
12 with the other agreements, um, the advice that we got
13 from Pinnacle that this was the appropriate way to do -
14 do it and we obviously took their advice.

15 Just listen to the question again, please. Were you aware when
16 you signed this agreement that you were backdating the
17 effect of the sale?---Privilege. I wasn't aware of the,
18 ah, ramifications to the degree that have since been
19 pointed out to me.

20 I'll give you one more opportunity, Mr Mawhinney, if you don't
21 mind. Were you aware when you signed this document that
22 the effect was to backdate the sale of the
23 shares?---Privilege. No.

24 Now, the figure that is fixed upon as the consideration is
25 €12m. Where did that figure come from? How was it
26 fixed?---Privilege. It was determined to be €57 a share,
27 which equates to 50p a share.

28 Who made that determination?---Ah, a determination was, ah,
29 made based on feedback that we had received from Accloud
30 in relation to recent transactions. Ah, and, secondly,
31 given that the group had, ah, other investments in the

1 company, ah, either convertible notes or otherwise, that
2 had a trigger price of 50p, um, that was generally
3 considered to be a fair market price at the time.

4 All right. Let me try again. Who made the decision to fix
5 that as the price?---Privilege. I provided that advice -
6 or that decision to Pinnacle to implement into the
7 agreements.

8 So you were the one who decided the appropriate price was €12m;
9 is that right?---Privilege. Privilege. Correct. That's
10 based on our internal, um, valuation policy.

11 You had an internal valuation policy, did you?---Privilege.
12 Correct. It's part of the group's company - group
13 operating manual. We have valuation metrics in there for
14 unlisted securities.

15 You have valuation metrics. What are they?---Privilege. Um,
16 the valuation metrics, um, are a methodology for
17 assessing the value of unlisted securities, given that,
18 um, we have reporting requirements back to Vasco Trustees
19 Ltd. Um, we had a valuation policy, which is largely -
20 very much industry standard, um, so that transactions
21 like this were done at a fair market price.

22 What were the - sorry, the valuation methodologies?---Yeah.
23 Privilege. It would depend on the, ah, circumstances
24 surrounding the - the securities. Um, if there was a
25 third-party transaction that had taken place, um, with
26 respect to the shares of that company, ah, and there was
27 a price that that transaction took place at, um, then
28 that was obviously an indication of value. Um,
29 alternatively, if there are other agreements or
30 subsequent rounds of investment made, um, by our group or
31 other investors, ah, into the company, then, um, they

1 would generally be accepted as, um, good indicators of
2 price.

3 So the €12m here was fixed according to a methodology which one
4 will find in the books and records of the IPO group; is
5 that what you're saying?---Privilege. The group -
6 the Mayfair Group's operating manual has been - well, and
7 was provided to Vasco, ah, on 30 August 2019, I believe
8 it was, and a meeting was held to run through that, ah,
9 no more than two or three weeks later. So they were well
10 aware of our internal valuation policy in, ah,
11 ascertaining, ah, the market price for the securities.

12 Thank you, Mr Mawhinney. Would you like to answer my question
13 now, please? Which was whether a valuation methodology
14 was used to reach the figure of €12m?---Privilege.
15 Absolutely.

16 All right. What was the valuation methodology used to reach
17 that figure?---Privilege. It was taking into account,
18 ah, recent market transactions and our own transactions.
19 Um, recent market transactions being other external
20 parties to the Mayfair Group that had acquired shares,
21 um, which were at 50p a share. Um, and also our
22 agreements with Accloud. For example, our convertible
23 note agreement, I believe, had a 50p, um, conversion
24 price. So it was generally accepted by us and external
25 third parties, um, that 50p a share at the time was, ah,
26 the fair market value.

27 When you say 'us', do you mean James Mawhinney?---Privilege.
28 Us, as in myself, our finance team, um - these decisions,
29 ah, are generally made, um, in conjunction with others at
30 our end, um, to make sure that they're done on an
31 equitable basis.

1 What about this particular decision? Who participated in the
2 decision - I mean, at IPO - in the IPO group - to sell
3 these shares for €12m?---Privilege. It was a discussion
4 that we had with Pinnacle Group. Um, it was important
5 for us to make sure that the value was reflected, um,
6 given that, ah, there would be cash flowing back to the
7 IPO Wealth group. We wanted to make sure that that was
8 done, um, at - on a suitable basis. Um, realistically,
9 there is no ready active market for Accloud shares, given
10 that it is an unlisted company. Um, it's not something
11 that can be sold, um, at the drop of a hat. Um, our
12 group was a willing buyer at the time. Um, hence, ah,
13 the purchase of the shares - and particularly that
14 quantity of shares - um, the price that was set was, um,
15 more than adequate compensation for the transaction.

16 On what basis did you reach the conclusion it was more than
17 adequate compensation?---Privilege. Because that's what,
18 um, third parties had paid for shares and our other
19 agreements that we had - or entered into with Accloud,
20 um, also referenced that share price.

21 That was - what was it, 57 cents per share or 57 - what was
22 it?---Privilege. It was €57 a share, which equates - or
23 equated to 50p a share.

24 Right. And that was - how much did these other - these other
25 parties you're talking about who acquired shares in
26 Accloud, did they also acquire them for €57; is that
27 right?---Privilege. To the best of my knowledge, that's
28 correct.

29 And when did those acquisitions take place?---Privilege. Ah,
30 within the 12-month period, ah, of this particular
31 transaction taking place.

1 Within 12 months before this transaction?---Privilege. That's
2 correct.

3 And do you recall what the price was that the SPVs paid for
4 their Accloud shares when they acquired
5 them?---Privilege. I don't recall, as I said on Monday.
6 No, I don't.

7 Would that be a convenient time, Registrar, to adjourn?

8 JUDICIAL REGISTRAR: Yes, Mr Galvin, it would. What time would
9 you prefer to resume?

10 MR GALVIN: Well, subject to the convenience of the court and
11 my learned friend and Mr Mawhinney, I would suggest
12 2 o'clock.

13 JUDICIAL REGISTRAR: That's satisfactory to the court.

14 Mr Mawhinney, does that suit you?---It certainly does,
15 thank you.

16 Thank you. And Mr Hay?

17 MR HAY: Thank you, that's fine.

18 JUDICIAL REGISTRAR: All right then. Thank you. We'll adjourn
19 now for lunch and resume at 2 pm. People can keep their
20 connections open, if they wish, but should remain on mute
21 or, if they leave the hearing, dial back in, in the same
22 way that they did in the first instance. Could we
23 adjourn the court, please, Mr Associate?

24 <(THE WITNESS WITHDREW)

25 LUNCHEON ADJOURNMENT

1

(Matthews JR)

2 UPON RESUMING AT 2.00 PM:

3 JUDICIAL REGISTRAR: Right. Thank you. It's Judicial

4 Registrar Matthews. Are we ready to resume, Mr Galvin?

5 MR GALVIN: Yes, thank you, Registrar.

1 <JAMES PETER MAWHINNEY, recalled and examined:
2 JUDICIAL REGISTRAR: All right. Mr Mawhinney, can you hear
3 us?---I can hear you fine, thank you.
4 Thank you. Mr Hay.
5 MR HAY: Yes, thank you, Registrar.
6 JUDICIAL REGISTRAR: All right. Thank you. Is there any
7 housekeeping matters before you resume questioning
8 Mr Mawhinney to go?
9 MR HAY: No. No.
10 JUDICIAL REGISTRAR: All right, then. Thank you. Please
11 continue, then.
12 MR GALVIN: Thank you. Mr Mawhinney, you have a legal
13 qualification; is that right? A law degree?---Privilege.
14 I have a law degree, that's correct.
15 When did you obtain that?---Privilege. From memory, it was
16 2007 or thereabouts I would've graduated.
17 Did you ever practice as a lawyer?---Privilege. No, I didn't.
18 You never worked in a law firm as a paralegal or anything like
19 that?---Privilege. No, I never have.
20 Thank you. Could I ask you, please, to - I ask the associate,
21 please, to go to p.1253 of the court book. Sorry, I
22 meant the supplementary court book. I do apologise. I
23 might need to just expand that a little bit. If we could
24 scroll down a little bit. Mr Mawhinney, would you just
25 have a look at this letter, please. If you could just
26 scroll through it - just read through it, please, so that
27 you can familiarise yourself with it?---Sure. Yes.
28 Do you recall what this related to? I think you'll need to see
29 a bit more of it, I think?---Yeah, if you don't mind just
30 scroll a bit - - -
31 Just tell the associate, please, when you're ready to scroll to

1 the next part?---Yeah. Certainly. You can move onto the
2 next page, thanks.

3 I'm going to ask you mainly about the material under the
4 heading Additional Information Requested?---Sure.

5 So you might want to have a look at that?---Scroll down
6 (indistinct words) yeah. Thanks.

7 JUDICIAL REGISTRAR: Just before you move onto your questions,
8 Mr Galvin, I neglected to check at the beginning.
9 Mr Mawhinney, are you in the room by yourself?---That's
10 correct, Registrar.

11 And a reminder that you're still under oath?---Understood.
12 And that if you wish to claim the privilege in s.597(12A) of
13 the Act you need to do so before answering the
14 question?---Sure. Thank you, Registrar.

15 MR GALVIN: Just tell the associate when you're ready to scroll
16 down below - - -?---Yeah. Do you mind - yeah, just
17 scroll a bit further, thanks.

18 If it's of any assistance, I should say that the questions I
19 want to ask you really relate to the next heading, not
20 that one. The heading on the next page, which is Accloud
21 PLC investment?---Certainly. Okay. I'm familiar with
22 that.

23 I'm sorry, I had my mute on. Can we scroll back up, please,
24 Mr Associate to the first page of that letter. We can
25 see here - perhaps a little bit further, please,
26 Mr Associate. We can see that this is a letter that you
27 sent, or at least IPO Wealth Holdings sent to Vasco on
28 5 May 2020. Do you remember sending this
29 letter?---Privilege. Yes, I do.

30 And it appears according to - if we can scroll down a little
31 bit to the first paragraph. It appears to be at least in

1 part in response to an email from Mr Dunstan of 23 April
2 with respect to Accloud and PayMate India. Do you recall
3 that?---Ah, privilege. Yes, I recall the email.

4 Can we now please go to the - two pages on to the heading

5 Accloud Investment PLC. Thank you. It reads that, 'See
6 below receipt from Pinnacle Group, the borrower's
7 accountants that established the 101 Investments company
8 that holds the Accloud shares and the entitlements under
9 the Accloud revenue share agreement'. So the passages,
10 or the paragraphs, which are indented there are drafted
11 by Pinnacle; is that right?---Privilege. That's correct.

12 Now, the first paragraph reads that IPO Wealth Holdings Number
13 3 - well, actually, do you mind reading through those
14 five paragraphs to identify anything which you say might
15 be incorrect or inaccurate?---Certainly. I'll just start
16 with the first paragraph, if I may. I'll just go
17 paragraph by paragraph.

18 Yes?---'IPO Wealth Holdings Number 3 was established to hold
19 ordinary shares in Accloud PLC'. Um, it was established
20 to invest - it was established to be an investment
21 holding company. Um, obviously, subsequent to its
22 establishment, ah, it held, ah, shares in Accloud PLC.
23 So there could've been other investments placed in there
24 at the time. I'll move onto the second paragraph. Just
25 give me one moment. So I might just add given that this
26 was an answer to the questions that Vasco required
27 information on, as you can see this was copied and
28 pasted, um, and disclosure made that this was provided by
29 Pinnacle Advisory Group, our group's accountants at the
30 time. Um, this was done in great haste, um, in the midst
31 of COVID, in the midst of, ah, challenges that the group

1 had, ah, and in the interests of turning a response
2 around to Vasco at short notice, given that, ah,
3 Mr Dunstan sought this information urgently, um, we
4 relied on Pinnacle to provide the answer. I had not had
5 the opportunity and our team had not had the opportunity
6 to review this in detail. Um, we've, obviously,
7 subsequently identified various discrepancies, um, with
8 that overall transaction, um, which, obviously, we've
9 covered some of those already in the last, ah - well,
10 Monday and today.

11 Nonetheless, at the time when you sent this letter, you were
12 satisfied that the contents of those paragraphs were
13 accurate enough to send them to the trustee,
14 Vasco?---Privilege. I mentioned we were under extreme
15 duress at the time, ah, given the timing of everything
16 and the urgency with which Vasco requested the
17 information, um, hence why I relied on, ah, the
18 information that had previously been provided by Pinnacle
19 Group to us to, ah, include, obviously, in this letter.
20 Um, so I can't, ah, confirm the absolute accuracy of
21 everything in here, because we had not had the
22 opportunity to review it in detail like we normally
23 would.

24 But it was sent on 5 May. That's quite some time after
25 23 April, isn't it? You had time to consider the
26 contents of it, didn't you?---Ah, well, the requests, I
27 believe, were very much at short notice and again we
28 relied on the information that Pinnacle Advisory Group
29 had provided us previously, um, which Kate Power had
30 emailed us, um, when I asked Craig Van Wegen for a copy -
31 or for an explanation of the transaction.

1 Thank you. Now, is there anything else inaccurate in those
2 paragraphs?---Bear with me one sec. So first paragraph -
3 second paragraph, first sentence, 'Two entities of the
4 IPO Wealth Corporate Group', those two entities being IPO
5 Capital Pty Ltd and Online Investments Pty Ltd, they are
6 not members of the IPO Wealth Corporate Group. Ah, the -
7 the timing of the acquisition of those shares being 14
8 days prior, ah, I don't know, because I don't have a copy
9 of, ah, the transaction documents in front of me of when
10 that transaction took place. Um, so - and I suspect that
11 that date may not have been correct, um, given that the
12 shares had been acquired progressively over time. Just
13 bear with me a bit further. The second half of that
14 paragraph, um, confirms Pinnacle's proposed treatment of
15 the transaction whereby shares that were held outside the
16 IPO Group, I believe that there was about 8.3 million of
17 them, or thereabouts, um, were proposed to have been held
18 on bare trust for IPO Wealth Holdings Number 3, ah,
19 before IPO Wealth Holdings Number 3 was even established.
20 Um, subsequent feedback that we have had on that, um,
21 again, I mentioned our lawyers in KPMG who have looked at
22 this, ah, in close detail now, ah, have questioned
23 whether or not, ah, that can, in fact, be the case, um,
24 that shares were held on bare trust for an entity that
25 had not - did not actually exist at the time. I'm just
26 moving onto paragraph 3 now. The statement there that
27 the Accloud shares were acquired in error due to
28 similarity in names, um, that the shares were acquired
29 into those - the entities that they were acquired into at
30 the time, um, I believe, ah, we - you know, were
31 generally very particular with, ah, our entities and

1 transactions and, um, I can't say that that was
2 necessarily done in error; however, on Pinnacle's advice,
3 ah, by the looks of it, that was how they proposed to
4 treat it so that there could be a consolidation into that
5 one entity, um, so that the shares could be sold, ah, to
6 101 Investments Ltd from that one entity.

7 Well, they weren't the - Pinnacle weren't the ones to decide
8 which entity acquired the assets, were they?---Ah, again
9 - I'm again relying on professional advice here from
10 Pinnacle that, ah, that was our - - -

11 You're the who makes the decision, ultimately, aren't you,
12 whether it be on professional advice or not?---Oh,
13 privilege. Privilege. Of course I ultimately make a
14 decision, but in any capacity such as my own, ah, when I
15 engage professional services, um, you know, it - it would
16 make sense that we follow professional recommendations,
17 which is what we did.

18 Yes, but you decided which entity acquired these shares or
19 which entities acquired them, not Pinnacle. It may have
20 been on their advice, but you made the decision, didn't
21 you?---Privilege. When they were acquired originally,
22 that's correct.

23 So were they acquired by these other two entities in error or
24 not?---Ah, privilege. At the time that they were
25 acquired, I don't believe that was the case.

26 Thank you?---Would you like me to review the following
27 paragraph?

28 Why didn't you correct that before you sent this
29 letter?---Privilege. Because, as I mentioned, I didn't
30 have the opportunity to. Um, we, again, relied on them
31 for their advice. This is a direct copy and paste from

1 our accounting firm that, um, had arranged and
2 coordinated the transaction for us. We didn't see it any
3 - any reason or need to correct, um, their advice.

4 Well, it was wrong, apparently. The part about these shares
5 being acquired in error is wrong. So wouldn't there be a
6 need to correct that?---Privilege. Absolutely, if - if
7 we had - had the opportunity to identify it at the time,
8 then, yes, that's correct, but we obviously didn't.

9 All right. Thank you. Go on.

10 JUDICIAL REGISTRAR: Did you read the letter before - you've
11 signed this letter, haven't you?---Privilege. Yes. I
12 believe I did sign the letter, um - - -

13 Yes. And did you read it before you signed it?---Privilege. I
14 would've had the opportunity to skim read it, um, if I
15 recall correctly, that being said, um, this exact
16 sequence of paragraphs have previously been emailed to me
17 by a Pinnacle employee, ah, a couple of weeks prior when
18 we asked for an explanation as to the Accloud
19 transaction, ah, which we provided - I believe we
20 provided Vasco. So this is a direct copy and paste of
21 that information, again, that we relied on Pinnacle for.

22 But when you copy and paste, I presume you don't just copy and
23 paste without checking what it is you're pasting, do
24 you?---Privilege. Generally speaking, we do, you know -
25 I do have a habit of making that I read what is in front
26 of me, but, again, at the timeframe, we just had
27 receivers appointed. We had an ASIC matter that we were
28 dealing with at the time, um, we had some staffing
29 challenges, and this is all amidst COVID when everyone's
30 working from home. So it was done under duress and in
31 great haste.

1 Well, the fact that there was COVID and you might've been doing
2 this from home doesn't mean that you didn't read it, does
3 it?---Privilege. I - absolutely, I - I had read it, but
4 more to the point, I'd read it previously, so I didn't
5 see a - a reason to read through it in great detail in
6 pasting it into this letter. So I actually can't
7 remember reading it when it was inserted into this
8 letter.

9 All right. So you don't know whether you read it - you skim
10 read it or read it thoroughly, you can't recall now?---I
11 can't recall. Not at all.

12 Why did you say you skim read it before?---Ah, privilege.

13 Because when you paste something in you generally - your
14 eyes do glide over some of what you're pasting in. That
15 was the reason I said that. By no means was it a
16 thorough read at all.

17 Is there anything else inaccurate in this - these
18 passages?---Privilege. Sorry, what was the question?

19 Is there anything else in these paragraphs which have been cut
20 and pasted that are, in your view, inaccurate or were
21 inaccurate at the time this letter was sent
22 out?---Privilege. If you just go to the fourth
23 paragraph, I'd just like to have a read through of that.
24 Just give me one moment. Yeah, the final paragraph of
25 that section copied in from Pinnacle's email, it refers
26 to IPO Wealth Holdings Number 3 Pty Ltd entering into a
27 vendor finance, ah, arrangement. Um, that arrangement,
28 as I said on Monday, ah, never existed. It was never
29 countersigned, um, and the entries in, ah, the IPO
30 Group's accounts and even 101 Investment's accounts at
31 the time were, in fact, erroneous.

1 Then why did you send this - allow this letter to go out with
2 that in it?---Privilege. As I mentioned before, I hadn't
3 had the opportunity to review this in detail.

4 What do you say about the statement that the 12 million euros
5 was the market value of the Accloud shares as at
6 30 January 2019; is that correct?---Privilege. To the
7 best of my knowledge, ah, that was the valuation at the
8 time of an Accloud share being 50p.

9 Between July and September - or let's say September 2019, the
10 listing of Accloud was imminent, for example, those share
11 - that share price is likely to have increased
12 substantially, isn't it?---Privilege. I believe you've
13 been misled by the Dye & Co report. Ah, whoever wrote
14 that report, um, said that because the company's about to
15 list it will categorically increase in value. Um, that
16 couldn't be further from the truth. Um, there are many
17 companies that near listing, ah - including Accloud -
18 where the brokers may recommend that they list at a price
19 lower than their previous round, so that statement is
20 erroneous.

21 What about the fact that the director of the company was
22 indicating that the - that it was about to enter into a
23 contract in relation - in India, which was going to
24 return \$5 billion in revenue?---Privilege.

25 Would that have had an effect on the share price, do you
26 think?---Privilege. As I mentioned, um, that, from our
27 perspective, was inconsequential. They have and - have
28 other agreements and have been working on other
29 agreements. The \$5 billion worth of revenue, by the way,
30 isn't revenue coming through the door on day 1. It's a
31 five-year contract for a pre-revenue business, um, so the

1 delivery of that revenue was going to take some time and,
2 therefore, really, until that was delivered, um, we
3 didn't really consider it to have an impact on the value.
4 All right. What was the reason for backdating the share sale
5 agreement to 101 Investments? Why wouldn't you just date
6 it the date the transaction occurred?---Oh, privilege, I
7 couldn't agree more with you, ah, and now that we have
8 gone through this transaction with a microscope, um, the
9 transaction has been correctly recorded as at 4 October
10 2019 when the share purchase agreement was, ah, executed,
11 um - I'd like to make one further comment, if I may.

12 JUDICIAL REGISTRAR: No. Stop for moment, please,
13 Mr Mawhinney. You're here to answer questions. You
14 haven't answered the question that Mr Galvin asked you
15 and I'm going to direct you to answer the questions as
16 asked, please?---Of course, Registrar. May I have the
17 question again, please.

18 MR GALVIN: The question is why - what was the point of
19 backdating the share sale agreement to 101
20 Investments?---Privilege. To the best of my knowledge,
21 um, the terminology used in the agreement which was, um,
22 'effective date', I believe it was. Um, there was a
23 terminology that was (indistinct) by, ah, Pinnacle, again
24 on their recommendation, and they suggested that the
25 transaction be done on that entirely, given the - the
26 quantity of shares that were to be sold in one go, um, so
27 the transfer was done on that date, um, because, again,
28 we're relying on Pinnacle's recommendation that that
29 would be the case.

30 Wasn't it so you could justify the shares being sold for 12
31 million euro, which was their value in January 2019,

1 rather than their true value at the time of the
2 transaction?---Privilege. No, I don't believe that to be
3 the case.

4 You don't believe. Are you sure of that?---Privilege. I'm
5 comfortable with that, yes.

6 Comfortable with it. What does that mean?---Privilege. I
7 don't consider that there is an active market out there
8 for Accloud shares. In fact, there is not an active
9 market for Accloud shares, particularly to - - -

10 No, no, no. That's not the question I asked you. The question
11 I asked you was wasn't the reason that the agreement was
12 made effective as at 30 January 2019 so that the purchase
13 price would be only 12 million euros, and not the true
14 value of the shares at the time of the transaction, which
15 was in late 2019?---Privilege. I don't believe that to
16 be the case. I believe the date - or the effective date
17 of the agreement was one on around the same day that the
18 BVI company was incorporated, and I believe that that
19 was, ah, the reason for aligning it there. I - I don't
20 have any other reason for that, otherwise.

21 All right. Thank you. Now - - -

22 MR HAY: Sorry, Mr Galvin. Registrar, we're getting the
23 feedback sound again. I'm sorry to interrupt. If we
24 could try and keep it on mute when the answers are being
25 given.

26 JUDICIAL REGISTRAR: Yes. Thank you, Mr Hay.

27 MR HAY: Thank you.

28 JUDICIAL REGISTRAR: The feedback is coming back, Mr Galvin, so
29 if you could remember to go on mute when Mr Mawhinney is
30 answering. Thank you.

31 MR GALVIN: Yes. I'll do that. Now, Mr Mawhinney, I'd like

1 you please to turn to - or I'd ask the associate, please,
2 to turn to page two-six - sorry, 2976 of the court book.
3 Just scroll through that so that Mr Mawhinney can see
4 what is it. It's a letter from KHQ Lawyers dated 25 May
5 2020 to Thomson Geer lawyers. Does this letter look
6 familiar, Mr Mawhinney?---Privilege. Yes, it does.
7 Did KHQ Lawyers send this letter on your
8 instructions?---Privilege. They did.
9 Did you talk to them about the content of the letter before
10 they sent it?---Yeah. Privilege. There is email
11 correspondence, ah, between ourselves and Pinnacle
12 Advisory Group in preparing the contents of this letter,
13 and KHQ Lawyers.
14 Did you see it before it was sent and approve it being
15 sent?---Privilege. I - I can't recall, but I'm sure I
16 would've seen a final version of it before it sent. That
17 is normally our procedure.
18 All right. Could we go, please, to p.2977, Mr Associate. Now,
19 if we go to halfway down the page, please, or towards the
20 bottom. There's an extract there from the receivers
21 correspondence where they sought advice as to, 'The
22 reason why the Accloud investment was transferred to 101
23 Investments and of any agreement or arrangement which
24 existed between IPO 3 or any other party and 101
25 Investments in relation to that investment. Please
26 include in your response details of any consideration
27 received or to be received in respect of the transfer
28 referred to above and how the investment was valued for
29 the purpose of the transfer'. Now, the answer which -
30 the answers that were given in response to those
31 questions appear at paragraph 4.1. Do you see that?---Do

1 you mind just scrolling up a bit. Yes, I can see that.
2 Now, I want to direct your attention to paragraph 4.1(b),
3 'Liquidity. The Mayfair 101's Group's management wishes
4 to optimise the liquidity profile, that is the timing of
5 events likely to generate monetary returns to the Mayfair
6 101 Group and its investments of the Mayfair 101 Group as
7 a whole, including the IPO Wealth Group. In order to
8 enable liquidity events, that is events likely to
9 generate monetary returns, et cetera, for such
10 investments where possible'. What do the entities in
11 the Mayfair Group that are not in the IPO Group have to
12 do with - or what does Mayfair 101's wishes have to do
13 with the IPO Group?---Privilege. We - we consider that
14 all of the entities, including the IPO Group, ah, are
15 almost inextricably linked from the perspective that, ah,
16 we have, ah, investments - - -

17 JUDICIAL REGISTRAR: Mr Mawhinney, could you please hold there
18 for a moment. Mr Galvin, thank you.

19 WITNESS: Sorry, you'll have to repeat the question, Mr Galvin.

20 MR GALVIN: Yes. Why is Mayfair 101 Group's - why are Mayfair
21 101 Group's management wishes relevant to the IPO Group
22 and what it does with its investments, and when you use
23 the expressions 'we' or 'us', could you please say who
24 you mean?---Privilege. By Mayfair 101 Group's
25 management, ah - or the Mayfair 101 Group, that includes
26 the IPO Wealth Group. Um, when I say we or us I mean
27 myself, ah, and our, ah, management team at the time, ah,
28 that would assist in advising on decisions that
29 ultimately I would make.

30 All right. Would you please look at paragraph (c),

31 'The Mayfair 101 Group's management assessed the IPO

1 Wealth Group's investment in Accloud as being a suitable
2 opportunity to create an improved liquidity position for
3 the IPO Wealth Group, unit holders in the IPO Wealth Fund
4 and also the Mayfair 101 Group as a whole'. Could you
5 explain how the investment in Accloud was suitable to
6 create an improved liquidity position for the IPO Wealth
7 Group?---Privilege. The investment in that business in
8 general we considered to be an appropriate one for
9 generating returns over time capable of supporting, ah,
10 the loan obligations back to the IPO Wealth Fund. Ah,
11 that's why we made the investment and that's why we've
12 been a shareholder in the company for the best part of
13 five years now.

14 Why was it suitable?---Ah, privilege. Ah, the nature of our
15 investment strategy was to invest in companies that had
16 strong growth prospects and were, ah, heading towards an
17 initial public offering.

18 How was it suitable from the point of view of
19 liquidity?---Privilege. Ah, when we were first engaged
20 with Accloud, ah, they had commenced a listing process on
21 the ASX, ah, in a gold - a listed gold mining shell
22 called Charter Pacific. Um, they had signed a term sheet
23 and had, ah, commenced, effectively, doing a reverse
24 takeover of a listed company, and therefore it was a
25 company that was already in a suitable format for
26 listing, otherwise they wouldn't have entered into that
27 transaction. So, naturally, we, ah, considered it to be
28 a strong investment, um, given that it had a board
29 assembled, ah, audited accounts, um, obviously, strong
30 growth prospects and it aligned with our investment
31 strategy.

1 Well, the listing was a very important aspect, wasn't it, of
2 the investment?---Privilege.

3 (Indistinct words) you just said?---Yeah. Privilege. Ah, a
4 listing of a company is, obviously a way - a pathway to
5 achieve liquidity so it is important. That being said,
6 like all investments there are other pathways to
7 liquidity as well.

8 Would you have a look, please - if you could scroll down to
9 paragraph 4.2(b). (To witness) Do you see there it
10 reads, 'IPO Capital and Mayfair 101 for expediency
11 purposes through then existing entities of the IPO Wealth
12 Group acquired the Accloud shares 14 days before the
13 incorporation of IPOW, IPO Capital and Online
14 Investments. Both companies acquired their Accloud
15 shares on the understanding that they would be
16 transferred to IPO 3 following its establishment. To
17 that end both companies made the decision on 4 September
18 2019 to transfer beneficial ownership of their Accloud
19 shares to IPO 3 under separate share sale agreements'.
20 Do you see that?---Privilege. Yes, I see that.

21 Could we go back, please, to paragraph - sorry - p.1253,
22 please, Mr Associate. Is that the right page? Sorry, I
23 meant the supplementary court book. I apologise. Would
24 you scroll down. That's the letter I took you to
25 earlier. If we could scroll down, please, a bit further
26 under the heading - further to the next page. A bit
27 further. Thank you. Just a little further, please.
28 That's fine. Thank you. (To witness) Do you see the
29 paragraph at the top there reads, 'Two other members of
30 the IPO Wealth Corporate Group also acquired Accloud
31 shares in addition to IPO Wealth No.3, IPO Capital and

1 Online Investments. These were IPO Wealth Holdings and
2 IPO Wealth Holdings No.6. Both companies' - sorry, I'll
3 come back to that. The paragraph above could we scroll
4 up a bit, please, 'For expediency purposes two entities
5 in the IPO Wealth Corporate Group acquired Accloud shares
6 14 days prior to the incorporation of IPO Wealth. Those
7 entities were IPO Capital and Online Investments' - et
8 cetera. The words are almost identical, aren't
9 they?---Privilege. That's correct.

10 Is that because the passage in the KHQ letter or the extracts
11 or those paragraphs they're also cut and pasted from
12 Pinnacle's documents? Is that right?---Privilege.

13 That's right. Kate Power's email is copied into this
14 correspondence and then subsequently copied into the
15 following correspondence from KHQ Lawyers.

16 Now, in the letter which is on the screen at the moment you can
17 see the bottom paragraph there, 'IPO Wealth No.3 Pty Ltd
18 made the decision to transfer all of its Accloud shares
19 to 101 Investments Ltd on 30 January 2019'. Do you see
20 that?---Privilege. Yes.

21 Now, if we could go back, please, to the other document which
22 we were looking at a moment ago which was in the court
23 book - the main court book at 2976 and go down further,
24 please, to paragraph 4. A little bit further, please.
25 4.2, thank you. At the bottom there if we could just
26 scroll a bit further so we've got paragraph (c) visible.
27 Just stop there, thank you. (To witness) That reads,
28 'IPO 6: two other members of the IPO Wealth Group, in
29 addition to IPO 3, IPO Capital and Mayfair 101, also
30 acquired Accloud shares, the borrower and IPO 6. Both
31 these companies acquired their Accloud shares in error'.

1 Now, for some reason KHQ has reiterated that the
2 acquisition by those companies of their shares was in
3 error. Did you have an opportunity to consider that
4 matter before this letter was sent out or is this another
5 matter where there was too much going on for you to read
6 it?---Privilege. Again, we were relying on Pinnacle's
7 explanation when Kate Power sent me the email. That's
8 why it has been effectively regurgitated here, um,
9 because we didn't see any reason at the time to - to
10 query it. That being said, subsequently when we spoke to
11 our internal finance team in reviewing the internal
12 quarterly asset (indistinct) summary we could identify
13 the fact that this share sale was actually treated
14 differently to the way that Pinnacle, um, had represented
15 it to be.

16 Can you go a little bit lower, please, Mr Associate, to
17 paragraph (d). Just pause there, please. Do you see,
18 Mr Mawhinney, that paragraph (d) reads, 'Transfer: IPO 3
19 made the decision to transfer all of its Accloud shares
20 to 101 on 4 October 2019'? This paragraph is almost
21 identical to another paragraph in your 5 May letter,
22 isn't it, except the date has been changed from January
23 2019 to 4 October 2019? Do you see that?---Privilege.
24 Yes, I can see that.

25 So you have taken the trouble to correct that; is that
26 right?---Privilege. I can't recall if it was us or KHQ
27 Lawyers that corrected that. KHQ Lawyers would have had
28 the benefit of receiving the copies of the relevant
29 transaction documentation.

30 So if the shares are being sold on 4 October 2019 why are they
31 attributed a value that they had in January

1 2019?---Privilege. Because we don't consider the value
2 to have changed.

3 And on what basis was that decision reached?---Privilege.

4 Because there was no other market transactions that we
5 could point to to suggest that there had been any
6 change - - -

7 What about - - -?---(Indistinct words.)

8 What about the fact that the company - - -?---(Indistinct) the
9 question. Sorry, Mr Galvin.

10 What about the fact that the company was about to

11 list?---Privilege. As I mentioned earlier, just because
12 a company is about to list doesn't mean it increases in
13 value. Dye & Co (indistinct) in the report that that's
14 factually incorrect.

15 Was there any security given for the payment of the purchase
16 price to IPOW 3?---Privilege. What do you mean by
17 security for the purchase price?

18 For the purchase price. Because there was no payment made to
19 IPO 3, was there?---Privilege. That's incorrect. I said
20 this morning that they were paid for in full in cash.

21 Well, that's just simply not true is it, Mr Mawhinney? You
22 can't point to a single document which demonstrates that
23 having occurred, can you?---Privilege. I can point to
24 bank statements.

25 Which bank statements would show that the 12m euro was paid to
26 IPOW 3?---Privilege. If you have a look at the Dye & Co
27 - if you have a look at the Dye & Co I believe it's the
28 second receiver's report which tracks the inflows and
29 outflows of money from the IPO Wealth Holdings Group.
30 You'll see from (indistinct) I believe it's \$20.5m that
31 had, ah, been transferred into the IPO Wealth Holdings

1 Group from Eleuthera.

2 Could we go, please, Mr Associate, to p.493 of the court book.

3 (To witness) Have you seen that document before,

4 Mr Mawhinney?---Ah, privilege, I have. I believe it's

5 the draft that wasn't countersigned.

6 Well, it wasn't a draft, was it, because you signed it? It was

7 a final copy regardless of whether or not Mr Cook signed

8 it?---Privilege. Ah, as I said it wasn't countersigned,

9 um, so it's an incomplete document.

10 It's not a draft though, is it?---Privilege. It had my

11 signature on it and so you are correct it's not a draft.

12 This document contemplated that the - if we go back, please, to

13 the first page which is at 494. It's an agreement

14 between IPO Wealth Holdings, IPO 1 if you like, and 101

15 Investments, and there's a facility here to provide for

16 101 Investments receiving up to A\$100m from IPO Wealth

17 Holdings. That's right, isn't it?---Privilege. That's

18 what the agreement says, yes.

19 Was that - this document prepared in connection with the sale

20 of the Accloud shares?---Privilege. It was prepared in

21 connection with the sale of the Accloud shares, but also

22 contemplated the fact that 101 Investments Ltd would hold

23 other investments over time.

24 The idea was under this that the term of the facility would be

25 17 years; isn't that right?---Ah, privilege. I don't

26 recall it was 17. I thought it might have been 15.

27 All right, 15 years. Could we go, please, to paragraph 3.1 on

28 p.498. According to paragraph (a) of 3.1, 'The borrower

29 must repay and finally discharge the repayment amount to

30 the lender by the expiry of the term'. And the term is

31 defined on page - let's see - p.497 in the middle of the

1 page. If we could go there, please. Just there. (To
2 witness) You'll see the reference to 15 years there. So
3 I suggest to you that under this agreement - I know you
4 say it didn't take effect, but under this agreement no
5 money was to be paid by 101 Investments for 15 years, not
6 even interest?---Ah, privilege. As I mentioned, this
7 agreement was not - not just unsigned, but, ah, not even
8 sighted by the director of 101 Investments Ltd,
9 therefore, it's invalid.

10 You as a director - - -

11 JUDICIAL REGISTRAR: Mr Mawhinney, you're doing it again.

12 Could you answer the question, please?---Sorry,
13 Registrar, I will.

14 MR GALVIN: You as a director of the IPO companies were willing
15 to enter into an agreement which would not provide any
16 payment by 101 Investments for 15 years even though it
17 got all the Accloud shares. That was the position under
18 this agreement had it taken effect?---Privilege. I don't
19 believe that to be the case.

20 Well, where in this agreement does it say 101 Investments would
21 be paying any money before the expiry of 15 years,
22 whether principal or interest?---Privilege. My
23 understanding was that there was a bare minimum interest
24 payable, ah, if not repayment of it needed to be made.
25 Um, we have obligations back to the IPO Wealth Fund and,
26 therefore, it was always our intention to make sure that
27 any moneys that would be advanced under this agreement,
28 which I've said is invalid, um, would - would obviously
29 flow back into the IPO Wealth Holdings Group to
30 facilitate any repayments back to the IPO Wealth Fund.

31 So your understanding is (indistinct words) is that right?---My

1 apologies. The microphone - I didn't quite hear you.
2 Your understanding is that interest would be paid along the
3 way; is that right?---Privilege. My understanding was
4 that interest would be paid along way, um, and the
5 principal would be paid, ah, if the IPO Wealth Holdings
6 Group needed access to funding to facilitate the likes of
7 interest and principal repayments under the loan.
8 But that wouldn't be - the principal wouldn't be paid for 15
9 years under this agreement?---Privilege. It doesn't
10 change the fact that, ah, IPO Wealth Holdings would have
11 an asset, um, and a right to repayment, ah, of that money
12 - for those moneys.
13 Yes, but it wouldn't have any access to payment for 15 years;
14 isn't that right?---Privilege. I - I don't recall the
15 agreement, um, being executed in - in that light. Um, it
16 certainly wasn't our intention to, ah, do anything where
17 IPO Wealth Holdings would be disadvantaged.
18 Well, it's clearly the case, I suggest to you, Mr Mawhinney,
19 that no principal is to be repaid for 15 years and you
20 can't point to a term of this agreement which would
21 provide otherwise, can you?---Privilege. I haven't had
22 the benefit of rereading this agreement in detail.
23 You mentioned interest was paid along the way. Mr Associate,
24 could you please go to clause 4.2 on p.499. Just read
25 4.2 to yourself, please - 4.1 and 4.2, Mr Mawhinney?---I
26 can see that.
27 So under that provision interest wouldn't be payable either
28 until the end of the term, 15 years; isn't that
29 right?---Privilege. It says 'unless otherwise agreed
30 between the lender and the borrower'.
31 Was this document Pinnacle's mistake as well?---Privilege.

1 They prepared the document from start to finish.
2 So this is their mistake as well that they weren't looking
3 after IPOWs - the IPO Group's interest; is that right?
4 Not your fault, their fault; is that right?---Privilege.
5 They prepared the document, as I said, start to finish.
6 Um, in terms of protecting the interests of IPO Wealth
7 our - our objective always was that any proceeds from the
8 subsequent sale of the Accloud shares, if it was
9 required, would flow back into the IPO Wealth Holdings
10 Group. We've never sought to disadvantage any of our
11 unitholders.

12 Would you just give me a moment, please, Registrar.

13 JUDICIAL REGISTRAR: Certainly.

14 MR GALVIN: Could we go to, please, Mr Associate - to p.1456.

15 Do you know what this document is,
16 Mr Mawhinney?---Privilege. I can see there a series of
17 journal entries in (indistinct) No.3 I believe.

18 Yes. Do you agree that it's a journal entry that relates to
19 the share sale agreement in Accloud?---Privilege. That -
20 it would appear that (indistinct words).

21 MR HAY: Sorry for intervening again. I really must ask,
22 Registrar, if Mr Galvin could please put his microphone
23 on mute when Mr Mawhinney is answering because I can't
24 hear the answer.

25 JUDICIAL REGISTRAR: Thank you, Mr Hay. I'm having the same
26 problem, Mr Galvin.

27 MR GALVIN: I'm sorry, I missed that, Registrar.

28 JUDICIAL REGISTRAR: I said I was having the same problem. So
29 if you - - -

30 MR GALVIN: Yes, I understand. I'm just occasionally
31 forgetting it that's all. I'll keep - - -

1 JUDICIAL REGISTRAR: I understand. Please continue,

2 Mr Mawhinney?---Sorry, I missed the - I think you - - -
3 Could you repeat your answer for that question, please?---Do
4 you mind asking the question again, Mr Galvin.

5 MR GALVIN: Do you agree that the journal entry relates to the
6 sale of the Accloud shares by IPOW 3?---Ah, privilege.
7 It appears to include, ah, a - the Accloud convertible
8 note agreement with Accloud Switzerland. Ah, I believe
9 it would appear that there are certain transactions in
10 there that relate to the share sale to 101 Investments
11 Ltd. As you'll see at the top this has been posted by
12 Pinnacle Group, ah, on 20 May 2020, some five months
13 after - - -

14 Mr Mawhinney, I didn't ask you about that. I will get to that
15 to be sure, but could you just focus on the question,
16 please. Do you see the first entry there, loan 101
17 Investments Ltd sale agreement 19m or 19.2m-odd? That
18 was about the - that was the figure that was roughly
19 equivalent to the 12 million euros, wasn't
20 it?---Privilege. That's correct.

21 And this journal entry suggests that the purchase price was
22 being lent to 101 Investments by IPOW 3, doesn't
23 it?---Privilege. That's what the journal entry, ah,
24 would seem to imply, yes.

25 And the journal entry was prepared by Rachel Xu, X-u, on 20 May
26 2020; is that right?---Privilege. That's correct.

27 That was two days before the receivers were appointed; is that
28 correct?---Privilege. Ah, that - I believe that's
29 correct. It was 22 May.

30 Did you instruct her or Pinnacle to make this journal
31 entry?---Privilege. No, I didn't.

1 Do you know why they did it?---Privilege. Ah, I don't because,
2 ah, again that - - -
3 I don't need to know why. I just need to know whether you knew
4 or not. Do you understand that?---Privilege. No, I
5 wasn't aware that it was being entered.
6 Were Pinnacle still being instructed by you on 20 May
7 2020?---Privilege. Yes, they were and they have had a
8 history of making entries in our Xero accounts without
9 running them past us for approval. This was the subject
10 in part of our complaint to the - - -
11 I'm going to stop you, Mr Mawhinney. I'll just ask you again,
12 please, to confine yourself to the question. Thank you.
13 Mr Associate, would you, please, go to p.1519. I might
14 give that a miss since that document I think is a
15 problem. 1519 I think is sideways. I'll move on,
16 Registrar. Now, under the sale agreement, clause 3.5,
17 Mr Mawhinney - there's no need to go to it - 101
18 Investments was required to register its - the share
19 transfers as soon as possible. That didn't happen
20 though, did it?---Privilege. Ah, my understanding is
21 that the share sale - sorry - the share transfer forms
22 were executed, ah, provided to Pinnacle and subsequently
23 sent to Accloud to be sent or submitted to the, ah, share
24 register in the United Kingdom for registration. Ah,
25 however, my understanding is that to date that hasn't
26 occurred, um, and that the shares, ah - sorry - the share
27 transfer forms, um, were not received by the registrar or
28 the registrar has lost them. I can't say for certain
29 because of our distance from the registrar, but my
30 understanding is that they have not been lodged, um, and
31 we haven't made any attempts to try and correct that

1 despite being in a position to do that because we didn't
2 feel it was the right thing to do.

3 Yes, but why didn't you do it soon after - why didn't you
4 follow it up soon after the share sale agreement was
5 executed, before the end of 2019, for
6 example?---Privilege. Again, we were relying on Pinnacle
7 Advisory Group to do that start to finish.

8 You didn't think to check up to see whether it had been
9 done?---Privilege. I wouldn't expect to have to check on
10 such a basic thing.

11 But I thought you were aware that Pinnacle was constantly
12 making errors in relation to the Mayfair Group's affairs?
13 Why wouldn't you check it?---Privilege. Ah, I haven't
14 had the opportunity to go back and check every single
15 skerrick of people's work. Um, there's certain
16 components of Pinnacle's work that we did check and seek
17 to correct, where there were inaccuracies. Um, this was
18 obviously a process that they undertook which we haven't
19 had the opportunity to check.

20 Well, you've had the opportunity, haven't you? It's a \$19m
21 transaction. Assets worth \$19m hadn't been registered on
22 the register of the companies. Surely that's a matter of
23 serious concern for you as a director of - or as the
24 person ultimately interested in 101
25 Investments?---Privilege. Given at the time I had
26 interests in IPO Wealth Holdings Group and 101
27 Investments Ltd, um, given that they are related parties,
28 um, I didn't really share that as - as a concern at all.

29 Could we go to court book 1457, please. No, I withdraw that,
30 Registrar. I'll move on. Has 101 Investments since 2019
31 disposed of or realised any assets?---Privilege. No, it

1 hasn't.

2 What assets does it hold currently?---Privilege. Off the top
3 of my head I believe I answered this on Monday which is
4 21.25m in Accloud shares, ah, the Accloud revenue share
5 agreement and US\$2m worth of PayMate shares.

6 Mr Associate, would you please go to p.1717. Do you recognise
7 this document, Mr Mawhinney?---Privilege. Ah, I don't
8 recall it, but I can see obviously what's on the screen
9 in front of me here.

10 Was Pinnacle doing the accounting for 101 Investments as
11 well?---Privilege. That's correct. Since inception up
12 until 6 June 2020.

13 Could we please go to p.66 of the court book, Mr Associate.
14 Now, Mr Mawhinney, you know what this document is. This
15 is the quarterly portfolio summary which IPO Group
16 provided to Vasco on a quarterly basis; is that
17 right?---Privilege. That's correct.

18 When do you say that the transfer of the shares from IPO 3 or
19 from the IPO Group to 101 Investments was
20 effective?---Privilege. (Indistinct) October 2019.

21 Well, why is it that they're still in this spreadsheet as
22 assets of the IPO Group, IPO 3 in particular for example
23 in the second line there, in December 2019 and in January
24 2020? Why is that?---Privilege. Ah, I believe it was an
25 error. Um, I believe part of that may have been due to
26 payments continuing to be made until the payments were
27 made in full and I believe that they finished
28 around January timeframe.

29 Is it possible that what you were wanting to do was to conceal
30 from Vasco the fact the shares had been transferred out
31 of the IPO Group?---Privilege. Not at all. And to

1 further that if that was the case then we wouldn't have
2 sent them the - - -

3 I don't need you, Mr Mawhinney, to hypothesise. I'm just
4 asking you to answer these questions, please?---Sure.

5 Do you recall making a response to an inquiry by Mr Dunstan of
6 - or Mr Dunstan in April 2020 made an inquiry about the
7 sudden disappearance of the Accloud shares from the
8 spreadsheet. Do you recall him making an inquiry as to
9 what had happened? He thought it was a write-down of
10 their value; do you recall that?---Privilege. I recall
11 his line of questioning. I don't recall - he never
12 referenced any write-down of value.

13 Could you tell the court, please, what PayMate India
14 is?---Privilege. PayMate India is a financial technology
15 payment provider in India. Um, they're the largest
16 business to business payments company, ah, in India.

17 How did you become aware of it?---Privilege. Ah, they
18 contacted, ah, one of our group companies, ah, I believe in
19 2016, if my memory serves me correctly, um, seeking to list
20 their business on, ah, the ASX or a stock market, ah, and
21 subsequently I went and met with the founders in their office
22 in Mumbai, India to gain a deeper understanding of their
23 business and their requirements.

24 Who runs it?---Privilege. Ajay Adiseshann and, ah - is the CEO
25 and founder, ah, and the chief financial officer is Ravi,
26 ah - my apologies. I can't remember how to pronounce his
27 last name. Um, he has an Indian surname, obviously.
28 I - - -

29 Could you spell the first name that - the one you could
30 remember?---Yeah. Privilege. Ah, Ajay, A-j-a-y, surname
31 spelt, ah, I believe it is, A-n-d-i-s-h-a-s-a-n, off the

1 top of my memory.

2 Could the associate please go to court book 1561. Could you
3 just scroll that, please, so Mr Mawhinney can familiarise
4 himself with it. Do you recall this document,
5 Mr Mawhinney?---Privilege. Ah, vaguely, yes.
6 Do you recall what it is?---Privilege. Ah, it's a non-binding
7 term sheet for a - an investment into PayMate India
8 Private Limited.
9 Was it given effect? Did it - was it carried into
10 effect?---Ah, privilege. I can't recall.
11 You executed this document on behalf of - sorry. I wonder if
12 the associate could please go to 1564. (To witness) This
13 is another term sheet which is dated 12 December 2018,
14 and I don't know if you can see the date?---No. I can't.
15 Sorry.
16 Just scroll through that, please. (To witness) Your signature
17 is on that; is that right?---Privilege. That's my
18 signature, yes.
19 What was the object of this term sheet?---Privilege. I - I
20 can't recall because I haven't had the opportunity to
21 read it in detail. We - we made three investments in
22 PayMate India, so I can't recollect which investment this
23 one relates to.
24 All right. Can we go, please, Mr Associate, to court book
25 2977. That's the KHQ letter of 25 May that I took
26 Mr Mawhinney - took you to earlier, Mr Mawhinney. If you
27 look, please - if you go to paragraph 6.2(a) and (b),
28 please. Are they the three investments you had in mind a
29 moment ago?---Ah, sorry. I just need to move my, ah,
30 screen over. Just one sec. Um, ah, privilege. That
31 looks to be correct, yes.

1 And what become of these investments?---Ah, privilege. Ah, the
2 three entities that acquired those shares still remain
3 shareholders in PayMate India today, to the best of my
4 knowledge. I can't speak on behalf of the entities that
5 are in provisional liquidation, but 101 Investments
6 Limited, ah, still owns its shares in PayMate India
7 today.

8 Can you go to court book 66, please, Mr Associate. Do you see
9 the equity investment, Mr Mawhinney, which is denoted
10 with E1-PM2 about in the middle of the page? There's a
11 PayMate investment of 101 Investments. Do you see
12 that?---Privilege. Yes. I can see that.

13 And that appears to have disappeared from the spreadsheet
14 in February 2020 like the Accloud investments. Do you
15 know why that is?---Privilege. Vasco asked us to report
16 on what, ah, moneys had been used for - in terms of what
17 the underlying investments were, um, because that asset
18 was, ah, my recollection, purchased by 101 Investments
19 Limited, um, it - ah, and they - the Eleuthera, ah, loan
20 balance on this spreadsheet was reduced, um, it offset
21 the purchase of that investment, um, or payment for that
22 investment, should I say, into 101 Investments Limited.

23 You gave some evidence on Monday that when acquiring - would
24 you say that the IPO Group when it acquired investments -
25 in particular I'm talking about the SPVs - engaged in a
26 rigorous due diligence process?---Privilege. Ah, yes. I
27 do.

28 All right. And what did that process generally consist
29 of?---Privilege. It would depend on the size and
30 complexity of the transaction. Ah, obviously larger
31 transactions that are more complex, ah, would typically

1 undergo a more thorough due diligence process. So for
2 example, um, if the investment was under a hundred - ah,
3 sorry - under \$1 million, ah, it would have a lower
4 standard of due diligence. Um, if it was over \$1
5 million, um, we would typically, ah, undertake a due
6 diligence process using a checklist, ah, that the group
7 maintained. I believe a copy of that has been provided.
8 Um, and where - where relevant, we would engage lawyers
9 in the relevant jurisdiction, as we did with our Venice
10 transaction. Um, we have, ah, undertaken in certain
11 instances background checks on individuals, criminal
12 record checks, um, company searches, um, and it - again,
13 it depends on the - the nature of the transaction.

14 And all those checks are kept in writing in the records of IPO;
15 is that right?---Privilege. In certain instances where
16 the transaction was, let's say, a Mayfair 101 Group
17 identified transaction, um, we certainly have records in
18 writing. Um, some of those records, ah, which have all
19 now been provided, ah, to the court as part of this
20 process, um - we would often record a lot of those due
21 diligence items within the relevant SPV, um, but from
22 time to time that documentation would be in the broader
23 group's documentation. Ah, however, as I said, that -
24 that has been provided as part of this process.

25 You say all the documents that relate to due diligence
26 conducted on behalf of the SPVs have been provided to the
27 court; is that right?---Privilege. That's correct. Um,
28 my understanding is - and my apologies if I've confused
29 this, but there has been a - a forensic, ah, IT, um,
30 organisation that has taken a scan, um, of all of our
31 computers, our Google Drive, ah, and - and various other

1 things and we're in the process of, ah, complying with
2 the, ah - with the court orders to provide that
3 information.

4 Could I ask the associate, please, to go to p.50 of the court
5 book. That's the summons that was served on you; is that
6 right, Mr Mawhinney?---Privilege. Ah, again, yeah,
7 that's what it says; yes.

8 And you say, do you, that you've complied with it fully?---Ah,
9 privilege. It was identified, um, by Dye & Co that they
10 considered that we may not have provided, ah, all the
11 books and records of the company, um, hence why we
12 agreed, ah, by consent to, ah, the request for orders,
13 ah, for the forensic, um, provision of information which
14 we have complied with. Um, so that - that is a process,
15 I believe, ah, that's in train at the moment.

16 Do you see that paragraph 11 beginning at the bottom of p.54 -
17 if you could go to that, please, Mr Associate - deals
18 with the production of documents relating to investment
19 strategy and due diligence requirements of the IPO Group?
20 Do you see that?---Privilege. Yes. I do.

21 Can I ask the associate, please, to go to p.6177. (To witness)
22 That document is a form of due diligence checklist with
23 the IPO Wealth logo on it?---Ah, privilege. Yes, it is.
24 I recognise the document.

25 And it's just a blank document. It doesn't relate to any of
26 the SPVs in particular?---Privilege. My understanding
27 was the, ah - well, we have provided a complete version
28 of that for certain SPVs, and I believe it - - -

29 Just stop there. Just a moment. Sorry. I asked you about
30 this document. And you agree that that is just a blank
31 document. It doesn't relate to any particular SPV. If

1 you need to scan through it by all means ask the
2 associate to do so, please?---Yeah. Privilege. That's
3 correct. It's a template, yeah.

4 Could the associate please go to 6182. That's another -
5 although it's on its side, it's another due diligence
6 checklist which is blank. Do you agree with
7 that?---Privilege. I recognise the document, yes.

8 It doesn't relate to any particular SPV?---Ah, privilege. I
9 believe it does, I just can't recall which one, ah, this
10 particular checklist was used for.

11 Well, this checklist doesn't mention any SPVs or even IPO at
12 all?---Privilege. That's because it's a template,
13 so - - -

14 That's right. This document doesn't actually relate to any
15 particular SPV, does it?---Privilege. Ah, I recognise it
16 and I believe we have used it previously. I just can't
17 recall which SPV.

18 Well, Mr Mawhinney, those documents, on my instructions,
19 reflect the entirety of the discovery or production of
20 documents concerned with due diligence of the IPO Group
21 into investments. What do you say to that?---Privilege.
22 We've provided everything that we have, ah, in line with
23 the orders.

24 Do you disagree that these documents I've taken you to
25 represent the entirety of the documents that evidence any
26 due diligence being conducted by the IPO
27 Group?---Privilege. We have provided - I believe we've
28 provided a lot more than, ah, those two documents. In
29 fact, we've provided copious amounts more information
30 with respect to the due diligence, ah, that had been
31 undertaken on various transactions. There was volumes of

1 documents. I, ah - are you suggesting that, ah, you
2 don't have a copy of them?
3 Well, I certainly haven't seen those, but my instructions are
4 that due diligence documents have not been produced.
5 That is, documents that evidence due diligence being
6 conducted by the SPVs into their
7 acquisitions?---Privilege. My apologies if that's the
8 case but, ah, we had a folder prepared specifically as
9 per the summons of information, ah, which contained
10 copious of information - copious amounts of information
11 on due diligence. So if that hasn't been provided, ah,
12 or hasn't made its way over to you, um, we can certainly
13 - our representation can organise that without, ah, any
14 delay.

15 All right. Thank you, Mr Mawhinney?---My pleasure.

16 Now, Mr Mawhinney, I'd like the associate, please, to go to
17 p.2637.

18 JUDICIAL REGISTRAR: Before you do that, Mr Galvin, would now
19 be a convenient time for a five minute break?

20 MR GALVIN: It certainly would, yes.

21 JUDICIAL REGISTRAR: All right. I think it's reasonable to do
22 that, so we'll adjourn until 3.20. Thank you.

23 <(THE WITNESS WITHDREW)

24 (Short adjournment)

1 <JAMES PETER MAWHINNEY, recalled and examined:

2 MR GALVIN: Registrar - - -

3 JUDICIAL REGISTRAR: Yes. Thank you. Thank you. Are you
4 ready, Mr Mawhinney?---Ah, yes. Judicial Registrar, with
5 respect to that due diligence, ah, folder, I believe it
6 was 11(b), ah, on - of the court order. Um, there was
7 some, I believe, several thousand documents at least that
8 were, ah, provided by us to our law firm, ah, and I
9 believe somewhere between them and the court, ah, it was
10 missed. So we can certainly provide, um, ah, Dye & Co
11 with a copy of that at their convenience.

12 MR GALVIN: Perhaps I should be a little clearer, Mr Mawhinney.
13 As I understand it, the - there are no completed
14 checklists of the nature of the pro formas or templates
15 that I took you to. What do you say to that?---Ah,
16 privilege. That's incorrect.

17 All right. Now, I had asked you to go, please, to - I was
18 asking the associate to go to p.2637. Do you recognise
19 that document? I know it's a - that is a pro forma
20 report on company activities and property, which I'll
21 call a ROCAP or a report as to affairs. You're familiar
22 with those, aren't you?---I am.

23 MR HAY: Registrar, before we move on - I apologise, Mr Galvin.
24 We've just identified just quite randomly, I think,
25 documents of the nature you've described, Mr Galvin, as a
26 checklist of some due diligence materials. I think
27 documents of that nature have been provided to the court.
28 I'll need to just confirm that, but we believe they have.
29 There might have been something lost in the translation
30 electronically, but we believe they have been provided.

31 JUDICIAL REGISTRAR: All right. Well, thank you, Mr Hay.

1 We'll need further details of that. It's not possible
2 for us to follow up - - -

3 MR HAY: No. Indeed.

4 JUDICIAL REGISTRAR: No. But all we have are two Dropbox links
5 that were sent by your instructors, and those links were
6 subsequently passed on to the liquidator's solicitors in
7 accordance with the orders made.

8 MR HAY: Yes. As I'm just - now, I can't read it in detail in
9 the size, but as I'm just looking at what we believe has
10 been uploaded to the court, it contains a large number of
11 documents in relation to category 11(b) of the summons,
12 Mr Galvin. I'll perhaps have to talk to you further
13 about - with Mr Galvin further about that, but we believe
14 it has been provided.

15 MR GALVIN: I think we might be talking about the documents
16 that are from pp.6177 to 7110. If those documents
17 reflect the entirety of the production in relation to due
18 diligence then we're ad idem, but otherwise we're missing
19 something.

20 MR HAY: Can I just get those page numbers again and I'll
21 check.

22 MR GALVIN: That was 6177 to 7110. Now, within those documents
23 we haven't located, as I understand it, any completed
24 checklists.

25 MR HAY: Well, we'll have to compare that with what we think
26 was provided to the court and just look into that and
27 come back to you.

28 MR GALVIN: Now, Mr Mawhinney, you're familiar with the reports
29 on company activities and property. You've got the
30 document at p.2673?---Ah, privilege. More recently, yes.
31 Mr Associate, could we just scroll through that so that

1 Mr Mawhinney can identify this as being the report that
2 relates to IPO 1, the holding company. For example, at
3 p.2622 you'll see a reference to it. Yes. You can see,
4 Mr Mawhinney, there that there's a reference to the
5 company name IPO Wealth Holdings Proprietary Limited
6 which is IPO 1, isn't it?---Correct.

7 If you go, please, to p.2632 - no - 2631, rather, and
8 regrettably that's on its side, but that identifies the
9 assets - no. Sorry. The creditors, rather, of the - or
10 the liabilities of the company. They include - it's a
11 bit hard to read, I know, for you, but they include
12 Vasco, the sum of \$76 million. That sounds correct?---I
13 can't see the document properly.

14 JUDICIAL REGISTRAR: Mr Galvin, is this one of the documents
15 that's in the supplementary book?

16 MR GALVIN: It may well be. I might just ask if Ms Papaleo
17 knows the answer to that question.

18 JUDICIAL REGISTRAR: Thank you.

19 MS PAPAEO: I believe it's 1594 in the supplementary court
20 book.

21 JUDICIAL REGISTRAR: Yes. I think - yes. I think it is.
22 Thank you.

23 MS PAPAEO: Yes.

24 JUDICIAL REGISTRAR: Thank you.

25 MS PAPAEO: Thank you.

26 MR GALVIN: I'll rely on Ms Papaleo to convert the numbers for
27 me if you don't mind, Registrar, because I'm working from
28 a marked up version from the court book which is easier
29 for me.

30 JUDICIAL REGISTRAR: All right then. Thank you.

31 MR GALVIN: Now, Mr Mawhinney, you can see that now. You can

1 see that the - Vasco is a creditor for 76-odd million
2 dollars. Eleuthera - you prepared this document, didn't
3 you, with some assistance; is that right?---Ah,
4 privilege. Yes. I was assisted in the preparation of
5 the document.
6 Who assisted you?---Ah, privilege. Ms Lydia Lee.
7 And where did she - well, did she refer to any documents or
8 records to assist you in this process?---Ah, privilege.
9 I believe she would have, yes.
10 You don't recall what those records were?---Ah, privilege. I
11 can't recall, no.
12 In any event, the debts here include a debt to Eleuthera of \$6
13 million. There's a reference in the final column to an
14 asset summary of 31 March 2020. Do you recall preparing
15 that document? That's an updated portfolio summary,
16 isn't it?---Privilege. Yes. That's correct.
17 I wonder if Ms Papaleo can indicate what the page number for
18 that is in the supplementary court book.
19 MS PAPALEO: I'm sorry, Mr Galvin. Which page was that?
20 MR GALVIN: This is the one for - this is the asset summary as
21 at March 2020, portfolio - updated portfolio summary.
22 MS PAPALEO: Just one moment.
23 MR GALVIN: It might be 1416. Can we go to 1416 of the
24 supplementary court book. Yes. I think that's it. It's
25 supplementary court book - do you recognise that
26 document, Mr Mawhinney?---Privilege. Yes, I do.
27 Now, who prepared - that's an updated version of the portfolio
28 summary. Who prepared it or who updated it?---Privilege.
29 Is it, ah, restated or when - when was this one provided,
30 do you know?
31 I believe this was an exhibit to an affidavit which you filed

1 and - but it's a - it's something you provided
2 to - - -?---Yes, privilege. I understand that there were
3 no less - or at least two versions of this. There was a
4 restated version that we submitted to court after the
5 receivers and managers were appointed. The spreadsheet
6 is much larger than what's on the screen here, so I - - -
7 That's because it's an Excel spreadsheet. That's just a
8 PDF?---Yes, of course. Yes.

9 Well, you can take that down. Can we please go back to the
10 court book at 2651 - or actually at 2631. No, I'm sorry,
11 I meant to go to the - yes, thank you. There's a debt
12 there to Online Investments of \$1.6m - sorry, let me get
13 this right. This is the - what we're going back to is
14 the ROCAP, which was in the supplementary court book.

15 JUDICIAL REGISTRAR: What was that page again, please?

16 MR GALVIN: Yes. Ms Papaleo, do you happen to have that page
17 reference again, please, for the ROCAP?

18 MS PAPALEO: Yes, it was 1594.

19 MR GALVIN: Would you just pardon me for a moment, please,
20 Registrar. All right. (To witness) There's a \$1.6m debt
21 to Online Investments there, Mr Mawhinney. Do you know
22 what that relates to?---Privilege. These reports were
23 prepared obviously based on the financial information
24 that we had for, in that instance, Online Investments
25 Proprietary Limited, so we didn't have the benefit of the
26 IP Wealth Holdings Proprietary Limited balance sheet, but
27 that indicates that at the time that this report was
28 prepared, the records were indicated \$1.63m was owing to
29 Online Investments from IP Wealth Holdings.

30 Why did IPO Holdings owe any money to Online
31 Investments?---Privilege. There were a range of

1 transactions between IP Wealth Holdings and various other
2 entities within the Mayfair Group. We've subsequently
3 undertaken to reconciliation back to source documents of
4 all of that.

5 So I will have another go. Why was Online Investments indebted
6 to - or a creditor, rather, of IPO 1? Do you know why?
7 I mean, you put that figure in, you signed off on this
8 document. Why is there a debt owed to Online
9 Investments? What did Online Investments provide by way
10 of goods or services?---Yes, privilege. I don't know the
11 exact make-up of that debt, so I - I can't answer the
12 question in full.

13 Well, you verified it, though, didn't you? Didn't you verify
14 that as being an amount owed?---Privilege. That's
15 correct, because at that time it would have been showing
16 on the Online Investments balance sheet.

17 What sort of goods, services or assets did Online Investments
18 provide to IPO 1 which might have given rise to this
19 indebtedness?---Yes, privilege. Online Investments was
20 an entity that we used for consulting services across the
21 group. I can't say for certain whether or not that
22 specifically relates to that debt. If anything, it seems
23 a lot higher than it would have been otherwise. There
24 were instances where payments were made from other group
25 bank accounts due to ANZ having a daily transfer limit of
26 a million dollars, and given that a number of our
27 transactions were over a million dollars, from time to
28 time payments would be made from other entities, if that
29 was needed, in order to get the sum of money over to the
30 respective party at the time. Otherwise I would need to
31 see a breakdown of transactions to answer that more -

1 more comprehensively.

2 Could the associate please go to p.2633, which - and I will ask
3 Ms Papaleo - it's the next page, I should say, in the
4 supplementary court book. Yes. There's a - no, that's
5 different to the one I've got. Yes, that's what I'm
6 looking for. Bright LED is - this is your record of what
7 was owed to IPO 1 at the time of the making of this
8 report, and as far as you were concerned, there was an
9 entity called Bright LED Limited which owed or which had
10 given a convertible note or - given a convertible note to
11 IPO 1, is that right?---Privilege. I believe we had two
12 investments. I can't remember - I believe one was a
13 convertible note, one was a stock-standard loan
14 agreement. I can't recall which one that particular
15 investment was.

16 Well, what is Bright LED, are you able to say?---Privilege.
17 Bright LED were also known as Bright Innovations. They
18 are a smart city technology company based out of Haifa in
19 Israel. They develop technology for the likes of an
20 app store-type product for implementing throughout cities
21 to ultimately make them intelligent, so it's a form of
22 artificial intelligence business.

23 What sort of due diligence did you do into this
24 investment?---Privilege. This business was introduced to
25 the group given it was seeking to list on the stock
26 market. We undertook due diligence in conjunction with a
27 business in Sydney called Tandem Capital, who was - - -

28 How do you spell that? How do you spell that,
29 sorry?---Privilege. T-a-n-d-e-m, Capital, C-a-p-i-t-a-l.

30 Go on. What form did the due diligence take when you were
31 investing in this entity?---Yes, privilege. So myself

1 and a colleague separately flew to Israel and met with
2 the board of the company. We - we would have undertaken
3 a level of financial due diligence on the company. We
4 did some checks - - -

5 Now, I don't want you to say what you think you would have
6 done. I want you to say what you remember doing?---Yes,
7 privilege. This was some four, possibly five, years ago
8 so my recollection isn't the best. My apologies.

9 What do you recall?---Privilege. I recall going to Israel and
10 meeting with the board, so to validate that the company
11 existed. I recall introducing them to Tandem Capital,
12 who were working alongside to facilitate the listing of
13 the company. Tandem was undertaking due diligence as
14 well as ourselves.

15 Listing in Israel?---Privilege. No, it was to list on the
16 Australian Stock Exchange.

17 Yes. Go on?---Privilege. We also had a relationship with -
18 sorry, I'm just trying to recall the name of - there's a
19 broking firm in Melbourne that was working on the listing
20 of this business with us, so we considered - given that
21 this was a smaller investment, whilst we had undertaken
22 the - a level of due diligence, the fact that we had two
23 other corporate advisory style firms working with us who
24 were also undertaking due diligence, we considered that
25 to be adequately appropriate for this investment.

26 So if there are records of the due diligence, we will find it
27 in the documents which you've provided to the
28 court?---Yes, privilege. Privilege. I - I recall now in
29 - in preparing that data room for the submission to court
30 that a checklist was provided to Bright LED, and I think,
31 Mr Galvin, the second checklist that you showed me that

1 was on its side, if I'm not mistaken, I believe that was
2 actually the document, and there's extensive
3 documentation - sorry, extensive correspondence between
4 us, Tandem Capital, and Bright LED with respect to the
5 preparation and fulfilment of those due diligence
6 requirements, so my apologies if you don't have the
7 benefit of that, but it was part of the documents that we
8 prepared for - obviously this examination.

9 All right. Now, was a sum of 439,000-odd advanced, is that
10 right? Or is that figure that's in the report a figure
11 that includes interest?---Yes, privilege. That will
12 include any interest accrued.

13 And when were these funds advanced, do you recall?---Privilege.

14 If I recall correctly, I mentioned there were two
15 investments in this company. I actually think that this
16 was an investment made prior to the IPO Wealth fund being
17 established, so I think 2016, if I'm not mistaken.

18 Well, how did it make its way into the IPO Wealth
19 (indistinct)?---Privilege. If I recall correctly, the
20 IPO Wealth Holdings Group would have acquired that
21 investment from - I believe it was IPO Capital - again,
22 without the benefit of the documentation in front of me I
23 can't answer for certain.

24 What was the source of the money that was
25 advanced?---Privilege. It was our business, IPO Capital,
26 I believe, at the time. That being said, if it was the
27 second investment that we made, then it would have been
28 via IPO Wealth, or, sorry, the IPO Group.

29 Well, how did it end up with IPO 1? Did IPO 1 pay for the
30 assignment of the rights? How did it
31 happen?---Privilege. If I recall correctly, our CFO at

1 the time, Jim Porleshin, assisted us, I believe, with the
2 acquisition of that investment into the IPO Group, as
3 part of the - really, the consolidation of the
4 investments that the group had already made prior to the
5 IPO Wealth fund being established.

6 What's Bright LED's status now?---Privilege. I haven't spoken
7 to the founder or CEO in probably some six months. They
8 were looking to raise further capital so that they can
9 develop their product further, so I - yes, I haven't had
10 much contact with them, really, in the last six months or
11 thereabouts.

12 They - the company didn't list, obviously, did it?---Privilege.

13 Correct.

14 Do you know what its underlying assets are and what they're
15 worth?---Yes, privilege. It's a technology company.

16 So you have no idea of what the assets are worth,

17 presumably?---Privilege. The business at the time, if I
18 recall correctly, was looking to list at a valuation of
19 around between 25 and 30, 35 million dollars on the ASX,
20 and was quite well advanced in that process. The
21 underlying assets of a technology business are naturally
22 business are naturally difficult to evaluate, but there
23 were a number of investors that had contributed some
24 millions of dollars to investing in Bright LED as a part
25 of the listing process.

26 In any event, you're not in a position to say what value those
27 assets had, if any at all, are you?---Privilege. Today,
28 no, I'm not.

29 So you're really not able to put a value of \$439,000 on the
30 convertible note, are you?---Privilege. It would depend
31 on who's working with the business to extract that value.

1 Sorry, let me ask you again. You're not in a position to put
2 any value on that convertible note, the ability to
3 recover the debt or the value of the shares were - that
4 were the debt converted to shares, are you?---Privilege.
5 My understand was that we had to specify what the
6 outstanding amount was, and whether or not we thought it
7 was a - recoverable, so that's what we've done.
8 But who's "we"?---Privilege. Ms Lydia Lee, who (indistinct)
9 the forms which I reviewed and obviously executed.
10 Nonetheless, you're not able to say, are you, whether this
11 asset actually has any value now - whether it's
12 recoverable, put it that way?---Privilege. That's right.
13 I am not aware of the current status of the business, but
14 last time I was aware of it the business was in
15 existence, and they were continuing to develop the
16 business out.
17 Can we go, please, Mr Associate to the next page. Thank you.
18 (To witness) The next asset that is listed there is 2,768
19 shares in PayMate India, which had been - I'm sorry,
20 could we go back to the previous page, please,
21 Mr Associate. Yes. (To witness) You said that you
22 didn't think, Mr Mawhinney, that you had to put your
23 estimate of the realisable value, just the amount
24 outstanding, but do you see in the fifth column, there's
25 a heading "Estimated amount realisable"?---Privilege.
26 Yes, I see the heading. Yes.
27 So what did you mean when you said you didn't realise you had
28 to put in the amount or estimate the amount that was
29 realisable under the amount that was owed?---Yes,
30 privilege. My understanding was that that column - I had
31 to put in my best estimate of what was realisable, and at

1 the time of completing the form, I genuinely considered
2 that that amount would be realisable. I otherwise would
3 not have entered it.

4 Sorry, but that's not what you said, is it? What you said was
5 that you thought you didn't have to put the amount, the
6 realisable amount, in. Was that true or
7 not?---Privilege. My understanding of your question was,
8 was - did I give consideration to the current status of
9 the company prior to entering into that - entering the
10 figure into that field, and I considered what the status
11 of the company was last time I spoke to them, which they
12 continued to be operational prior to entering that number
13 in.

14 But you've said that you're not in a position to say how
15 recoverable that amount is?---Privilege. The form, if I
16 understand it correctly, asked for my estimate of what
17 the amount was realisable, based on my prior - most
18 recent discussion with the founder of the business. The
19 business continued to be operational and was undertaking
20 a capital-raising at the time, and therefore I considered
21 that amount to be realisable.

22 Mr Associate, can you please go to the next page. (To witness)

23 I was asking you about the PayMate India shares. The
24 estimated value there - these are shares, not a loan.
25 You've estimated their value at \$6.6m, and you cross-
26 referenced that to the March 2020 quarterly investment
27 portfolio summary. What's the basis for that estimated
28 value?---Privilege. Visa, the credit card company, made
29 an investment in PayMate India last year at a valuation
30 of US\$150m. The price entered into this ROCAP form
31 reflects that being the most recent market price, which

1 is in line with our investment valuation methodology.

2 Where's that valuation, sorry?---Privilege. When you mean

3 where, what do you mean?

4 Well, who has the - what valuation are you referring

5 to?---Privilege. I'm referring to the price at which

6 Visa bought shares in PayMate.

7 You were referring to the price at which Visa bought shares in

8 PayMate?---Privilege. That's correct.

9 And when did Visa buy shares in PayMate?---Privilege. If I

10 recall correctly, it was around the middle of last year.

11 What have you - what did you do to ascertain the current market

12 value of these shares when you filled out this

13 form?---Privilege. What we do is we have a - a valuation

14 methodology which we follow, and based on the - the

15 growth trajectory of the company, based on the most

16 recent market price, which was the significant visa

17 investment in the company, that was our best or my best

18 assessment of what the value of the shares were at that

19 time. If anything, they were (indistinct) higher than

20 that.

21 That's your personal assessment of it, is it?---Privilege.

22 It's my assessment based on following our standard

23 internal methodology, which is largely industry standard

24 for these types of unlisted assets.

25 Could you explain that methodology, please?---Privilege.

26 Certainly. In this instance, using this as an example,

27 if a company such as PayMate had another third-party

28 investor - - -

29 No, I'm sorry. You misunderstood my question. I mean to ask

30 you, specifically, what was the methodology used in

31 valuing these shares? Just could you please tell the

1 court what the steps were that you took and what
2 documents you referred to, and with whom you
3 spoke?---Yes, privilege. Certainly. I - I believe that
4 there's resolution that the shareholders of PayMate had
5 to execute to approve the investment round of Visa
6 putting - I believe it was US\$5m into PayMate India.
7 That document, I believe, specified that the money was to
8 go in at a valuation of US\$150m or whatever the
9 equivalent share price was from there. Given that was
10 the most recent investment in the company and a
11 significant one at that, that aligned with our internal
12 investment valuation methodology which we followed, which
13 has obviously translated into our decision to include
14 that value on this form.

15 Pardon me. The TF Global Markets investment, 800,000 shares
16 referred to below that, valued at 1.624m, what is
17 TF Global Markets Australia Proprietary
18 Limited?---Privilege. TF Global Markets' trading name, I
19 believe, is ThinkMarkets. It's an online brokerage
20 platform. It's another pre-IPO company.

21 And what's the status of that company at the
22 moment?---Privilege. There was a press release in the
23 Australian Financial Review no less than about three
24 weeks ago advising that that company would be listing in
25 the second half of this year at a valuation of about
26 A\$300m, with Citibank leading the listing process.

27 So how did you reach the figure of \$1.6m when you completed
28 this form?---Privilege. If I recall correctly, the most
29 recent round of capital-raising that they did, similar,
30 in fact, almost identical, to what we did the PayMate
31 India investment, there were a number of parties and a

1 lot of investors larger than ourselves that had made an
2 investment, or a subsequent investment, in that
3 particular company.

4 So if IPO 1 wanted to sell these shares, who would it sell them
5 to? What's the market for them?---Privilege. Are you
6 referring to ThinkMarket shares or PayMate shares?

7 ThinkMarket shares?---Yes, privilege. The market for
8 ThinkMarket shares, firstly, they're unlisted security,
9 so there is no active date of a trading exchange that
10 exists for those securities at this stage, so the - the
11 likely buyer of those would be either an existing
12 shareholder in ThinkMarkets, it could be ThinkMarkets
13 itself, or it could be, you know, a high net wealth
14 individual that likes investing in pre-IPO companies,
15 just to name a couple of examples.

16 Yes. But in other words, this value of \$1.6m, is that based on
17 assumption that the company will list. Is that
18 right?---Privilege. Not at all. It's based on third-
19 party market transactions, same as PayMate.

20 Which transactions were they? Which third-party transactions
21 were they?---Privilege. I believe that ThinkMarkets did
22 add an - or raised an investment round that, if I recall
23 correctly, A\$80m. They had raised a couple of rounds of
24 funding. We invested at 25m. We invested a second time,
25 I believe, at \$80m. This is its public - it has been
26 publicised by the media, and we had a relationship with
27 one of the brokers that arranged the funding for that
28 particular investment round.

29 When was that investment round?---Privilege. Who, sorry?

30 When was the investment round that you had been - the capital-
31 raising that you have been referring to?---Privilege. It

1 was at least 12 months ago, if I recall correctly.
2 And what has happened as a result of it?---Privilege. The
3 company is going exceedingly well. It's a dividend-
4 paying company. We have received dividend payments for
5 that particular business, and my understanding is, just
6 prior to the receivers and managers' appointment, we
7 sought to divest ourselves of those shares to create some
8 liquidity so that we could meet the loan repayments back
9 to the IPO Wealth fund, and my understanding is the
10 receivers and managers then subsequently went ahead and
11 collected that in at the same price that we put the money
12 in, so there unfortunately was no uplift that took place
13 as a result of that, had the shares been obviously held
14 longer.

15 Now, IPOW 2 is an insolvent entity - there's no doubt about
16 that, is there?---Privilege. I disagree. Sorry, my
17 mistake. Which entity was it?

18 IPO 2?---Privilege. I don't believe insolvent is the right
19 term. Is that what you referred to?

20 That is the term. There's a little bell ringing somewhere.
21 It's not me. I don't know where it's
22 coming - - -?---Yes, I can - - -

23 JUDICIAL REGISTRAR: No, it's not me either. I was on mute,
24 anyway. Could whoever has a device there put it on mute,
25 please.

26 WITNESS: Sorry, I think it might be me, I just don't know why.
27 Just give me one moment, please. Sorry, let me just
28 check. My apologies. Is that better?

29 MR GALVIN: Yes. It sounds like we've interrupted a game of
30 space invaders. I'm sorry about that, Mr Mawhinney?---My
31 apologies. My phone, I've just unplugged it.

1 JUDICIAL REGISTRAR: I think that's better now, Mr Mawhinney.

2 We've had a big hailstorm at this end, so no-one would
3 have heard me if I had chosen to speak about 10 minutes
4 ago, anyway. I will hand it back to you, Mr Galvin.

5 MR GALVIN: Thank you, Registrar. (To witness) I was asking
6 you about IPOW 2, and I put it to you that the company,
7 that company, is insolvent - at least you regarded it as
8 insolvent at the time you prepared your report
9 (indistinct)?---Privilege. The company - I don't know if
10 insolvent is the right term. The company made an
11 investment in a company in Malaysia of a total of a
12 million US dollars, and that particular investment didn't
13 work out, so we wrote it off.

14 I see. So it was the investment, the company in which IPO 2
15 had invested was insolvent?---Privilege. That's correct.
16 I believe the company ultimately was liquidated, so we
17 wrote that investment down to zero.

18 So that company, IPO 2, doesn't have any assets of any value
19 for now, is that right?---Privilege. That's correct.

20 Could I ask the associate, please, to go to 2651, and
21 Ms Papaleo will tell me where the IPO 3 ROCAP is in the
22 supplementary court book.

23 MS PAPALEO: Fourteen-nine-eight - it's the final page.

24 MR GALVIN: Thank you. (To witness) This is the relevant page
25 of the report you prepared for IPO 3, Mr Mawhinney. Do
26 you agree with that?---Privilege. It looks familiar,
27 yes.

28 In any event, it refers to the Accloud shares, it refers to a
29 convertible note. That's a debt investment that was made
30 by the company in Accloud. Is that right?---Privilege.
31 This doesn't refer to any shares, but it does refer to

1 that first item, being a convertible note, that's
2 correct.

3 And then there's a reference to Mayfair 101, an intercompany
4 loan. So Mayfair 101 Limited owes IPO 3 \$3.2m. Is that
5 right?---Privilege. It looks to be the case, yes.

6 What's the status of Mayfair 101 Limited? Where is that
7 company registered?---Privilege. I believe that's our UK
8 entity.

9 And what does that company do?---Privilege. It's just an
10 investment holding company. It otherwise doesn't really
11 have any activities.

12 Why does it owe \$3.2m to IPO 3?---Privilege. Because the
13 decision was made to undertake that investment in Accloud
14 Switzerland via Mayfair 101 Limited, being the UK
15 company, instead of the Australian entity.

16 Well, what capacity does Mayfair 101 have to repay that
17 debt?---Privilege. That will be subject Accloud being in
18 a position to fulfil its obligations back to Mayfair 101
19 Limited.

20 So at the moment, there's - you couldn't say that this week,
21 for example, Mayfair 101 could repay that debt to
22 IPO 3?---Yes, privilege. At the time of completing this
23 form, Accloud PLC had executed agreement for some
24 millions of pounds and they had been waiting for that
25 funding to come through. It had been executed with a
26 party in India that was seeking to invest in the
27 business, in which case it could have been in a position
28 to repay that money. That hasn't subsequently occurred.

29 So there's no present prospect of that debt being repaid, is
30 there?---Privilege. No, I disagree entirely.

31 How will it be repaid?---Privilege. It can be either be

1 repaid, or my understanding, if I recall correctly, with
2 that investment was that it could also be converted to
3 shares in the company.

4 Where's the written loan agreement?---Privilege. I don't
5 recall if there was one, due to it being an intercompany
6 related loan.

7 Well, what are the terms of the loan agreement? When is the
8 money repayable?---Privilege. As I said, this is an
9 intercompany loan.

10 Thank you for that, but when the loan repayable?---Privilege.

11 We haven't specified a date for that money to be repaid.

12 In that case, you agree that it's repayable on
13 demand?---Privilege. It can be requested to be repaid on
14 demand. The capability of Mayfair 101 Limited to repay
15 that would be subject to it discussing that with Accloud
16 to recover that money, to obviously pass it through to IP
17 Wealth Holdings.

18 Right. Thank you. The money that was advanced to Mayfair 101,
19 was that money which had been provided or lent to, or
20 invested, as you would have it, by IPO 1 in
21 IPO 3?---Privilege. I can't recall which of the SPVs,
22 but yes, the moneys were advanced from the IPO group.

23 What I mean is that ultimately it was money that was advanced
24 by Vasco to IPO 1, which has purchased shares, as you
25 would have it, in IPO 3, is that right?---Privilege.

26 That's - this is IPO 3? Yes, it is. So, yes, that's
27 correct.

28 And then IPO 3 has lent \$3.2m of that money to Mayfair 101 so
29 that Mayfair 101 could invest in shares in Accloud
30 Switzerland?---Privilege. To invest in - I believe it
31 was a convertible note under that investment agreement.

1 All right. Thank you. Could we go, please, Mr Associate, to
2 the supplementary court book 1416. (To witness) It's
3 very difficult to read, I know, Mr Mawhinney, but are you
4 able to find this Mayfair 101 debt in this
5 spreadsheet?---Privilege. It is at row D, 3.2, under
6 "Deck investments", where it says "Accloud PLC" and in
7 brackets "(Swiss)".

8 Yes. Thank you for that. And can we go to the next page,
9 please. (To witness) Difficult to line it up, but I
10 think it's still there on that page as well, isn't it,
11 Mr Mawhinney?---Privilege. I'm sure it is somewhere,
12 yes.

13 Three-point-two-two-six, about the third line down under Q120,
14 halfway down?---Privilege. I can see that, yes.

15 Pardon me, could we now go back to court book 1235. (To
16 witness) That's a balance sheet relating to IPO 3, which
17 I've taken you to - I took you to on Monday. Do you see
18 the accounts receivable item there,
19 \$606,000?---Privilege. Yes, I see that.

20 Do you know what that's a reference to?---Privilege. No, I
21 don't.

22 You can't explain why it's in the balance sheet?---Privilege.

23 No, without clicking on it, which we can't do here, I'm
24 unaware of what that is.

25 All right. Thank you. Can we go, please, to court book 2651,
26 which is the IPO - we won't go to that, sorry. I will
27 ask Ms Papaleo to indicate where the IPO 4 ROCAP is in
28 the supplementary court book.

29 MS PAPALEO: It is at p.1602.

30 MR GALVIN: Thank you. (To witness) So this is the - a list of
31 the assets or a statement of the assets of IPO 4,

1 Mr Mawhinney. What's Laundromat Proprietary
2 Limited?---Privilege. Laundromat Proprietary Limited is
3 a laundry dry-cleaning mobile app service for Australians
4 to book their dry-cleaning via a mobile phone, via an
5 app, and then the business was also in the process of
6 acquiring laundry facilities, so it's a hybrid between
7 sort of a technology company and a business with physical
8 assets, ultimately.

9 What's the nature of the investment? Is it

10 shares?---Privilege. I believe it was shares. It was a
11 smaller investment of about \$350,000, but I believe it
12 was shares that we - we acquired.

13 You can see the estimated value of the shares, of the
14 investment, is 395,000 - do you see that, in the right-
15 hand column?---Privilege. Yes, I do.

16 What's that based on?---Privilege. What the - what, sorry?

17 What is that estimated value based on?---Privilege. It, again,
18 has come straight off our portfolio summary that we
19 provided Vasco each quarter, which again would be in line
20 with our internal valuation policy. In terms of the
21 reference point, my understanding was that Laundromat
22 undertook a more recent investment round than the one
23 that we participated in, similar to the PayMate
24 investment and similar to ThinkMarkets. We used that as
25 the benchmark for assessing what the fair market price
26 was of the investment.

27 But you can't point to a market for those shares, can

28 you?---Privilege. Like a lot of our investments, they're
29 private companies, and therefore a active daily traded
30 market doesn't exist for these securities.

31 So one could expect that the realisation of those shares could

1 take some time. Do you agree with that?---Privilege. It
2 could happen overnight, it could take 10 years - it's the
3 nature of the investment.

4 And there's no way of knowing what they could be sold for now,
5 is there?---Privilege. On the basis it's rarely there's
6 a winning buyer at that price, which most recently there
7 was, at their most recent investment round, but again,
8 that's sort of industry-standard valuation metrics.

9 Yes, but that was when where there was a capital-raising.

10 There isn't a capital-raising now. There's no way of
11 verifying that those shares are worth \$395,000, is
12 there?---Privilege. We're not any longer in control of
13 those shares and we haven't spoken to that company, so we
14 are not aware of the current status of that business to
15 ascertain the precise value of those shares.

16 What happened to those shares?---Privilege. When you say what
17 happened to them, what do you mean?

18 I thought you said "we're no longer in control of the shares".

19 Do you mean because receivers were appointed
20 (indistinct)?---Privilege. That - that's correct.

21 So I will repeat my question: you're not in any position, or
22 at the time you made this form, or completed this form,
23 you were not in any position to put a reliable value on
24 those shares, were you?---Privilege. I disagree. We
25 utilised a valuation policy, which again is industry
26 standard for this type of asset. Its value to one person
27 may be different to another, but for businesses that
28 operate in our type of industry, that's - valuation as
29 per what other people paid for those shares is fair
30 market price at the time.

31 Was the application of the valuation methodology evidenced in

1 writing? I'm sorry, I withdraw that. Are you saying
2 that you used the valuation methodology when you
3 completed this form to work out what the shares might be
4 worth?---Privilege. There's a step in-between in that we
5 translated - or my recollection is that we translated the
6 information off our quarterly investment portfolio
7 summary into these respective fields for - to obviously
8 prescribe the estimated asset value, and that - that
9 process basically followed through to follow our internal
10 process.

11 Isn't it the case that this estimated value is really just a
12 reflection of what was paid for the shares?---Privilege.
13 No, it's not the case.

14 Well, wasn't there a carrying value through the spreadsheet
15 that ended up being this amount as at March
16 2020?---Privilege. I might be wrong but I don't believe
17 it was the case. We had two sections in that report.
18 One was carrying value and one was fair value, and I
19 believe we would normally take the fair value, because
20 that's what we would value the assets at. If we had
21 taken the carrying value, that would be arguably a more
22 conservative estimate of what the - this particular
23 investment was, given that we had, I believe, purchased
24 it at a particular price and the shares had increased in
25 value since then, to the best of my recollection, anyway.

26 How do you know the shares have increased in
27 value?---Privilege. Again, following what other people
28 had paid for the shares in the company subsequent to
29 their investment.

30 But the company hasn't been valued, has it?---Privilege. I
31 don't know if the company valuation was subsequently

1 undertaken, but they engaged a corporate advisory firm
2 called - I believe it was Broadstreet Advisors -
3 Broadview or Broadstreet Advisors, just from memory, in
4 Western Australia, a corporate advisory firm operating a
5 financial services licence, and they undertook a capital-
6 raise for the business.

7 No, I'm asking you, you're not aware of a valuation of the
8 company upon which these shares are - sorry, let me
9 withdraw that and start again. You know, don't you, that
10 to assess the value of shares in a private company
11 usually involves a valuation of the company, doesn't
12 it?---Privilege. No, not necessarily.

13 Well, I suggest to you that that's the only way you could reach
14 any sort of reliable valuation of the shares, unless you
15 have a ready market?---Privilege.

16 MR HAY: Objection. What's on the form requires an estimate of
17 the asset value, not a reliable valuation. It doesn't
18 detail that that's the information that's required. I
19 don't understand why that's a fair question, in respect
20 of this document.

21 MR GALVIN: I'm not asking Mr Mawhinney what he thinks the
22 estimated value - what I'm asking is what he bases his
23 conclusion on, and how - and I'm testing the reliability
24 of the information upon which that conclusion is based.
25 I'm not testing the accuracy with which he has completed
26 this document. I'm just wanting to understand what it
27 was based on and how reliable the information that it was
28 based on was.

29 WITNESS: Privilege. Mr Galvin, I believe I've answered that
30 question.

31 JUDICIAL REGISTRAR: Just a moment, please, Mr Mawhinney. I

1 need - I don't know if the objection remains pressed.

2 MR HAY: Well, the objection was to the question that - put to
3 Mr Mawhinney, that - to the effect of, and I don't have
4 it word for word, that it's not a reliable valuation, or
5 he has no basis for a reliable valuation. My objection
6 was on the grounds that that's not what this form
7 requires, or indeed the other forms he has been asked
8 similar questions about. If Mr Galvin simply wishes to
9 ask what his estimate was based on, that's a fair
10 question, but that's not what I understood Mr Galvin's
11 question went to.

12 JUDICIAL REGISTRAR: Well, I think Mr Galvin's answer to your
13 objection clarifies it in any regard, Mr Hay. I don't
14 regard any of these questions as being objectionable. I
15 think understanding why Mr Mawhinney took the view that
16 the shares were worth this amount and testing what he
17 based that on is a legitimate line of question. So
18 please continue, Mr Galvin.

19 MR GALVIN: Thank you, Registrar. (To witness) Mr Mawhinney,
20 you haven't seen a valuation of this company at any point
21 in time, have you? This company, what was it called,
22 Laundromat?---Yes, privilege. I don't recall seeing a
23 valuation report written for this company, no.

24 I note the time now, Registrar. If it's convenient to break
25 now, that will be convenient for me.

26 JUDICIAL REGISTRAR: Yes. We would normally finish at 4.15, so
27 - I think we're scheduled to start at 10.30 tomorrow. Is
28 that convenient, Mr Galvin?

29 MR GALVIN: Yes, thank you, Registrar.

30 JUDICIAL REGISTRAR: Mr Mawhinney?

31 WITNESS: Yes, thank you, Registrar.

1 JUDICIAL REGISTRAR: Mr Hay.
2 MR HAY: Thank you, Registrar, yes.
3 JUDICIAL REGISTRAR: All right. Is there anything before we
4 conclude today?
5 MR GALVIN: Nothing from us, Registrar, no.
6 WITNESS: No, thank you.
7 JUDICIAL REGISTRAR: All right. Can I just indicate that
8 before we broke for lunch, sometime this morning, at any
9 event, that you were - counsel were going to confer in
10 respect of the document that has been requested. If that
11 hasn't been done or sorted out, can that be done, please,
12 so that if there's anything I need to do about it, I can
13 do that in the morning.
14 MR GALVIN: Counsel have that in hand.
15 JUDICIAL REGISTRAR: All right. Thank you, Mr Galvin. All
16 right, then. Thank you.
17 <(THE WITNESS WITHDREW)
18 ADJOURNED UNTIL THURSDAY 20 AUGUST 2020