

3 August 2023

CIRCULAR TO CREDITORS

Dear Creditor,

**UNION STANDARD INTERNATIONAL GROUP PTY LTD (IN LIQUIDATION)
ACN 117 658 349 ("THE COMPANY")**

We refer to our previous reports concerning this Liquidation, including the circular provided on 6 July 2022. This circular is to update creditors on the upcoming hearing of an application made by the Liquidators to the Federal Court of Australia ("Court").

We have continued to investigate the Company's affairs, including by undertaking public examinations between December 2022 and February 2023. Individuals examined included certain of the Company's directors, officers, employees, accountants, auditors, lawyers and former corporate authorised representative.

The public examinations followed a judgment (available [here](#)) delivered by the Court on 25 July 2022 that the Liquidators were justified in using funds held by the Company for the benefit of trust creditors, including trading clients and investing clients ("Trust Funds") for the purpose of those public examinations, including for our remuneration, costs and disbursements.

As stated in our circular dated 6 July 2022, the purpose of the public examinations was to focus on pursuing possible recovery actions. Following the public examinations, we obtained certain confidential and privileged legal advice in respect of claims available to the Company. You will appreciate that the legal advice is confidential and privileged to the Liquidators and we do not waive confidentiality or privilege in that advice and it is not available for discussion or inspection by creditors.

We have determined to proceed with claims on behalf of the Company against the Company's former Chief Executive Officer, Shay Zakhaim, and the Company's former auditors, Gault Tulloch Bove. We have filed an originating process and concise statement with the Court on behalf of the Company in relation to those claims, which are available [here](#) ("Auditor and Officer Proceedings").

We have also determined to proceed with claims in our capacity as Liquidators of the Company against LS Capital Holdings Pty Ltd, an entity related to Mr Zakhaim. We have filed an originating process and supporting affidavit of our solicitor, Mark Robert Petrucco, with the Court in relation to those claims, which are available [here](#) ("LS Capital Proceedings").

Novabrif Pty Ltd Trading as BRI Ferrier ABN 61 643 013 610
Chartered Accountants
Level 30, Australia Square, 264 George Street NSW 2000 GPO Box 7079, Sydney NSW 2001
T 02 8263 2300 E info@brifnsw.com.au W www.briferrier.com.au

BRI Ferrier... throughout Australia and New Zealand.

We have also filed an amended interlocutory process with the Court seeking a judicial direction that we are justified in continuing the Auditor and Officer Proceedings and the LS Capital Proceedings and a 'shelf order' by which we are seeking an extension to 8 July 2026 to commence any voidable transaction claims where those claims would otherwise have been time barred on 8 July 2023 ("Judicial Direction and Shelf Order Application").

Importantly, we are also seeking orders in the Judicial Direction and Shelf Order Application about our remuneration, costs and expenses. In particular, we are seeking orders that our remuneration (subject to approval by creditors, the Committee of Inspection or the Court), costs and expenses (including legal cost and disbursements) in connection with the Judicial Direction and Shelf Order Application, the Auditor and Officer Proceedings and the LS Capital Proceedings be paid out of the Trust Funds.

The Judicial Direction and Shelf Order Application is listed before Justice Cheeseman at 9.30am on 17 August 2023 at the Court which is located at Queens Square, Law Courts Building, 184 Phillip Street, Sydney NSW 2000. A copy of the relevant amended interlocutory process and supporting open affidavit are available [here](#). Please read those documents carefully as they provide further information on the Judicial Direction and Shelf Order Application and the Liquidation generally.

If creditors have any queries or wish to be heard by the Court in relation to the Judicial Direction and Shelf Order Application on 17 August 2023, please email our team immediately at usg@brifnsw.com.au. We anticipate providing a further circular to creditors in due course regarding a proposed further application to the Court to use Trust Funds to conduct limited public examinations overseas.

Yours faithfully,

UNION STANDARD INTERNATIONAL GROUP PTY LTD (IN LIQUIDATION)



ANDREW CUMMINS

Joint and Several Liquidator