

Issued: 8 May 2024
Updated: 29 April 2025

PROSPERO MARKETS PTY LTD (IN LIQUIDATION) ACN 145 048 577 (“THE COMPANY”)

FREQUENTLY ASKED QUESTIONS – FOR CLIENTS, EMPLOYEES AND CREDITORS

1. Why were the Liquidators appointed?

Andrew Cummins, Jonathon Keenan and Peter Krejci were appointed as Joint and Several Liquidators of the Company on 10 April 2024 pursuant to an Order of the Federal Court of Australia.

The winding up application was filed by the Australian Securities and Investment Commission (“ASIC”) on just and equitable grounds, following various concerns raised by the regulator, including the suspension of the Company’s Australian Financial Services License (“AFSL”).

2. What is the background?

The Company previously operated a foreign exchange broking and trading business in Australia. It is no longer trading or issuing financial products.

It appears that the Company and certain related parties were linked to the Changjiang Currency Exchange matter and resulting prosecution of associated persons, that occurred in 2023. The Australian Financial Security Authority registered a security interest over the shareholding interests in the Company, following orders being made under the Proceeds of Crime Act.

ASIC suspended the Company’s AFSL in December 2023, after it failed to lodge its 2023 audited financial statements. The AFSL was cancelled by ASIC on 25 September 2024.

All Company and client funds held with Australian banks were frozen around November 2023.

3. What happened to the business?

Following the suspension of its AFSL, the Company ceased to trade or issue financial products.

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Our preliminary enquiries indicate that all client positions were closed out in around November 2023. However, as all funds have been frozen with the Australian banks, all client trading was suspended.

4. What are the Liquidators doing?

The Liquidators have taken control of the Company's affairs pursuant to the Court Orders.

The Liquidators have taken steps to secure all Company assets (including client funds) and have retained experts to assist them to interrogate the records to determine the full extent of liabilities. The Liquidators have undertaken a comprehensive process of reviewing and adjudicating claims lodged by clients.

Based on legal advice, the Liquidators filed an application to seek judicial directions from the Federal Court of Australia in respect of the handling of client funds and claims, and other matters in the Liquidation. The Liquidators have issued various circular updates and uploaded documents in relation to the Court application on the BRI Ferrier website (<https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd/>) and the Creditor Portal (<https://exad.com.au/bri/prospero/>).

The Court made orders that certain defendants are joined and appointed a contradictor, which has resulted in delays to the distribution process and additional costs incurred.

The matter was heard on 26 March 2025 and 27 March 2025 by his Honour Justice Moore. On 2 April 2025, Justice Moore handed down his orders, followed by his written Judgement on 24 April 2025, which can be downloaded from the BRI Ferrier website and the Creditor Portal. We encourage creditors to review the Orders and Judgement in full as the Court has determined a range of issues in this application.

5. When will the Liquidators next correspond with us?

The Liquidators have issued various email updates during the Liquidation, based on email address details that have been uploaded to the Creditor Portal. The Liquidators will continue to provide further updates as the matter progresses. Please ensure that you keep your contact details up to date in the Creditor Portal to receive all future updates and correspondence.

Further, all reports, Court documents and email updates can be downloaded from the BRI Ferrier website (<https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd/>) and the Creditor Portal (<https://exad.com.au/bri/prospero/>).

6. When will Clients get their money back?

In the Court Orders dated 2 April 2025, the Court has set out the distribution process for 'Client Money' in which the Liquidators will send each client an Admitted Entitlement Notice that sets out their entitlement value. The Admitted Entitlement Notices were issued by email on 24 April 2025.

Given the substantial volume of client claims, the Liquidators have engaged Link Market Services (now part of MUFG) to assist with the creditor management process, including the returning of client funds via an online portal.

You will have received your unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

The process is as follows:-

- a) The Proposed Distribution Amount is based on the amounts recorded in the MT4 AU Clients Database.
- b) The Liquidators are required to allow a timeframe of no earlier than eighty-four (84) days from the date of this notice to distribute the funds to clients nominated bank account. If clients have not registered their bank account details in the Creditor Portal, or wish to update same, please login at <https://exad.com.au/bri/prospero/> to do so.
- c) All distributions of Client Money will be paid in AUD.
- d) If clients have not lodged a claim in the Creditor Portal to date, the Liquidators have preloaded the Proposed Distribution Amount. However, clients must still login to the Creditor Portal to complete their registration (upload ID as a supporting document) and provide their bank account details.
- e) If clients do not provide their bank account details within twenty-eight (28) days of the date of this initial Admitted Entitlement Notice, the amount of any Proposed Distribution Amount payable to that client will be retained by the Liquidators until the end of the liquidation, after which time that amount will be paid to the Australian Securities and Investments Commission as unclaimed monies pursuant to s 544 of the *Corporations Act 2001* (Cth).
- f) In accordance with Order 4 of the Court Orders, clients with claims of AUD\$100 or less, are not entitled to receive a distribution, and have been allocated NIL Proposed Distribution Amount.
- g) In accordance with Order 3(a)(i)(B), all MT4 Offshore Database Relevant Clients have been allocated NIL Proposed Distribution Amount.

Dispute Process:- If clients wish to dispute their Proposed Distribution Amount, the Dispute Process is as follows:

1. Clients have a period of twenty-eight (28) days from the date of the Admitted Entitlement Notice to provide a "Dispute Notice" by responding in writing with supporting evidence (including a copy of their latest MT4 statement and bank statements demonstrating funds deposited into the Company) and reasons why they dispute the Proposed Distribution Amount by email to prosperomarkets@brifnsw.com.au. Clients must include the wording "Dispute for Admitted Entitlement Notice" in the email subject and their Creditor ID in the email body.
2. On receipt of a Dispute Notice, the Liquidators will either:
 - a. Issue a revised Admitted Entitlement Notice; or
 - b. Issue a Rejection Notice and inform the client that we will proceed to distribute the Client Money based on the initial Admitted Entitlement Notice amount. Clients will have a period of twenty-eight (28) days from the date of the Rejection Notice to apply to the

Federal Court of Australia for orders in relation to the Rejection Notice and their Proposed Distribution Amount.

Please note that if clients do not apply to the Federal Court of Australia within twenty-eight (28) days from the date of the Liquidators' Rejection Notice, their distribution will be paid based on the Proposed Distribution Amount, and clients may not be able to claim any other or higher amount after expiry of this time. The Liquidators recommend that clients obtain independent legal advice from a solicitor if they have any questions or concerns about the Proposed Distribution Amount in the initial Admitted Entitlement Notice.

Based on the claims recorded in the Company's records in the MT4 AU Clients Database, there is anticipated to be sufficient Client Money to return to clients in full. However, the return to clients is dependent on the outcome of the above process, in particular, whether disputing clients have significantly larger claims than recorded in the MT4 AU Clients Database.

The current estimated timeline for distribution is estimated to be around July/August 2025. However, this is dependent on whether any disputing clients apply to the Court to press a dispute further.

7. Are the Client Money funds safe?

The Liquidators have taken control of the Company's affairs pursuant to the Court Orders. The Director and management are no longer in control of the Company or the client funds.

The Liquidators have issued instruction to all major banks, including the Commonwealth Bank of Australia, to continue the freeze over all accounts, which now fall under the Liquidation control. These funds have remained frozen during the Liquidation to date, still held with the Commonwealth Bank of Australia.

The Client Money funds are held on trust by the Company pursuant to law, and the various Product Disclosure Statements and Financial Services Guide issued.

8. Can Clients still access their MT4 accounts?

The Liquidators obtained an extension of the Company's MT4 licence and reinstated access for clients. During this time, the Liquidators engaged experts to assist with extracting a backup of the MT4 records which is now secured and under the control of the Liquidators.

Noting the delays in the Court proceeding and resulting additional costs, the Liquidators determined to reduce costs where possible, and the MT4 licences lapsed. Accordingly, the MT4 platform is no longer accessible to clients.

9. What information should Clients provide to the liquidators?

Having regard to the recent Court Orders, the Proof of Debt (POD) process for clients has changed (please refer above).

Given the substantial volume of client claims, the Liquidators have engaged Link Market Services (now part of MUFG) to assist with the creditor management process, including the returning of client funds via an online portal.

Clients will have received their unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

All Clients must submit a POD claim via the Creditor Portal, in order to receive a payment. To submit a POD, please visit the Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using the unique Creditor ID and Passcode provided.

To support a POD lodged and receive payment, all clients must also:-

- a. Upload a copy of your current identification document; and
- b. Insert bank account details for the return of funds.

We note that in accordance with the Court Orders dated 2 April 2025, client claims are based on the amounts recorded in the MT4 AU Clients Database. The majority of AU Clients have already lodged PODs. Based on the Court Orders, if you are an AU Client that has not lodged a claim in the Creditor Portal to date, we have preloaded your entitlement value as recorded in the MT4 AU Clients Database.

10. When will Employees be paid?

At this stage, the Liquidators estimate that realisations may be sufficient to discharge the priority (employee) creditors, however the quantum and timing of such payment is dependent on the outcome of the client distribution process. This is largely due to the Court orders dated 2 April 2025, in which the Court determined that costs of dealing with the Client claims and distribution of Client Money are to be paid from the available general funds of the Company.

On this basis, we encouraged former employees to lodge a claim with FEG as soon as possible. **Please note that FEG claims were required to be lodged with FEG within 12 months of the date of the Liquidation, being 10 April 2025.**

FEG cover a range of entitlements owed to employees where their employers have been placed into Liquidation. Should you wish to file a claim please contact FEG directly via 1300 135 040 or online <https://fegonlineservices.dewr.gov.au/>.

Employees are encouraged to submit a Proof of Debt (POD) Form with supporting documentation, please visit the Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using your unique Creditor ID and Passcode. Please attach relevant supporting documentation such payslips, contracts and entitlement calculations.

Employees will have received a unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

11. What about suppliers and creditors?

The Company largely ceased to trade in November 2023. All creditor claims in respect of goods and/or services provided to the Company prior to the Liquidation are subject to a moratorium (effectively frozen at this time).

At this stage, the return to unsecured creditors is dependent on the outcome of the client distribution process and quantum of priority (employee) claims, which are to be paid from the available general funds of the Company.

Creditors are encouraged to submit a Proof of Debt (POD) Form with supporting documentation, please visit the Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using your unique Creditor ID and Passcode.

Creditors will have received a unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

12. Where can I find the Proof of Debt forms?

We have engaged Link Market Services (now part of MUFG) to assist with the creditor management process, including the returning of client funds via an online portal.

All creditors are requested to submit claims via the Creditor Portal. The POD form is an electronic form in the online portal.

You will have received your unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

To submit a Proof of Debt (POD) Form with supporting documentation, please visit the Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using your unique Creditor ID and Passcode.

13. I am a Client of offshore entity, Prospero Markets LLC (Prospero Global) – what do I do?

The Liquidators have received a number of claims from parties claiming to be client creditors of the Australian entity, Prospero Markets Pty Ltd ("the Company"). Some of those parties are located offshore, and appear to be seeking to recover funds.

However, please note the information provided by the Director indicates that those foreign parties may not have a valid claim against the Company. Rather, the Liquidators are advised by the Director that those foreign parties may have a claim against a related offshore entity, known as Prospero Global, which is controlled by associated parties and registered in the St Vincent and the Grenadines jurisdiction.

To clarify, the Liquidators were appointed over the Australian Company, Prospero Markets Pty Ltd, not any other offshore entity. If you have a claim against some other entity, such as Prospero Global, you will need to contact that entity directly to recover your funds.

The Liquidators have conducted independent investigations into the Company's affairs, including claims from clients and creditors. Based on these investigations to date, the Liquidators have not been able to identify any deposits into any of the Company's accounts from foreign parties that have lodged a claim.

For the time being, any foreign parties seeking to pursue a claim against Prospero Markets Pty Ltd are also invited to lodge a Proof of Debt Form, and provide relevant supporting documentation such as:-

1. Your latest MT4 statement, showing your equity balance.
2. Any agreement that you signed with the Company, including key account opening documents such as the Product Disclosure Statement and the Terms and Conditions.
3. Receipts or documentation showing your deposit of funds with the Company.

In accordance with the Court orders dated 2 April 2025, any MT4 Offshore Database Clients do **not** have valid trust claims against the Client Money. However, the MT4 Offshore Database Clients may dispute their NIL entitlement to the Client Money by applying to the Court. The Liquidators recommend that clients obtain independent legal advice if they wish to pursue a dispute via the Courts. Please refer to prior sections dealing with Client Money and client claims.

All unsecured claims will be formally adjudicated if necessary in due course.

14.If I have further queries, who do I contact?

In the first instance, please review this FAQ document in full.

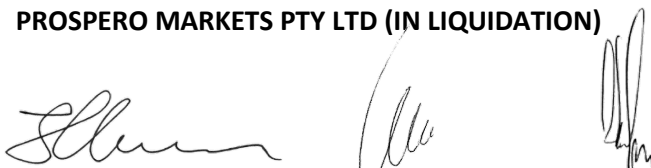
If your query is not covered by one of the FAQs contained herein, you may submit your query by email prosperomarkets@brifnsw.com.au

You may wish to also contact us via telephone on 1300 291 012 (toll free) or +61 2 8044 0530.

The above list should not be considered exhaustive and this document will be updated periodically as the liquidation progresses.

Yours faithfully

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN, ANDREW CUMMINS & PETER KREJCI
Joint and Several Liquidators