

22 December 2022

CIRCULAR TO CREDITORS

Dear Sir/Madam

**ANTRA GROUP PTY LTD ATF THE ANTRAY TRUST
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)
ACN 153 443 764 ("the Company")**

We refer to our appointment as Joint and Several Administrators of the Company on 5 September 2022.

We note that at the resumed second creditors meeting held 14 December 2022, the creditors resolved that the Company should execute a Deed of Company Arrangement ("DOCA"). We note that the DOCA proposal was amended at the meeting, a copy of which is attached. We also note that our recommendation remained that the Company should be placed into Liquidation.

Subsequent to the meeting, we became aware of further relevant information regarding the Fundsquire business, that creditors ought to be aware of. Attached are the following documents for creditors reference:

1. Copy of an article published in The Australian on 16 December 2022; and
2. Copy of email communication with Damien Petty on 19 December 2022, seeking further information. We note that on 20 December 2022, we received an email response from Damien Petty which was marked "*confidential*" and has not been attached to this circular.

The Proponents ability to satisfy the DOCA contribution requirements is fundamentally reliant on the performance of the Fundsquire business and value of shares held by the Proponents in same. It is our view, that this new information places further doubt on the value of the Fundsquire business. However, we note that Damien Petty is of the contrary view, that these circumstances will "*improve the outcome and ability to perform*" the DOCA obligations.

Furthermore, it appears that these facts/circumstances were known to Damien Petty prior to the Supplementary Report being issued and Resumed Second Creditors' meeting being held. That information ought to have been provided to us, and then creditors, for their consideration when voting on the DOCA proposal.

As it currently stands, pursuant to the creditors' resolution, the formal DOCA Deed must be executed within 15 business days of the Resumed Second Creditors' meeting. We are advised that the lawyers acting for the DOCA Proponents are currently drafting the Deed. Assuming that it is prepared and

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acceptable, the Deed will be executed by this deadline. Failing which the Company will be automatically placed into Liquidation and we will become the Liquidators.

There are insufficient funds available in the Administration to enable us to make an application to Court and seek directions in the circumstances. Instead, these matters may need to be addressed after the DOCA is executed. Creditors should seek their own advice as to their rights and options.

Should you have any queries, please contact Ms Kristine Hu or Ms Katherine La of this office.

Yours faithfully

ANTRA GROUP PTY LTD ATF THE ANTRAY TRUST
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)

A handwritten signature in black ink, appearing to read 'Jonathon Keenan', with a stylized, flowing script.

JONATHON KEENAN
Joint and Several Administrator

Encl.

Proposal for a Deed of Company Arrangement for Antra Group Pty Ltd (Receiver and Manager appointed) (Administrators appointed) ACN 153 443 764 (“Company”)

Definitions:

Fundsquire Entities means Fundsquire Pty Ltd, Fundsquire Limited (UK), Fundsquire Ltd (CA) and Squire Technology Pty Ltd.

Net Proceeds means all dividends, distributions and other cash amounts paid to DLP Invest Pty Ltd (**DLP Invest**) in respect of the Shares, including the proceeds of realisation of the Shares, net of any resulting tax or duty payable by DLP Invest.

Shares means all shares:

- (a) owned as at, or after, the date of this DOCA Proposal by DLP Invest and/or Damien Petty which are issued by the Fundsquire Entities; and
- (b) acquired after the date of this DOCA Proposal by DLP Invest and/or Damien Petty which are issued by Fundsquire Holdco Pty Ltd.

A. Background

- 1. On 5 August 2022, Desmond Teng of Moore Recovery was appointed as receiver and manager (**Receiver**) over the majority of the Company’s assets pursuant to a General Security Agreement entered into between the Company and Ventra Capital Fund 3 Pty Ltd.
- 2. On 5 September 2022, Peter Krejci and Jonathan Keenan of BRI Ferrier, Level 30, Australia Square, 264 George Street, Sydney NSW 2000, were appointed as voluntary administrators of the Company (**Voluntary Administrators**) pursuant to section 436A of the *Corporations Act 2001* (Cth) (**Act**).
- 3. The director of the Company, Mr Raymond Petty (**Director**), DLP Invest and Damien Petty (**Proponents**) propose that the Company enters into a Deed of Company Arrangement (**DOCA**) which contains the key terms as set out in this proposal and other terms as may be agreed between the Director and the Voluntary Administrators.

B. Secured Creditors

- 4. The following creditors, to the extent of their secured claims (**Secured Creditors**), may elect to be Participating Creditors (as defined below):
 - (a) Ventra Capital Fund 3 Pty Ltd, including by its receiver and manager appointed over the majority of the assets of the Company, Desmond Teng;
 - (b) Dacosi Investments Pty Ltd ACN 003 346 414;
 - (c) Dacosi ST Pty Ltd ACN 104 049 872; and
 - (d) Ventra Capital Private Pty Ltd ACN 622 977 799.
- 5. The Secured Creditors are only bound by the DOCA (and otherwise are not bound by or otherwise affected by the DOCA, other than to the extent of their unsecured claims) if:

- (a) they vote in favour of the DOCA at a second meeting of creditors convened by the Voluntary Administrators pursuant to section 439A of the Act; and
 - (b) within 45 business days of execution of the DOCA, they elect in writing to the Deed Administrators to be Participating Creditors.
6. Those Secured Creditors who elect to be Participating Creditors, must not, during the term of the DOCA (including by any receiver, servants, agents and/or representatives) consent to any other secured creditors of the Company commencing or continuing any claim against the property of the Company including the claims against the Excluded Debtors and, other than to preserve, protect and maintain their registered security interests in any property of the Company including claims against the Excluded Debtors, must not:
- (a) enforce any security interest (each as defined under s 9 and s 51A of the Act, respectively);
 - (b) begin or proceed with any proceeding in a court; and/or
 - (c) begin or proceed with any enforcement process (as defined in section 9 of the Act),
- against the Company or any of the Excluded Debtors, in relation to their property and/or any property forming part of the Deed Fund, or otherwise take any steps to seek to realise any such property. If the DOCA terminates for any reason other than by its effectuation in accordance with its terms, this moratorium shall immediately cease.
7. During the term of the DOCA, the Secured Creditors must not (including by any receiver, servants, agents and/or representatives):
- (a) enforce any security interest (each as defined under s 9 and s 51A of the Act, respectively);
 - (b) begin or proceed with any proceeding in a court; and/or
 - (c) begin or proceed with any enforcement process (as defined in section 9 of the Act),
- in relation to any property forming part of the Deed Fund A or Deed Fund B or otherwise take any steps to seek to realise any such property.

C. Condition precedent

8. It is a condition precedent to the DOCA that the Deferred Creditors (defined below) enter into appropriate deed(s) of deferral that provide they shall not prove against the Deed Fund established under the DOCA and/or enforce their claims against the Company as set out in paragraph 30 below.

D. Deed Administrators and the Deed Fund

9. The Voluntary Administrators will become the Administrators of the DOCA, jointly and severally (**Deed Administrators**).

10. In the event that all Secured Creditors elect to be Participating Creditors, a Deed Fund will be established under the DOCA and will be comprised of the following (and no other property of the Company) (**Deed Fund A**):
- (a) the release of any claim by Mr Anthony Petty to the amount of \$25,000 held by the Voluntary Administrators pursuant to an Indemnity dated 5 September 2022 and a direction that this sum be paid to the Deed Administrators to form part of the Deed Fund;
 - (b) cash payments to be procured by the Proponents as follows:
 - (i) (**First Payment**): on the day which is 2 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, the sum of \$9,000,000;
 - (ii) (**Second Payment**): on the day which is 3 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, the sum of \$9,000,000;
 - (iii) (**Third Payment**): on the day which is 4 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 80% of the Net Proceeds relating to the period since the Second Payment, up to a maximum of \$8,000,000;
 - (iv) (**Fourth Payment**): on the day which is 5 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 80% of the Net Proceeds relating to the period since the Third Payment, up to a maximum of \$8,000,000; and
 - (v) (**Fifth Payment**): on the day which is 8 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 10% of the Net Proceeds relating to the period since the Fourth Payment,
 - (c) all assets of the Company the subject of security held by the Secured Creditors, other than claims against the Excluded Debtors, less all costs of collecting in those assets (including all associated remuneration, costs, fees and disbursements (including legal costs) reasonably incurred in collecting in that asset, whether by a receiver, Secured Creditors or the Deed Administrators);
 - (d) the A-Class shares in Prudential Group Holdings Pty Ltd held by the Director and Damien Petty as bare trustee for the Company, the transfer of which to the Company is to be procured by the Director;
 - (e) any trading profits of the Company from the appointment of the Voluntary Administrators to the execution of the DOCA; and
 - (f) all cash at bank held in the administration account of the Company as at the date of execution of the DOCA.

11. In the event that all Secured Creditors do not elect to be Participating Creditors, a Deed Fund will be established under the DOCA and will be comprised of the following (and no other property of the Company) (**Deed Fund B**):
- (a) the release of any claim by Mr Anthony Petty to the amount of \$25,000 held by the Voluntary Administrators pursuant to an Indemnity dated 5 September 2022 and a direction that this sum be paid to the Deed Administrators to form part of the Deed Fund;
 - (b) cash payments to be procured by the Proponents as follows:
 - (i) (**First Payment**): on the day which is 2 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account:
 - (1) a minimum sum of \$2,250,000; and
 - (2) if the Secured Creditors have been paid in full by the date of the payment, a further sum equal to 50% of the Net Proceeds relating to the period since execution of the DOCA,
 - (ii) (**Second Payment**): on the day which is 3 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account:
 - (1) a minimum sum of \$4,446,136.00; and
 - (2) if the Secured Creditors have been paid in full by the date of the payment, a further sum equal to 50% of the Net Proceeds relating to the period since the First Payment,
 - (iii) (**Third Payment**): on the day which is 4 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 80% of the Net Proceeds relating to the period since the Second Payment, up to a maximum of \$8,000,000;
 - (iv) (**Fourth Payment**): on the day which is 5 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 80% of the Net Proceeds relating to the period since the Third Payment, up to a maximum of \$8,000,000; and
 - (v) (**Fifth Payment**): on the day which is 8 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 10% of the Net Proceeds relating to the period since the Fourth Payment,
 - (c) the net proceeds (if any) of all assets of the Company (including pre-appointment debtors of the Company) other than in respect of the Excluded Debtors, after payment of:
 - (i) all costs of collecting in those assets (including all associated remuneration, costs, fees and disbursements (including legal costs) reasonably incurred in collecting in that asset, whether by the Receiver, Secured Creditors or the Deed Administrators); and
 - (ii) amounts to which the Secured Creditors are entitled to a priority in accordance with the provisions of the *Personal Property Securities Act 2009* (Cth) (**PPSA**) and the Act, subject to paragraph 14 (i.e. if the Secured Creditors elect for the Deed Administrators to realise the security),

- (d) any trading profits of the Company from the appointment of the Voluntary Administrators to the execution of the DOCA; and
- (e) all cash at bank held in the administration account of the Company as at the date of execution of the DOCA.

11A. The cash payments referred to in paragraphs 10(b) and 11(b) (as applicable) are not property of the Company and are to be held on trust by the Deed Administrators for the benefit of the Participating Creditors to the extent admitted by the Deed Administrators.

11B. If any amounts are realised from the sale of the Shares and received in clear funds prior to the dates that the First to Fifth payments are required for either Deed Fund A or Deed Funds B, such Net Proceeds shall be paid to the Deed Administrators as soon as practicable and shall be received by the Deed Administrators in part payment of the instalment that is next to fall due.

12. The Director will grant a security interest in favour of the Company and the Deed Administrators over all of his present and after-acquired property as security for his obligations under the DOCA.

12A. DLP Invest and Damien Petty will undertake not to transfer or encumber any Shares from the date of this DOCA Proposal until termination or effectuation of the DOCA (excluding any transaction to realise Shares in order to generate Net Proceeds). Subject to any required consents being obtained, DLP Invest and Damien Petty will grant a security interest in favour of the Deed Administrators over the Net Proceeds as security for the First – Fifth Payments (whether under Deed Fund A or Deed Fund B, as applicable).

13. For the avoidance of doubt neither of Deed Fund A or Deed Fund B includes any other property or assets of the Company not specified in paragraphs 10 or 11 respectively.

14. The Secured Creditors may elect to notify the Deed Administrators in writing that they wish for the Deed Administrators to realise property of the Company the subject of their security interests (save for in respect of the Excluded Debtors), provided that any funds realised by the Deed Administrators are to form part of the Deed Fund A or Deed Fund B (as the case may be) and distributed in accordance with paragraph 20 or 23 (as applicable).

E. Reporting and monitoring

15. The Director and Damien Petty:

- (a) shall use their best endeavours to secure payment of Net Proceeds of \$2,500,000 each year after the first 2 years up until the end of the date which is 5 years from execution of the DOCA; and
- (b) shall provide the Deed Administrators with such information relating to the likelihood of the payment of the Second to Fifth Payments as is reasonably necessary, as agreed under the DOCA and to the extent not inconsistent with any of their other legal obligations to third parties.

15A. Damien Petty shall procure that shareholder updates regarding the Shares are issued to DLP Invest within 30 days of the end of each quarter, and DLP Invest will provide those shareholder updates to the Deed Administrators.

16. During the term of the DOCA, the Director will provide, on request, all reasonable assistance to the Deed Administrators and any receiver of the Secured Creditors in respect of the collection in of Deed Fund A or Deed Fund B (as applicable).

F. Order of distribution of the Deed Fund

17. All creditors of the Company (excluding the Deferred Creditors as defined below) may seek to participate in the Deed Fund and will be required to prove their debts as if the Company was in liquidation and the Act shall apply accordingly (**Participating Creditors**).
18. The persons or entities (including related entities of the Company) identified in Schedule 1 will agree not to participate as a creditor in the DOCA for the percentage of their claims(s) noted in Schedule 1 (jointly and severally, **Deferred Creditors**).
19. For the avoidance of doubt, the Deferred Creditors are otherwise entitled to vote to the extent of their claims at any subsequent meeting of creditors of the Company whether held under the DOCA or otherwise and are entitled to prove against the Company for their claims in the event that the Company is later placed into liquidation prior to the effectuation of the DOCA.

F.1 Deed Fund A

20. In the event that Deed Fund A is established in accordance with paragraph 10, the Deed Administrators shall, after the payments contemplated by paragraph 21(a), divide that fund into:
- (a) (**Pool A Fund**) comprised of:
- (i) 75% of the First Payment in paragraph 10(b)(i);
 - (ii) 75% of the Second Payment in paragraph 10(b)(ii); and
 - (iii) all assets of the Company the subject of security held by the Secured Creditors, other than claims against the Excluded Debtors, less all costs of collecting in those assets (including all associated remuneration, costs, fees and disbursements (including legal costs) reasonably incurred in collecting in that asset, whether by the Receiver, Secured Creditors or the Deed Administrators),
- (b) (**Pool B Fund**): comprised of:
- (i) 25% of the First Payment in paragraph 10(b)(i);
 - (ii) 25% of the Second Payment in paragraph 10(b)(ii);
 - (iii) the Third Payment in paragraph 10(b)(iii);
 - (iv) the Fourth Payment in paragraph 10(b)(iv);
 - (v) the Fifth Payment in paragraph 10(b)(v);
 - (vi) the property described in paragraphs 10(a) and 10(c)-10(f); and
 - (vii) any amount in paragraph 21(b)(2).

21. The Pool A Fund and the Pool B Fund (and the Bonus Fund referred to below, if constituted) shall be administered by the Deed Administrators and distributed pursuant to the terms of the DOCA, which must provide for the following order and priority of payments:

- (a) first, from the Pool A Fund and Pool B Fund together:
 - (i) first, in payment of the Voluntary Administrators' costs, charges and expenses (including their remuneration);
 - (ii) second, in payment of the Deed Administrators' costs, charges and expenses (including their remuneration); and
 - (iii) third, in payment of unpaid salary, superannuation, annual leave or other entitlements of employees of the Company,
- (b) from the balance of the Pool A Fund:
 - (1) payment to those Secured Creditors who are Participating Creditors to be distributed in accordance with the priority they would otherwise each be entitled to pursuant to the Act and the PPSA if the Company was being wound up and to the extent that amounts remain owing to them; and
 - (2) next, to the Pool B Fund,
- (c) from the balance of the Pool B Fund:
 - (1) *pari passu* to the Participating Creditors (excluding the Secured Creditors); and
 - (2) last, from the remaining balance, 10% to the Bonus Fund (referred to below) and the remainder to Damien Petty or DLP Invest.

21A. If constituted by paragraph 21(c)(2), the Bonus Fund is to be paid *pari passu* to the Participating Creditors (excluding the Secured Creditors).

22. As soon as practicable after receipt of each of the First Payment, Second Payment, Third Payment, Fourth Payment and Fifth Payment, the Deed Administrators must pay an interim or final dividend (as the case may be) from the Pool A Fund and the Pool B Fund.

F.2 Deed Fund B

23. In the event that Deed Fund B is established in accordance with paragraph 11, that fund (and the Bonus Fund referred to below, if constituted) shall be administered by the Deed Administrators and distributed pursuant to the terms of the DOCA, which must provide for the following order and priority of payments:

- (a) first, in payment of the Voluntary Administrators' costs, charges and expenses (including their remuneration);
- (b) next, in payment of the Deed Administrators' costs, charges and expenses (including their remuneration);

- (c) next, in payment of unpaid salary, superannuation, annual leave or other entitlements of employees of the Company;
- (d) next, *pari passu* to the Participating Creditors (for the avoidance of doubt, excluding any Secured Creditors); and
- (e) last, from the remaining balance, 10% to the Bonus Fund (referred to below) and the remainder to Damien Petty or DLP Invest.

23A. If constituted by paragraph 23(e), the Bonus Fund is to be paid *pari passu* to the Participating Creditors (excluding the Secured Creditors).

24. As soon as practicable after receipt of each of the First Payment, Second Payment, Third Payment, Fourth Payment and Fifth Payment, the Deed Administrators must pay an interim or final dividend (as the case may be) from the Deed Fund.

25. The DOCA will contain all relevant provisions of Schedule 8A of the *Corporations Regulations 2001* (Cth), except where they are inconsistent with the express terms of the DOCA.

26. Control of the Company will revert to the Director immediately upon execution of the DOCA. The Director undertakes that the Company will not trade during the term of the DOCA save to comply with its obligations at law. Upon effectuation of the DOCA, it is the intention of the Director that the Company will be deregistered.

G. Events of default and termination

27. Until the First Payment is made, if the Deed Administrators determine that it is no longer practicable or desirable to implement the DOCA, the Deed Administrators:

- (a) may summon a meeting of creditors for the purpose of passing a resolution under section 445C(b) of the Act; and
- (b) must forward to each creditor not less than 14 days prior to the meeting an up-to-date report as to the position of the Company accompanied by such financial statements as the Deed Administrators think fit, together with a statement that the Deed Administrators do not think it practicable or desirable to continue the DOCA and that the DOCA will be terminated if the Company's creditors resolve.

28. After the First Payment is made, creditors may only terminate the DOCA in accordance with section 445C(b) of the Act in the event of a breach of the DOCA.

29. The DOCA will otherwise terminate once the Deed Administrators declare that it has been wholly effectuated.

H. Moratorium and creditors to accept dividend

30. All claims by creditors of the Company shall be subject to a moratorium during the term of the DOCA, which, in respect of the Secured Creditors is on the basis set out in paragraphs 5 - 7.

31. All creditors of the Company (excluding the Deferred Creditors and those Secured Creditors who are not Participating Creditors) must accept their distribution from the Deed Fund as specified above in

full and final settlement of all debts payable by, and all claims against, the Company and all actions in respect of such debts and/or claims against the Company shall be barred.

32. On payment of their entitlements under the DOCA, the creditors' claims (excluding those of the Deferred Creditors and those Secured Creditors who are not Participating Creditors) are released in full and extinguished.
33. Subject to paragraph 32, all debts payable by, and all claims against, the Company (present or future, certain or contingent, ascertained or sounding only in damages, a penalty or a fine) the circumstances giving rise to which occurred on or before the date of appointment of the Voluntary Administrators (excluding those of the Secured Creditors who are not Participating Creditors) are released in full and extinguished on effectuation of the DOCA.

I. Documentation and additional terms

34. A deed reflecting the terms of this proposal and any other provision(s) agreed between the Director and the Voluntary Administrators must be entered into. No binding arrangement or agreement between the parties shall exist until such time as documentation is finalised and executed.
35. It shall be a condition of the DOCA that if either the Director and/or Damien Petty become a bankrupt (within the meaning of *Bankruptcy Act 1966* (Cth), s 5), then immediately prior to that time the DOCA shall immediately terminate and the Company placed into liquidation with the Deed Administrators appointed as its liquidators.
36. It shall be a condition of the DOCA that the Company grants full releases, solely conditional upon full compliance with the terms of the DOCA and the DOCA being effectuated, of all debts payable by, or any claims by the Company (whether present or future, certain or contingent, ascertained or sounding only in damages) against, any of the following persons or entities in any capacity whatsoever, including as trustee and/or personal capacity (**Excluded Debtors**), where **close associate, related entity** and **relative** each have the meanings given under s 9 of the Act:
 - (a) the Director, any close associate of the Director (including Damien Petty) and any relative of such close associate;
 - (b) any entity or body corporate to which a person identified in 36(a) is a related entity and/or any other related entity of such first-mentioned body corporate, including:
 - (i) DLP Invest Pty Ltd ACN 612 701 014;
 - (ii) Fundsquire Pty Ltd ACN 637 115 658;
 - (iii) DLP LendCo Pty Ltd ACN 628 851 338;
 - (iv) Fundsquire Holdco Pty Ltd ACN 654 546 086; and
 - (v) Squire Technology Pty Ltd ACN 619 534 262,
 - (c) any employee or former employee of the Company, any relative of such employee, any entity or body corporate to which that employee or former employee is a related entity and/or any other related entity of such first-mentioned body corporate.

37. In the event that the DOCA terminates by any reason other than by effectuation any releases given by the Company to the Excluded Debtors under the DOCA are *void ab initio*.
38. The quantum of any claims that the Company may have against any of the Proponents, the Fundsquire Entities and/or Excluded Debtors will be reduced by an amount equal to any cash payments contributed to the Deed Fund by the Proponents pursuant to paragraphs 10(b) or 11(b).
39. In the event that all Secured Creditors elect to be Participating Creditors in accordance with clause 5(b), upon termination of the DOCA for performance in accordance with paragraph 29, the Company releases and discharges the Proponents, the Fundsquire Entities and the Excluded Debtors from all claims the Company has against them.

DocuSigned by:



E2D198FF213249B.....

Raymond Petty

Director, Antra Group Pty Ltd (Receiver
and Manager appointed)
(Administrators appointed)

13/12/2022

Date

DocuSigned by:



D33E04378634424.....

Damien Petty

13/12/2022

Date

EXECUTED by DLP Invest Pty Ltd in accordance)
with section 127(1) of the Corporations Act 2001)

DocuSigned by:



D33E04378634424.....

Signature of Sole Director and Company Secretary

Damien Petty

Date 13/12/2022

SCHEDULE 1 – DEFERRED CREDITORS

1. Director – 100%;
2. Damien Petty – 100%.

From: [Hannah Carne](#)
To: [Alex Winston](#); [John Keenan](#)
Cc: [Kristine Hu](#); [Ariel Borland](#)
Subject: RE: Antra - DOCA Variation
Date: Wednesday, 14 December 2022 1:55:25 PM
Attachments: [image001.png](#)

John

A further amendment to the definition of Net Proceeds as follows:

Net Proceeds means all dividends, distributions and other cash amounts paid to DLP Invest Pty Ltd (**DLP Invest**) in respect of the Shares, including the proceeds of realisation of the Shares, and any debts owing to DLP Invest (after amounts owing to Ventra Fund 5), net of any resulting tax or duty payable by DLP Invest.

Hannah Carne | Special Counsel | Commercial Disputes & Insolvency

[MILLS OAKLEY](#)

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Mills Oakley acknowledges the Traditional Owners of the lands and waters on which we work, live and engage. We pay our respects to elders past and present.

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From: Alex Winston <awinston@bridgeslawyers.com.au>
Sent: Wednesday, 14 December 2022 1:26 PM
To: John Keenan <jkeenan@brifnsw.com.au>
Cc: Hannah Carne <hcarne@millsoakley.com.au>; Kristine Hu <khu@brifnsw.com.au>
Subject: Antra - DOCA Variation

John

Agreed amendments to the DOCA Proposal

At paragraph 11(b)(iv) (Fourth Payment), insert at the end of the paragraph plus any shortfall from the amount of the Third Payment against the maximum of \$8,000,000 in paragraph 11(b)(iii)

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At paragraph 11(b)(v) (Fifth Payment), insert at the end of the paragraph plus any shortfall from the amount of the Third Payment against the maximum of \$8,000,000 in paragraph 11(b)(iii) and any shortfall from the amount of the Fourth Payment against the maximum of \$8,000,000 in paragraph 11(b)(iv)

Mirror changes to [10(b)] for consistency.

Replace [11B] with:

11B. If Net Proceeds over and above the maximum amount required to be paid in a particular year are received in clear funds in that year, those Net Proceeds are available to meet the shortfall against any maximum payment specified for any subsequent year and shall be paid to the Deed Administrators as soon as practicable and shall be received by the Deed Administrators in part payment of the instalment that is next to fall due.

Thanks

Alex Winston | Senior Associate | **Bridges Lawyers**

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Lifeline for start-ups as Mitchell Asset Management acquires Fundsquire loan books



[Mitchell Asset Management managing director John Mitchell.](#)

-
- **EXCLUSIVE**

By **DAVID SWAN**

TECHNOLOGY EDITOR

[@swan_legend](#)

-
- 10:11AM DECEMBER 16, 2022
 - NO COMMENTS

Start-ups relying on Fundsquire have been thrown a lifeline, with Melbourne-based Mitchell Asset Management acquiring the failed local lender's Australian and Canadian loan books totalling \$50m.

As [The Australian reported on Thursday, Fundsquire stood down dozens of staff and abruptly ended some of its loan arrangements earlier this month](#), causing small businesses and start-ups across Australia, Canada and the UK to scramble to find alternative funding arrangements.

Fundsquire, which has more than 50 employees globally and around two dozen in Australia, provided loans to start-ups and SMEs through early access to their R&D tax credit payments.

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Led by former Merrill Lynch and Macquarie executive John Mitchell, Mitchell Asset Management has its headquarters in Melbourne. Like Fundsquire, it offers short-to-medium term loans secured against the government's R&D tax incentive program.

"We're stabilising things. Fundsquire was a large part of the ecosystem and [its collapse] obviously has ramifications, but we've stepped into the breach," Mr Mitchell said. "We're well experienced, we're a good, safe pair of hands, and we're open for business. We're here to take their calls and nothing need change other than the person that you speak to on the end of the phone."

"We're local, we're wholly owned by our staff, and we don't rely on any offshore finance funding. Our cheque book is open and we're committed to the borrowers to be a safe pair of hands to see them through."

READ MORE: [Blow for local start-ups as Fundsquire cancels loans](#)

Mitchell Asset Management has invested to date in companies including o4D Medical, Anteris, Hazer Group, Nano Digital Home Loans and Utopia Music.

Fundsquire's UK loan books are understood to have been acquired by London-based online lending platform Sprk Capital.

As first reported by The Australian, earlier this month Fundsquire, founded by Damien Petty in 2016, sent an email to start-ups that it would not be proceeding with any loans, placing some of the borrower companies' survival in jeopardy. The alternative lender had raised \$75m from investment firm Fasanara Capital last year to deploy across Australia's start-up sector.



[Fundsquire founder and CEO Damien Petty.](#)

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“To whom it may concern, Fundsquire is unable to proceed with all loan applications this year,” the email sent to affected companies reads.

“Unfortunately, all staff were stood down as of the 1st of December. We apologise for the inconvenience this may cause.”

Mr Petty declined to respond to detailed questions sent by The Australian and refused multiple requests for comment. Fundsquire announced in September that it had lent more than \$110m in funding to start-ups and small businesses globally.

One start-up chief executive, who requested anonymity, said their company was in the process of finalising a new loan with Fundsquire before being told all of its two dozen local staff had been stood down earlier in the month.

Fundsquire’s closure would likely cause pain throughout the local tech sector, which is already grappling with financial difficulties, they added.

“I am concerned that there is likely to be a number of companies who were relying on Fundsquire R&D lending before the end of the year,” the executive said.

“It could spell contagion in the ecosystem as who knows who was waiting on funding, and who has current loans and if their insolvency could trigger early repayments.”

From: [John Keenan](#)
To: [Damien Petty](#); ray_petty@outlook.com
Cc: [Alex Winston](#); [Ben Dibden](#); [Ariel Borland](#); [Hannah Carne](#); [Peter Harkin](#); [Stuart McKenzie](#); [Peter Krejci](#); [Katherine La](#); [Kristine Hu](#)
Subject: RE: Antra DOCA - Article Fundsquire sold and information request
Date: Monday, 19 December 2022 6:31:00 PM
Attachments: [Antra Group Pty Ltd - SUPPLEMENTARY SECOND REPORT TO CREDITORS.pdf](#)
[image003.png](#)
[image004.png](#)
[image006.png](#)
[D L PETTY - Organisation Structure \[Updated\].pdf](#)

Dear Damien

I refer to your email below.

Would you please respond to the following further queries by c.o.b. on 20 December 2022:

1. In respect of your comment that *"Fundsquire had our wholesale lending facility withdrawn recently"*, please advise when this occurred.
2. Noting your comments below that Fundsquire is looking to *"commence operations again"*, would you please advise if which entities in the Fundsquire group are currently trading.
3. Please advise if there has been any enforcement action (by a creditor or other party) taken against the Fundsquire business, since the confidential information was provided on 1 December 2022.
4. Please advise if any of the Fundsquire entities have been placed into any form of external administration (as relevant in each jurisdiction). Attached is a copy of the group structure you provided.
5. Please advise why you consider *"this will potentially mean the restructure is a bit more extensive than planned, I don't see it impacting the ability to perform the DOCA payments in the planned timeframes."*
6. Please advise why you consider it is *"likely this will improve the outcome and ability to perform, due to positive changes in shareholdings and tax optimisation."*
7. Please advise have there been any material alterations to the Shares or Proceeds as defined in the DOCA proposal.
8. Please advise if there are any corrections needed in respect of the information you provided on the Fundsquire business, a copy of which was provided to creditors' for their consideration at Annexure 8 of the Supplementary Second Report to Creditors (copy attached).

Regards

John Keenan

Principal

A Level 30 Australia Square, 264 George Street, Sydney NSW 2000

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From: Damien Petty <damienpetty@hotmail.com>

Sent: Monday, 19 December 2022 4:19 PM

To: John Keenan <jkeenan@brifnsw.com.au>; ray_petty@outlook.com

Cc: Alex Winston <awinston@bridgeslawyers.com.au>; Ben Dibden

<bdibden@bridgeslawyers.com.au>; Ariel Borland <aborland@millsoakley.com.au>; Hannah

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<kla@brifnsw.com.au>; Kristine Hu <khu@brifnsw.com.au>

Subject: Re: Antra DOCA - Article Fundsquire sold and information request

Hi John,

- Fundsquire had our wholesale lending facility withdrawn recently
- We're currently in the process of obtaining a new funding partner to replace this facility, so we can start lending to customers again
- Due to these circumstances, we needed to stand down staff while we work through our plan to commence operations again
- Mitchell would have purchased the lending books directly from Fasanara, we didn't sell them
- While this will potentially mean the restructure is a bit more extensive than planned, I don't see it impacting the ability to perform the DOCA payments in the planned timeframes.
- It's likely this will improve the outcome and ability to perform, due to positive changes in shareholdings and tax optimisation
- I had informed some members of the COI last week who have communicated with parts of the group, as well as Derek Goh around some of this as it developed to keep them informed

Damien

From: John Keenan <jkeenan@brifnsw.com.au>

Sent: Monday, 19 December 2022 11:51 AM

To: damienpetty@hotmail.com <damienpetty@hotmail.com>; ray_petty@outlook.com <ray_petty@outlook.com>

Cc: Alex Winston <awinston@bridgeslawyers.com.au>; Ben Dibden

<bdibden@bridgeslawyers.com.au>; Ariel Borland <aborland@millsoakley.com.au>; Hannah

Carne <hcarne@millsoakley.com.au>; Peter Harkin <Peter.Harkin@cbp.com.au>; Stuart

McKenzie <Stuart.McKenzie@cbp.com.au>; Peter Krejci <pkrejci@brifnsw.com.au>; Katherine La

<kla@brifnsw.com.au>; Kristine Hu <khu@brifnsw.com.au>

Subject: Antra DOCA - Article Fundsquire sold and information request

Dear Damien & Ray

We refer to the attached article, published by the Australian on 16 December 2022. The article indicates that Fundsquire has sold its loan books (Australian, Canadian and UK) and staff have been stood down.

We note that you advised that a restructure was currently underway within the Fundsquire business, however, few details were provided. The article does not indicate if this transaction is part of that “restructure”, or some other form of disposal.

Creditors have requested an update as to how this may impact your proposed Deed of Company Arrangement (“DOCA”), in particular, the Proponents capacity to satisfy DOCA contribution requirements. Would you please respond by c.o.b. today.

We have separately written to your lawyers requesting an update on their drafting of the DOCA deed, which must be executed within 15 business days of the creditors meeting (deadline 6 January 2023).

Should you have any queries and wish to discuss, please feel free to contact me.

Regards

John Keenan


Principal



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