

Issued: 17 April 2024

Updated: 8 May 2024

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 aspects of 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 remains suspended at this time.

All Company and client funds held with Australian banks have been frozen for a number of months.

3. What happened to the business?

Following the suspension of its AFSL, the Company is no longer trading or issuing 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 redemptions appear to have been suspended.

4. What are the Liquidators doing?

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

The Liquidators are immediately seeking 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.

Once the financial position is known, the Liquidators will write to the respective stakeholders (clients, employees, creditors and shareholders) to outline the anticipated returns and timing.

5. When will the liquidators next correspond with us?

We have issued our initial report to creditors on 8 May 2024. A copy of this report can be downloaded from <https://exad.com.au/bri/prospero/>

A detailed report will be issued by 10 July 2024, which will advise quantum and timing of a distribution to clients and creditors. This will be uploaded to the above website.

6. When will Clients get their money back?

Preliminary investigations indicate there are sufficient funds to discharge all client claims. The Liquidators have sought legal advice and formed the view that an application to court to obtain judicial directions is needed to ensure that we have dealt appropriately with client funds and claims.

We anticipate a timeframe of 2-3 months to distribute funds to clients, subject to the Court directions being made within that time and no substantive issues being identified in the claim adjudication process.

7. Are the Client funds safe?

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

We are advised that all Australian Banks had previously frozen the available Company and client funds in late 2023 following various orders obtained by ASIC and other regulatory bodies.

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.

Client monies 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?

We understand that client access to MT4 may have been restricted and possibly taken offline. This occurred outside of our control, due to actions taken by Metaquotes and arrangements involving the offshore Prospero operations.

We are attempting to reinstate access as well as extension of the MT4 licence. We confirm that we have secured a backup of the MT4 data and if required we are likely in a position to verify client liabilities from this backup with the assistance of an MT4 expert.

9. What information should Clients provide to the liquidators?

Given the substantial volume of client claims, we have engaged Link Market Services 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 on 8 May 2024. If you haven't received these credentials, please contact our office.

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

Clients are asked to provide:

- a. Latest MT4 statement and/or screenshot of their equity balance from the MT4 platform.
- b. Remittance Advices demonstrating funds deposited into the Company's bank accounts.
- c. Certified Bank Statement showing bank account name (matching the MT4 account holder's details).

Once a POD is lodged, you will also be able to provide your bank details for the return of funds. The details provided will be matched to the Certified Bank Statement, to ensure that funds are returned to the account holder.

We understand that all client positions have been closed, and the amount due to you should represent the 'equity' balance in your MT4 records.

All Clients are requested to submit claims via the Link Creditor Portal. This includes any creditors that have already lodged documents, as the claims will re-submitted under the identification and verification process. The POD form is an electronic form in the online portal.

10. When will Employees be paid?

Preliminary enquiries indicate that there will be sufficient funds available in the Company to discharge employees claims in full. However, the timing is unknown.

At this stage and based on preliminary investigations, we believe realisations may be sufficient to discharge the priority (employee) creditors, however the timing of such payment is dependent on the outcome of investigations into Company's affairs, including the trust assets and claims, which may take

some time to determine. On this basis, we encourage former employees to lodge a claim with FEG as soon as possible.

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 <https://exad.com.au/bri/prospero/> and login using your unique Creditor ID and Passcode.

Employees will have received a unique Creditor ID and Passcode via email on 8 May 2024. If you haven't received these credentials, please contact our office.

Please attach relevant supporting documentation such payslips, contracts and entitlement calculations.

11. What about suppliers and creditors?

The Company largely ceased to trade in October when its AFSL was cancelled. We are contacting suppliers to arrange continuation of essential services.

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). This allows the Liquidators time to investigate the Company's affairs to determine what is available to discharge creditor claims.

Creditors are encouraged to submit a Proof of Debt (POD) Form with supporting documentation, please visit <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 on 8 May 2024. If you haven't received these credentials, please contact our office.

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

We have engaged Link Market Services 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 Link Creditor Portal. This includes any creditors that have already lodged documents, as the claims will re-submitted under the identification and verification process. The POD form is an electronic form in the online portal.

You will have received your unique Creditor ID and Passcode via email on 8 May 2024. If you haven't received these credentials, please contact our office.

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

A Proof of Debt Form is also available from our website.

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

We 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 are seeking to recover funds.

However, please note the information provided to us by the Director indicates that those foreign parties may not have a claim against the Company. Rather, we 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 are conducting independent investigations into the Company's affairs, including claims from clients and creditors. That work will take some time to complete. The Liquidators will keep stakeholders informed of the status of the matter via reports.

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.

All claims will be formally adjudicated in due course. A report to creditors will be issued in the coming weeks providing an update on that process.

14. What if I have personal belongings at the Company's trading premises?

If there are any personal items or belongings that have been left at the leased premises, please provide a listing of the items and proof of title (if available) by no later than 22 May 2024. Once we can verify the claims, we will arrange access to collect personal items or belongings.

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

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

Should your query not be 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