

Victims of Financial Fraud (VOFF Inc) Media Release

July 9th 2017

What does Guernsey have to do with Australia's largest superannuation fraud?

The Victims of Financial Fraud (VOFF) allege that the incompetence shown by The Australian Securities and Investments Commission (ASIC) in the way known criminals were allowed to operate in the Australian financial system, then not pursue or question the alleged perpetrators of fraud after AU\$194.5M disappeared from the Trio Capital Limited (Trio) scheme. Australia's unresolved fraud leaves Guernsey citizens at serious financial risk of experiencing a similar fate.

The Trio scheme had underlying funds in the Caribbean (undisclosed) such as the Exploration Fund. One of the directors of Trio's underlying funds was Mr Carl Meerveld who returned to Guernsey in 2008 from Honk Kong. In 2016 Mr Meerveld was elected a deputy of the states of deliberation in Guernsey.

ASIC know of Mr Meerveld's involvement in the Trio scheme but believe they are powerless to investigate him as he was outside their jurisdictions.

ASIC deemed Mr Meerveld's involvement was outside their jurisdiction, but VOFF and the citizens of Guernsey have found new information, showing Mr Meerveld's role in the Trio Capital fraud involving transactions that took place in 2009 whilst he was in Guernsey; these being the contractual obligations of Global Financial Managers Ltd to transfer AU\$57m from a BVI company to the Exploration Fund in July 2009. These securities disappeared from the Exploration Fund between that time and the time that the administrator gained access to the assets of the Exploration Fund in 2010. It is understood that Mr Meerveld can be questioned for any action that he or a company that he was managing director of, such as the Global Financial Managers Ltd, a St Lucia company, concerning involvement in these transactions whilst he was a resident in Guernsey. VOFF would very much like to know what happened to the AU\$57 million once it had been transferred to the safekeeping of Global Financial Managers Ltd. This new information presents a real opportunity for Mr Meerveld's questioning under Clause 11 of the Fraud (Bailiwick of Guernsey) Law, 2009, that states,

Aiding and abetting fraud in another jurisdiction.

11. A person ("the secondary party to an offence") who, within the Bailiwick, aids, abets, counsels or procures the commission by another person ("the principal offender") of an offence in another jurisdiction which would be an offence under this Law if committed within the Bailiwick is guilty of that offence under this Law and may be proceeded against and punished accordingly.

Source: <http://www.guernseylegalresources.gg/article/98084/Fraud-Bailiwick-of-Guernsey-Law-2009>

The ordinary people that present the new information call on the Australian and Guernsey authorities to proactively intervene and protect Guernsey citizens from potentially falling victim to a potential fraud by a suspected fraudster who is currently operating in an influential government position in Guernsey and also dispel the fear and anxiety held by people in Australia, that are mandated into superannuation, that ASIC is unwilling and not interested in solving the mystery of the missing money from the Trio scheme, bringing the alleged criminals to justice and returning the money to the investors affected by the fraud.

Fifteen million Australian superannuation account holders will be interested to know what ASIC does in this situation. If you would like further information please contact VOFF Secretary.

John Telford
Secretary VOFF
Email: johnt@1earth.net

Open Letter to
Australian & Guernsey
Sunday July 9th 2017

Re: Australia's largest superannuation fraud in history.

Dear Australian Securities and Investments Commission (ASIC) Chairman Greg Medcraft;
ASIC Commissioner John Price;
Patrick Rice, Chief Officer Guernsey Law Enforcement; and
Mary Lowe, President Committee for Home Affairs, Guernsey.

Mr John Price said to a delegation from Victims of Financial Fraud (VOFF) at a meeting on July 13th 2016 that ASIC has closed its investigation into the Trio fraud, but ASIC would consider reopening the investigation in the future if new information about the fraud was made available. New information disclosed by the Panama Papers, show Mr Meerveld's residency in Argentina, and confirms his operational role as manager / director of the Trio Capital scheme and its underlying funds, such as, the Exploration Fund Limited. Mr Meerveld's operational activities range 2011 to 2015. The new information provides a good reason to exercise the questioning procedures granted under Clause 11 of the Fraud (Bailiwick of Guernsey) Law, 2009.

Information provided by ordinary citizens.

Content:

- (i) Meerveld's Media Statement.
- (ii) Extract from the Supreme Court of New South Wales in 2011.
- (iii) Extract from the Supreme Court of New South Wales in 2012.
- (iv) Extract from the Administrative Appeals Tribunal 2014 hearing.
- (v) Extract from Statement of Shawn Darrell Richard dated 2010.
- (vi) Email by Mr Meerveld dated May 2005.
- (vii) Extract from three APRA Enforceable Undertakings dated 2013.
- (viii) Extract from the Deferred Purchase Agreement 2009.
- (ix) Extract from Schedule of Supplemental DPAs c.2009.
- (x) Extract from the Administrator's Final Report 2015.
- (xi) Information sourced from the Panama papers.
- (xii) Comment on ASIC's Section 19 Examinations (2009 - 2010).
- (xiii) Comment about Global Consultants and Services Limited.
- (xiv) Summary of research by Guernsey citizens.

(i) Media Statement Document.

Media Statement by Deputy Meerveld confirms that he returned to Guernsey in September 2008.

Media Statement by Deputy Meerveld

I am honoured to have been elected into the States of Deliberation by the people of St Sampson. Two of my main manifesto pledges were for complete transparency and more accountability. As part of the process of making my public declaration of interests I would like to set the record straight about one aspect of my previous business affairs from before 2008, which have been reported in the Australian media from when I was a director of several investment funds while resident in Hong Kong.

Some of the funds in which I was involved received investments from a fund based and regulated in Australia. In 2011 the manager of several Australian funds and the owner of the Trio Capital fund group, Shawn Richards, pleaded guilty and was imprisoned for dishonest conduct for fraudulent activities in relation to the Australian investment fund. My name was referred to in the media due to the impact this fraud had on my business and the fund I managed. My business was dragged into these media reports despite the absence of any wrong doing by me in relation to Mr Richards' criminal activities.

At the time I made myself available to the relevant regulatory authorities. I have never been charged or subject to any regulatory proceedings anywhere in the world, including relating to Mr Richards' fraud. At no time have the regulatory agencies that have investigated Mr Richards' fraud suggested any wrong doing on my part.

In September 2008, two years before the investigation, I returned to Guernsey for family reasons following the death of my father and to bring up my children on the island. In 2010, I made myself available to the Guernsey Financial Services Commission in order that I could assist with the investigation by the Australian regulatory authorities. The GFSC have since confirmed that both the GFSC and the Australian Securities and Investments Commission do not have any outstanding issues with myself and the case is closed. I attach the letters confirming this statement.

I look forward to the next four years serving the people of Guernsey in the States. I have a wealth of experience to share and hope that bringing these matters directly into the public domain now will enhance the transparency of the assembly and will address any concerns arising from historic media reports.

End.

(ii) Australian Supreme Court of New South Wales 2011 Document. ¹

The Supreme Court of New South Wales found fraudulent activity in the Trio scheme and underlying Exploration Fund Limited. See *Regina v Shawn Darrell Richard [2011] NSWSC 866 (12 August 2011) before Garling J.*,

Circumstance B (30 November - 14 December 2007) at 53,

Mr Richard's dishonest conduct involved a false representation to the trustee of the Australasian Conference Association Superannuation Trust that the redemption value of its investment, as at 30 November 2007, was \$982,899 less than the value of the investment as reflected in the internal records of the Exploration Fund. In other words, he lied to the Trustee so that the full amount of the investment was not returned to it, and almost \$1m, to which it was not entitled, was kept by the Exploration Fund.

Circumstance E (1 November 2006 - 30 September 2009) at 55,

Mr Richard arranged for ASF to enter 36 agreements via EMA, to the value of \$34.9m, with the reference assets being shares in new Flader Controlled Funds. As previously described, these new funds were created by Mr Richard's dishonest conduct, after Trio's investment committee had placed a ban on further investment in the Exploration Fund and were falsely represented to be a diversification within ASF's investments.

Sentence at 122,

'Mr Richard is guilty of serious crimes of a high order. They were carefully considered and planned, they were concealed, they continued over a period of nearly four years and they led to significant financial losses in excess of \$26m. Mr Richard knew that what he was doing was dishonest, that he was providing misleading information to those entitled to accurate information...'

(iii) Australian Supreme Court of New South Wales 2012 Document. ²

The Supreme Court of New South Wales found fraudulent activity in the Trio scheme linked to the underlying funds. See *Liu v Fairfax Media Publications Pty Ltd [2012] NSWSC 900 (9 August 2012) before Harrison AsJ. at 18,*

The circumstances giving rise to each of these offences and the Enforceable Undertaking involving Mr Richard are summarised as follows. Mr Richard knowingly put into effect instructions of Mr Flader from July 2004 onwards relating to the operation of a scheme ("the Scheme") whereby Mr Richard used his positions in respect of AAM, Trio, WGI and Astarra Funds Management Pty Ltd (AFM), to arrange the transfer of Australian investors' monies from managed investment schemes and superannuation funds for which Trio was the responsible entity or trustee, respectively, to overseas funds controlled by Mr Flader, namely, the Exploration Fund, Pacific Fund, SBS Fund, and Sierra Fund, in order to purchase shares in US companies from foreign companies controlled by Mr Flader at prices which realised significant profits for the companies controlled by Mr Flader.

¹ *Regina v Shawn Darrell Richard [2011] NSWSC 866 (12 August 2011) before Justice Garling*
<http://www.austlii.edu.au/au/cases/nsw/NWSC/2011/866.html>

² <http://www.austlii.edu.au/au/cases/nsw/NWSC/2012/900.html>

(iv) The Administrative Appeals Tribunal 2014 Document.³

The following Administrative Appeals Tribunal (AAT) hearing has details of Mr Meerveld and the underlying funds of which he was a director. See *Liu and Australian Securities and Investments Commission [2014] AATA 817 (31 October 2014) before Ms J L Redfern, Senior Member at 37,*

From November 2006, when the directors of Trio became concerned and decided to cease its exposure to a particular Flader Controlled Fund (the Exploration Fund), Mr Richard participated in the creation of new offshore funds for Trio to invest in, all of which were controlled by Flader. He falsely represented to Trio and ASF investors that he was diversifying the portfolio to different investment managers from the original Flader Controlled Funds.

At 50,

ASIC submitted that Mr Liu knew assets of ASF were being invested in underlying funds controlled by Jack Flader (being the Exploration, Sierra, Pacific and SBC Dynamic Opportunities Funds) and not in accordance with the procedures or the strategy referred to in the PDS. He was involved in the preparation of the PDS knowing that critical parts of the PDS were false. Mr Liu also knew that certain information in response to the AIMA Questionnaire was false. He knew it would be provided to research companies and therefore financial advisers. Mr Liu received \$396,880 as reward for his involvement in the scheme. This comprised five payments in the period 20 March 2007 to 20 December 2007 totalling approximately \$148,041 from a company incorporated in Hong Kong which was controlled by Mr Flader, and 22 payments during the period 11 April 2008 to 11 November 2009 totalling approximately \$248,839 from AAM. This was a conflict of interest. These payments were not disclosed. Mr Liu breached ss 1041H and/or 1041G of the Corporations Act by reason of this conduct.

At 64,

A summary of the key aspects of Mr Richard's evidence, insofar as he made allegations in respect of Mr Liu, are set out below:

(f) Following the issue of the PDS, funds received were invested in the Exploration Fund, which was a fund controlled by Mr Flader. This was done by Mr Liu and Mr Richard on instructions from Mr Flader. From time to time Mr Flader gave instructions about investment in other funds controlled by him. Mr Richard discussed this with Mr Liu and he never raised any concerns about the investments. He said words to the effect "Wouldn't it be nice to do our own thing";

(k) As Chief Investment Strategist of AAM, Mr Liu reported directly to Mr Richard. Mr Liu prepared a report dated 14 July 2009 headed "Chief Investment Strategists" report. This report contained a list of the underlying investments of ASF and its exposure to these funds as at June 2009. The table refers to Exploration Fund, Pacific Fund, SBS Dynamic Opportunities Fund Ltd and Sierra Fund, which were all funds controlled by Mr Flader;

(n) Mr Liu knew that Exploration Fund, Pacific Fund, Sierra Fund and SBS Dynamic Opportunities Fund were controlled for the benefit of Mr Flader because Mr Liu had been involved in meetings with Mr Flader where these matters were discussed, Mr Liu had been involved in drafting an Offering Memoranda for Pacific Fund and SBS Dynamic Opportunities Fund and Mr Richard discussed how investments would be made for ASF with Mr Liu each time he received instructions from Mr Flader about investments.

104. *Mr Liu described the "due diligence" he undertook in respect of Mr Richard Bell and Mr Carl Meerveld, who were the managers for the Sierra, Pacific, SBC and Exploration Funds, in his private examination on 24 June 2010. Mr Liu's background checks for Mr Meerveld consisted of a Google search and a reference from Mr Flader. His checks for Mr Bell consisted of reviewing his NASDA broker check record that outlined his employment record and disciplinary history. Mr Liu worked with Mr Bell at World Financial Capital Markets. According to Mr Liu's evidence in his examination on 26 April 2010, he was satisfied that Mr Bell was appropriately qualified even though his NASDA broker check disclosed that Mr Bell had a poor compliance record and he had been banned from*

³ <https://jade.io/j/?a=outline&id=350484>

running a brokerage firm. Neither Mr Bell nor Mr Meerveld had experience in fund management. Mr Liu was asked whether he was concerned about this in his private examination of 26 April 2010. He did not directly respond to this question and his response, as recorded a page 126 of his transcript of evidence, is confusing and difficult to understand.

(v) Statement of Shawn Darrell Richard 2010 Document.⁴

Statement of Shawn Darrell Richard dated December 3rd 2010 notes that,

62. On 14 December 2005 Richard was advised by email from Jacqueline Cheunu ("Cheung"), who at the time of the email was employed by Zetland Financial Group Ltd, of the Exploration Fund's purchase of Yarraman shares totalling US\$1.75 million. The email advised Richard that monies received from the share sales were to be apportioned as follows:

a. US\$105,000 (6% of the total) was to be paid to Carl Meerveld and Richard Bell both of whom were, at various times, directors of the Exploration Fund. Page 11

84. On 10 May 2006 Richard sent an email to Carl Meerveld, a former director of the Exploration Fund, asking him to draft a letter in response to the ACAST Redemption Request and include a statement that:

"...due to the fact that [ACAST's] investment is still recent and the fact that [Exploration Fund] are fully invested, that the implemented strategies will prevent [Exploration Fund] to provide ACAST with any liquidity until DEC at a minimum..." (sic). Page 16.

TAB 1 KEY ENTITIES Exploration Fund Limited

(f) Carl Meerveld ("Meerveld") as a director from 20 September 2004 until 29 January 2005. Page 37.

24) Sierra Multi-Strategy Fund ("Sierra Fund"), a fund domiciled in Anguilla, that had:

(a) Meerveld as its sole director;

(b) ECI Managers Ltd, an Anguillan company, named as its investment manager;

(c) Aerowest Administration Ltd, an Anguillan company, named as its administrator but all administration work was delegated to the GCSL Group;

(d) the same registered address in Anguilla as ECI Managers Ltd and Cheshire Asset Management Ltd, namely 201 Rogers Office Building, Edwin Wallace Rey Drive, George Hill, Anguilla. Page 38.

31) Frank Richard Bell ("Bell") was:

a) sole director of the Exploration Fund Ltd until September 2004 when he was replaced by Carl Meerveld ("Meerveld"). Page 39.


⁴ The Statement of Shawn Darrell Richard
<http://tinyurl.com/y9ogj5l>

(vi) Email by Mr Meerveld dated May 2005.

An email dated May 2005 Mr Meerveld sent to The Global Intelligence Files to renew his subscription. He signed himself as Managing Director of the Global Financial Managers Limited.


04/07/2017 The Global Intelligence Files - Renewal

WikiLeaks Leaks News About Partners Search Shop Donate Submit



The GiFiles,
Files released: 5543061

The GiFiles
Specified Search



THE GLOBAL INTELLIGENCE FILES

On Monday February 27th, 2012, WikiLeaks began publishing *The Global Intelligence Files*, over five million e-mails from the Texas headquartered "global intelligence" company Stratfor. The e-mails date between July 2004 and late December 2011. They reveal the inner workings of a company that fronts as an intelligence publisher, but provides confidential intelligence services to large corporations, such as Bhopal's Dow Chemical Co., Lockheed Martin, Northrop Grumman, Raytheon and government agencies, including the US Department of Homeland Security, the US Marines and the US Defence Intelligence Agency. The emails show Stratfor's web of informers, pay-off structure, payment laundering techniques and psychological methods.

Renewal

Released on 2013-08-27 00:00 GMT

Email-ID	485847
Date	2005-05-30 13:40:32
From	cmeerveld@gfmanagers.com
To	service@stratfor.com

Renewal

I have tried renewing my subscription several times but your system will not recognise the confirmation code on my credit card and does not allow me to change the credit card details through the discount renewal screen.

Please can you help me as I definitely want to renew my subscription at the offered price of US\$49.

Regards,

Carl P. Meerveld
Managing Director
Global Financial Managers Limited

www.GFManagers.com
C/o 13/F Silver Fortune Plaza, 1 Wellington Street, Central, Hong Kong
Mbl: +852 9161-7061 Tel: +852 2525-7718 Fax: +852 2140-6833

The information contained in this communication, including any attachments, may be confidential, is intended only for the use of the named recipient(s), and may be legally privileged. If you are not a named

<https://search.wikileaks.org/gifiles/emailid/485847> 1/2

A screen shot of the last part of Mr Meeveld's email (above)

Regards,

Carl P. Meerveld
Managing Director
Global Financial Managers Limited

www.GFManagers.com
C/o 13/F Silver Fortune Plaza, 1 Wellington Street, Central, Hong Kong
Mbl: +852 9161-7061 Tel: +852 2525-7718 Fax: +852 2140-6833

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(vii) Three 2013 Enforceable Undertaking.

The Australian Prudential Regulatory Authority, Superannuation Industry (Supervision) Act 1993.

- *The Enforceable Undertaking of Kurt Groeneveld, 16th October 2013.
30 - Mr Carl Meerveld, an associate of Mr Flader, was a director of the Exploration Fund Limited. (Page 5)*

- *Enforceable Undertaking of Lorenzo Patrick Macolino, 28th June 2013.
39 - Mr Carl Meerveld, an associate of Mr Flader, was a director of the Exploration Fund Limited. Mr Frank Richard Bell was a director of Exploration Fund Limited and Trio's acting Compliance Officer. (Page 6)*

- *Enforceable Undertaking of David Guy Millhouse, 29h October 2013. The Exploration Fund Limited and Astarra Strategic Fund:
15. The investment in the Exploration Fund Limited was transferred into the Astarra Strategic Fund in June 2009. The Astarra Strategic Fund was a managed investment scheme to which Trio acted as responsible entity that invested in offshore hedge funds, including the Exploration Fund Limited.
16. On 19 March 2010 the Astarra Strategic Fund was wound up by order of the Supreme Court of New South Wales pursuant to section 601ND(1)(a) of the Corporations Act 2001 (Cth).
17. ACT Super has been unable to redeem any of the Superannuation Entities' investments in the Astarra Strategic Fund, including those pertaining to the Exploration Fund Limited. ACT Super has determined that the funds have been lost due to fraud or theft. (Page 4)*

The Exploration Fund Limited:

- 38. *Trio's investments in the Exploration Fund Limited were not at arm's length and the terms of the investment were not no more favourable than if the parties were dealing at arm's length.*
- 39. *Exploration Fund Limited appointed Global Financial Managers Limited as its investment manager. Global Financial Managers Limited delegated its duties in relation to Australian investors to Wright Global Investment.*
- 40. *Mr Carl Meerveld, an associate of Mr Flader, was a director of the Exploration Fund Limited. Mr Frank Richard Bell was a director of Exploration Fund Limited and Trio's acting Compliance Officer. (Page 6)*

(viii) Deferred Purchase Agreement 2009 Document.

The Deferred Purchase Agreement contracts between Astarra Capital Ltd ACN 001 277 256 (became Trio) as Responsible Entity for the Alpha Strategic Fund (became Astarra Strategic Fund) paid purchase price to EMA International Ltd to sell the Delivery Asset Parcel (Master Deferred Purchase Agreement) to underlying Global Financial Managers Limited, Reg: Participating Class B (Wholesale) shares of the Exploration Fund Limited for total Purchase Price being \$51,842,301.49 of shares held by EMA International. The completion was done before 30 June 2009.

The pages included here, i) cover of Master DPA Amending Deed; ii) page marked 9 by ASIC encircled at top, is the ninth DPA in the 184 page DPA document and consists of three pages. The ninth DPA appears on page 35. The document was obtained from ASIC under the Freedom of Information Act.



S01772302

1

Master Deferred Purchase Agreement

Amending Deed

EMA International Limited

Absolute Alpha Pty Limited as investment
manager for the **Alpha Strategic Fund** and agent
for the Responsible Entity, **Astarra Capital Limited**

Astarra Capital Limited as Responsible Entity for
the **Alpha Strategic Fund**

syddocs 662466v2 DCHR

9



S01772304

Schedule 1

Ref: 7- 2/09

Supplemental Agreement - Transfer of shares from *National Nominees Ltd ANF National Australia Trustees* under Portfolio No. 2000479

Dear Mr Marc Boudreau,

This amendment to the Supplemental Agreement dated 24 March 2006 is entered into in accordance with and subject to the Master Deferred Purchase Agreement between:

EMA International Limited of PO Box 3175, Road Town, Tortilla, British Virgin Islands (*EMA International*)

and

Absolute Alpha Pty Limited (ACN 113 940 953) of Level 2, 123 Clarence Street, Sydney NSW (*Manager*), as investment manager and agent for the Responsible Entity, Astarra Capital Limited (ACN 001 277 256) in respect of the Alpha Strategic Fund (ARSN 115 962 368)

and

Astarra Capital Limited ACN 001 277 256 of Level 1, 540 Swift Street, Albury NSW (*Astarra*), as Responsible Entity for the Alpha Strategic Fund

dated 30 June 2009

In return for the Manager paying the Purchase Price to EMA International, EMA International agrees to sell the Delivery Asset Parcel to the Manager on a deferred basis, in accordance with this Agreement. Terms not defined in this Supplemental Agreement have the meaning given in the Master Deferred Purchase Agreement.

We are pleased to confirm this transaction with the following final terms and conditions:

- Underlying** Global Financial Managers Limited
Re: Participating Class B (Wholesale) shares of the **Exploration Fund Limited**.
- Purchase Price** AUSD.00 per Contract, with the total Purchase Price being \$51,842,301.49 of shares held by EMA International from the proceeds of shares formerly held in the Underlying by *National Nominees Ltd ANF National Australia Trustees* under Portfolio No. 2000479. The actual Purchase Price of this Contract will be confirmed in the Confirmation Notice.
- Subscription Date** On or before 30 June 2009 or next available subscription date prescribed by the Underlying.
- Completion Date** The earliest to occur of:
 - (a) The last business day of each calendar month that

EMA International receives a Completion Request from the Manager; or

- (b) the date specified in the Completion Notice.

Settlement Date

The Completion Date plus thirty (30) days, or such other date as agreed by the parties.

Delivery Asset

- (a) units in an Astarra managed investment scheme domiciled in Australia with Absolute Alpha Pty Limited as investment manager and which has essentially the same mandate as the Alpha Strategic Fund (*ASF MIS*) provided:
 - (i) ASF MIS is registered as a managed investment scheme under the Australian Corporations Act;
 - (ii) units in the ASF MIS are able to be purchased by EMA International and delivered to the Manager on the Settlement Date;
 - (iii) no event beyond the control of EMA International has occurred which results in it being impossible or illegal for EMA International to deliver, or no event beyond the control of the Manager has occurred which results in it being impossible or illegal for the Manager to accept delivery of units in the ASF MIS (including, without limitation, due to any law, regulation or court order, but excluding market conditions); or
- (b) if, in spite of the best endeavours of EMA International, it is not possible to deliver the assets in paragraph (a), then the delivery assets will be *streetTRACKS S&P/ASX 200* units;
- (c) if, in spite of the best endeavours of EMA International, it is not possible to deliver the assets in paragraph (b), then the delivery assets will be securities listed in the Top 50 securities listed on the ASX; or
- (d) if, in spite of the best endeavours of EMA International, it is not possible to deliver the assets in paragraph (c), then the Delivery Assets will be any assets that are not interests in foreign investment funds (as defined in section 481 of the *Income Tax Assessment Act 1936*) or assets that are shares in foreign companies that satisfy section 499 of the *Income Tax Assessment Act 1936* (that is, the stock exchange listed method).

Delivery Asset Parcel

RA

DAP

Where:

RA = Completion Amount

DAP = Delivery Asset Price.

Completion Amount

(Contracts /Contracts x UNAV) – Delivery Costs and Taxes

Where:

Contracts = the number of Contracts being completed on the Completion Date;

Contracts = the total number of Contracts on issue under this Agreement as at the Completion Date;

UNAV = the net asset value of the Underlying.

Delivery Asset Price

The total cost of subscription and delivery for a single Delivery Asset paid by EMA International.

Portion of, and type of, the Delivery Assets to be held by EMA International for the benefit of the Manager

[1 x street TRACKS S&P/ASX 200 unit].

Business Day

For the purpose of the definition of Business Day in the Master Deferred Purchase Agreement, the relevant jurisdictions are:

Saint Lucia, Australia

* * * * *

Please check this Supplemental Agreement carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified.

This Supplemental Agreement may be signed in counterparts. All counterparts taken together will be deemed to constitute one document.

A facsimile bearing the signature of an Authorised Representative or a copy thereof shall be sufficient evidence of the Authorised Representative's signature for purposes of this amendment to the Supplemental Agreement.

Please confirm that the foregoing correctly sets forth the terms of our Agreement by:

1. sending a return fax to such effect to the attention of [person] of the Manager; and
2. signing and returning one of the two executed counterparts of this Supplemental Agreement.

(ix) Schedule of Supplemental DPAs c.2009 Document.

Assigned liquidator of Trio, PPB Advisory document titled "i175-Schedule-of-Supplemental-DPAs" confirms the above DPA:

30 June 2009 between EMA, Absolute Alpha and Astarra Capital Ltd., the underlying fund being Global Financial Managers Ltd., Participating Class B (Wholesale) shares of the Exploration Fund Limited and the Total Purchase Price as AUD\$51,842,301.49 of shares held by EMA International from the proceeds of shares formerly held in the Underlying Fund by National Nominees Ltd ATF National Australia Trustees under Portfolio No. 2000479 (Page 2)

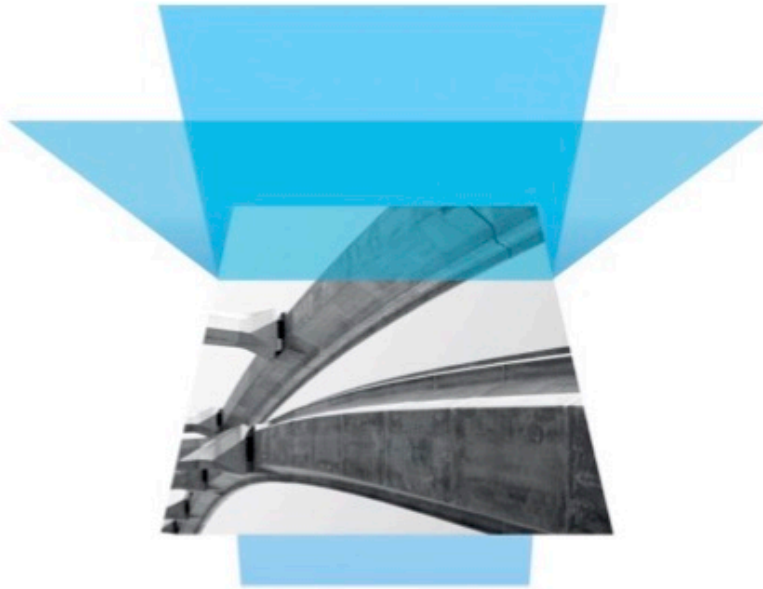
Another transaction that occurred on 30 June 2009 between EMA, Absolute Alpha and Astarra Capital Ltd with the underlying fund being Global Financial Managers Ltd.

Participating Class A (Retail) shares of the Exploration Fund Limited with the total purchase price as, AUD\$4,087,997.70 of shares held by EMA International from the proceeds of shares formerly held in the Underlying Fund by National Nominees Ltd ATF National Australia Trustees under Portfolio No. 2000479. (Page 2)

Assigned liquidator's Schedule of Supplemental DPAs Page 2.

No.	Date	Parties	Underlying Fund	Total Purchase Price
9.	27 August 2009	EMA Absolute Alpha Astarra Capital Ltd	Pacific Capital Markets Cayman LDC Re: Shares in Pacific Capital Markets (Multi-Arbitrage Fund) Cayman LDC	AUD\$1,200,000.00
10.	10 August 2009	EMA Absolute Alpha Astarra Capital Ltd	Pacific Capital Markets Cayman LDC Re: Shares in Pacific Capital Markets (Multi-Arbitrage Fund) Cayman LDC	AUD\$1,400,000.00
11.	9 July 2009	EMA Absolute Alpha Astarra Capital Ltd	Pacific Capital Markets Cayman LDC Shares in Pacific Capital Markets (Multi-Arbitrage Fund) Cayman LDC	AUD\$1,500,000
12.	30 June 2009	EMA Absolute Alpha Astarra Capital Ltd	Global Financial Managers Ltd Participating Class B (Wholesale) shares of the Exploration Fund Limited	AUD\$51,842,301.49 of shares held by EMA International from the proceeds of shares formerly held in the Underlying Fund by National Nominees Ltd ATF National Australia Trustees under Portfolio No. 2000479
13.	30 June 2009	EMA Absolute Alpha Astarra Capital Ltd	Global Financial Managers Ltd Participating Class A (Retail) shares of the Exploration Fund Limited	AUD\$4,087,997.70 of shares held by EMA International from the proceeds of shares formerly held in the Underlying Fund by National Nominees Ltd ATF National Australia Trustees under Portfolio No. 2000479
14.	17 June 2009	EMA Absolute Alpha Astarra Capital Ltd	Cheshire Asset Management (Anguilla) Class B participating shares in the SBS Dynamic Opportunities Fund Limited B, Cayman Islands	AUD \$1,000,000
15.	3 June 2009	EMA Absolute Alpha Astarra Capital Ltd	Pacific Capital Markets Cayman LDC Shares in Pacific Capital Markets (Multi-Arbitrage Fund) Cayman LDC	AUD\$800,000
16.	2 June 2009	EMA Absolute Alpha Astarra Capital Ltd	Absolute Alpha Pty Ltd (Sydney) Class A shares in Tailwind Investment Fund, Cayman Islands	AUD\$2,000,000
17.	13 May 2009	EMA Absolute Alpha Astarra Capital Ltd	Cheshire Asset Management (Anguilla) Class B participating shares in the SBS Dynamic Opportunities Fund Limited B, Cayman Islands	AUD\$600,000

(x) The Administrator's Final Report 2015 Document.⁵ (cover)



Astarra
Strategic Fund
Update to Unit
Holders

May 2015
Strictly Private and
Confidential



⁵ PPB Advisory, Astarra Strategic, Fund Update to Unit Holders May 2015 p. 5.

2. Fund and Investment Structure continued

2.2.2 Investments of Underlying Hedge Funds

The underlying funds that EMA purchased shares in were:

- EFL (formerly HIFL), a fund domiciled in St. Lucia
- SBS, a fund domiciled in the Cayman Islands
- Pacific Capital, a fund domiciled in the Cayman Islands
- Atlantis, a fund domiciled in the Cayman Islands
- Tailwind, a fund domiciled in the Cayman Islands

Below is a table detailing investments as at the date of our appointment:

Full Fund Name	Abbreviation	Investment	%	\$'000
Exploration Fund Limited	EFL	14,137 A class shares 168,863 B class shares 105,848 C class shares	74	91,084
SBS Dynamic Opportunities Fund Limited	SBS	110,082 shares	12	14,770
Pacific Capital Markets Cayman LDC	Pacific Capital	107,135 shares	9	11,078
Atlantis Capital Markets Cayman LDC	Atlantis	1,508 shares	2	2,462
Tailwind Investment Fund	Tailwind	3,014 shares	3	3,692
				100 123,086

The table details that EFL was by far the most significant fund, followed by SBS and Pacific Capital.

It is noted that between 22 December 2006 and 28 January 2009, 9 Supplemental DPAs with a total value of \$7.4M were entered into with the reference assets being shares in a fund known as the Sierra Multi Strategy Fund ("Sierra"). However, on 27 August 2009, a further Supplemental DPA was entered into converting the reference assets from shares in Sierra to shares in EFL. Accordingly, at the time of the appointment of Administrators to Trio, ASF held no DPAs with reference to shares in the Sierra fund.

EFL

EFL was incorporated in St Lucia as a private mutual fund company on 8 October 2003 by Zelland Group, a company which Flader was a member of the senior management.

It was formerly known as the Strategic Opportunity Fund Ltd until 23 March 2004 when it changed its name to HIFL. On 29 January 2007 it changed its name to EFL.

EFL offered 3 classes of shares to investors (A, B and C).

Other key information about EFL is as follows:

- Bell was a director from 8 October 2003 until 20 September 2004 and again from 12 January 2005 to date;
- Carl Meeweld was a director from 20 September 2004 until 29 January 2005;
- Global Financial Managers Ltd, a St. Lucia company was its investment manager;
- Zelland Administration Ltd, a subsidiary of the Zelland Group was named as its Administrator from about 1 December 2003 to 3 January 2006.

The Administrator's Key Findings are:

Finding 1 - Investments purported to be held by the Underlying Funds, other than Tailwind, are either non-existent or have negligible value and appear to have been purchased from Flader related companies as part of an illegal scheme.

Finding 2 - There were numerous and serious conflicts of interest in relation to the investments made by the ASF in the Underlying Funds through the DPA structure. There was little or no acknowledgement of Trio's responsibility to address the conflicts.

Finding 3 - Richard engaged in dishonest conduct and paid reckless disregard as to whether investments made through the ASF were in the best interests of unit holders.

Finding 4 - Richard and entities controlled by Richard personally benefitted financially from recommending the investments in the underlying funds.

Finding 5 - It is the opinion of the Liquidators that directors at the time of the appointment of Administrators to Trio did not take reasonable steps to ensure that Trio was complying with its obligations as RE, did not exercise appropriate duty of care as officers, did not act in the best interest of unit holders of the ASF and did not comply with statutory and fiduciary responsibilities to avoid conflicts of interest'.

The Administrator's 'Key outcomes are: 1 - There is no likelihood of a return to unit holders from the Underlying Funds' investments.

Outcome 2 - Richard pleaded guilty to 2 charges of dishonest conduct in relation to financial services, knowing that conduct to be dishonest, and was sentenced to 2 1/2 years imprisonment.

Outcome 3 - All parties who were directors of Trio at the time of the appointment of Administrators and Richard have entered enforceable undertakings with ASIC agreeing not to participate in provision of financial services or being involved in the management of any corporation providing consultancy services for periods ranging from 2 years to indefinite.

Outcome 4 - A Senate inquiry into the collapse of Trio was commenced in June 2011. The Liquidators made a submission regarding their key findings and recommendations.

Outcome 5 - The liquidators have concluded their investigations into the ASF and seek to finalise the winding up of the fund by 30 September 2015'.⁶

The Administrator's add that the Exploration Fund Limited, a fund domiciled in St Lucia, offered 3 classes of shares to investors (A, B and C), Carl Meerveld was a director from 20 September 2004 until 29 January 2005 and Global Financial Managers Ltd, a St Lucia company was its investment manager.⁷

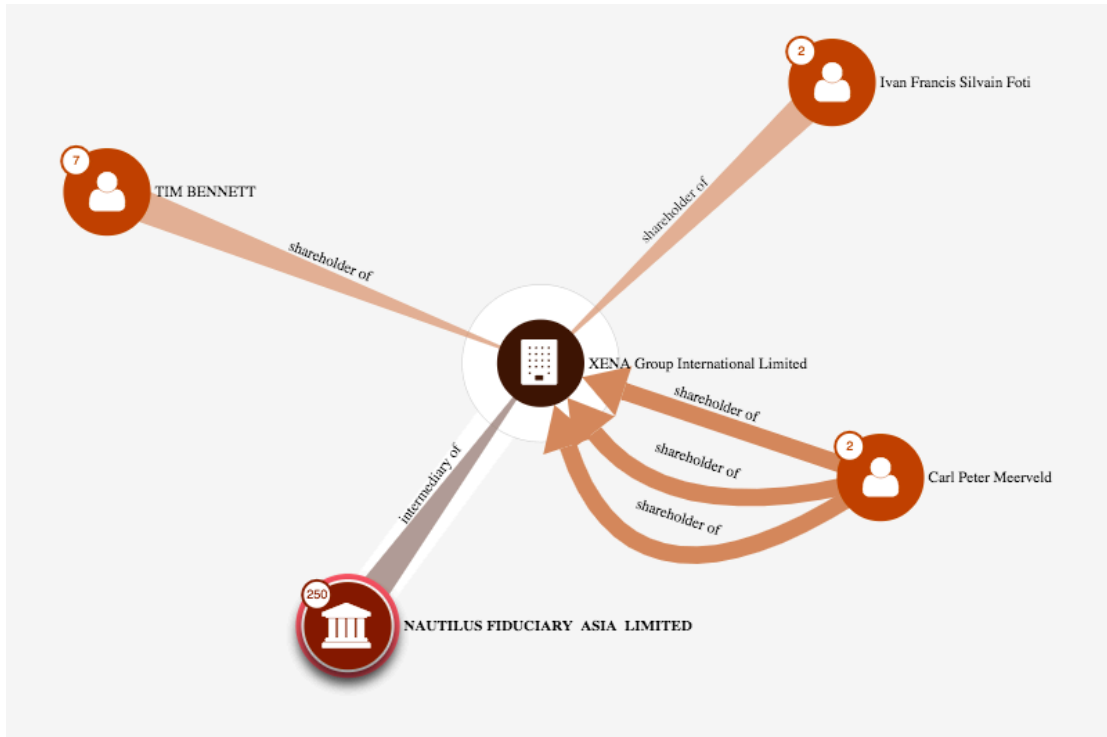
⁶ Ibid.

⁷ PPB Advisory, Astarra Strategic, Fund Update to Unit Holders May 2015 p. 18.

(xi) Panama papers Documents.

Information of Mr Meerveld’s businesses and his residency address in Argentina are now publicly available after there released by the Panama papers. Mr Meerveld’s Argentina address is: Cerrito Chirico 889, Bahia Blanca, Argentina.

The International Consortium of Investigative Journalists have released information that shows some of the many companies linked to Mr Meerveld, such as XENA Group International Limited, Incorporated 09-AUG-2011, listed as British Virgin Islands jurisdiction with Meerveld’s address listed as Hong Kong and Struck off 30-APR-2015. Another prominent company is Carbon Futures Inc.; which is linked to Crusader International Inc.; that is further linked to many other companies listed in the British Virgin Islands. Carbon Futures Inc., is also linked to Fine Global Investments Limited with a link to Tim Bennett. A search of the panama papers of Mr Bennett shows a profusion of links to other entities based in Hong Kong, Switzerland and British Virgin Islands. Perhaps the release of the Panama papers forced their closures. Without the release of the Panama papers, these entities belonging and/or managed by Mr Meerveld were beyond the reach of the public.



Screenshot of the diagram from the XENA Group International Limited Panama papers.

Panama papers - Mr Meerveld & XENA Group page 1 & 2.

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Offshore Leaks Database
Tax haven secrecy revealed

THE PANAMA PAPERS

OFFSHORE LEAKS

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ENTITY

XENA Group International Limited

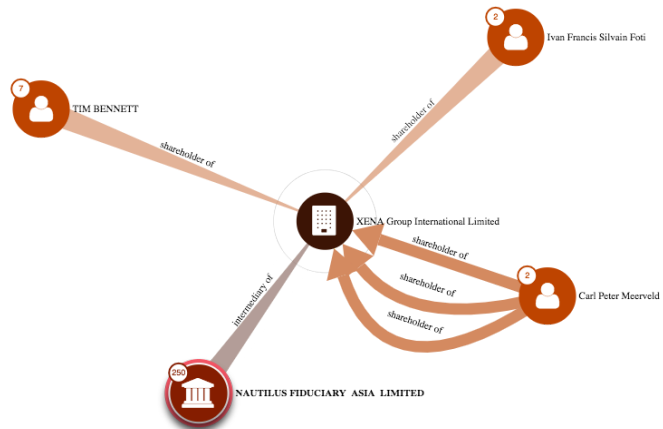
Twitter Facebook Code

Connected to **3 officers**

Connected to **1 intermediary**

- Incorporated: **09-AUG-2011** ⓘ
- Inactivation: **04-MAY-2015** ⓘ
- Struck off: **30-APR-2015** ⓘ
- Status: **Defaulted**
- Registered in: [British Virgin Islands](#)
- Linked countries: [Hong Kong](#)
- Data from: [Panama Papers](#)
- Agent: **Mossack Fonseca**
- The Panama Papers data is current through 2015
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Zoom controls



Category

- Officer
- Entity
- Intermediary

Linkurious

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CONNECTIONS ⓘ

Officer

Role From To Data From

<https://offshoreleaks.icij.org/nodes/10147035>

1/3

04/07/2017

XENA Group International Limited | ICIJ Offshore Leaks Database

Ivan Francis Silvain Foti	Shareholder	10-SEP-2011	-	Panama Papers
Carl Peter Meerveld	Shareholder	28-SEP-2012	-	Panama Papers
Carl Peter Meerveld	Shareholder	10-SEP-2011	-	Panama Papers
Carl Peter Meerveld	Shareholder	09-AUG-2011	-	Panama Papers
TIM BENNETT	Shareholder	28-SEP-2012	-	Panama Papers

Intermediary

	Status	Data From
NAUTILUS FIDUCIARY ASIA LIMITED	ACTIVE	Panama Papers

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Panama papers - Mr Meerveld page 1 & 2.

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Carl Peter Meerveld | ICIJ Offshore Leaks Database

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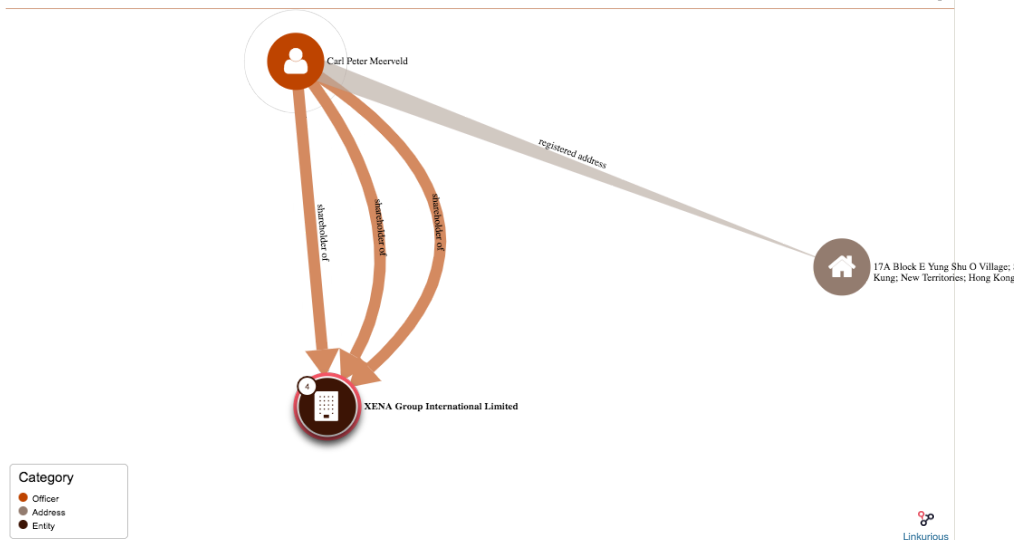
Carl Peter Meerveld



Connected to **1** address

Connected to **1** entity

- 📍 Linked countries: [Hong Kong](#)
- 📄 Data from: [Panama Papers](#)
- 📅 **The Panama Papers data is current through 2015**
- 🔍 Search in [openCorporates](#)
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Category

- Officer
- Address
- Entity

[Linkurious](#)

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CONNECTIONS 1

Entity

	Role	From	To	Incorporation	Jurisdiction	Status	Data From
XENA Group International Limited	Shareholder	28-SEP-2012	-	09-AUG-2011	British Virgin Islands	Defaulted	Panama Papers
XENA Group International Limited	Shareholder	10-SEP-2011	-	09-AUG-2011	British Virgin Islands	Defaulted	Panama Papers
XENA Group International Limited	Shareholder	09-AUG-2011	-	09-AUG-2011	British Virgin Islands	Defaulted	Panama Papers

<https://offshoreleaks.icij.org/nodes/12101975>

1/3

Address

Data From

[17A Block F Yung Shu O Village, Sai Kung, New Territories, Hong Kong](#)

[Panama Papers](#)

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PANAMA PAPERS: KEY FIGURES

Discover the big numbers behind the Panama Papers files, including nearly 40 years of data.

Mr Meerveld's residency address in Argentina

04/07/2017

Cerrito 889 - Bahia Blanca, Argentina — Panama Offshore Leaks Database

Search for...	Search
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Cerrito 889 - Bahia Blanca, Argentina

📍 Address

The Panama Papers data is current through 2015

Countries:


Argentina

Source: Panama Papers

Address: Cerrito 889 - Bahia Blanca, Argentina

Connections

From	Type	To
👤 Carl Peter Meerveld (https://panamadb.org/officer/carl-peter-meerveld_12101975)	Registered at address	📍 Cerrito 889 - Bahia Blanca, Argentina

2016 © Panama Offshore Leaks Database on PanamaDB.org (/)
Contact: panamadb.org@gmail.com 

(xii) ASIC's Section 19 Examinations (2009 - 2010).

There is further information concerning Mr Meerveld's role in Trio and about his financial skills in ASIC's Section 19 documents. Section 19 of the ASIC Act, are confidential examinations of some of the Trio directors and the information cannot be made publicly available. However, "Wollongong Against Corruption" did provide a summary of the fraudulent Trio scheme during a public meeting in Wollongong. It can be determined that the Examinations information informed ASIC in mid 2009 to mid 2010 that Trio was a fraudulent scheme.

The association between Mr Meerveld, Jack Flader and Matthew Littauer was established before Matthew Littauer's murder in December 2004. Mr Flader and Mr Meerveld, while residing in Hong Kong, had articles about financial issues published in the 1990s.

(xiii) Global Consultants and Services Limited 2010 Documents (unavailable).

Mr Meerveld as investment manager of the Trio underlying funds worked closely with Flader's company Global Consultants and Services Limited (GCSL), based in Hong Kong. About 2010 the Hong Kong Securities and Futures Commission subpoenaed thousands of documents from GCSL. The 10,000 or more documents were sent to ASIC. The documents were protected under the Memorandum of Understanding (MoU), between ASIC and Hong Kong. The documents were protected to the extent that they were not even mentioned to the PJC Inquiry. The most knowledgeable committee member informed VOFF that the PJC did not know anything about GCSL or of the GCSL documents.

In 2010 the NSW Supreme Court had to rule on whether to overturn a bid by GCSL to stop administrators PPB Advisory from obtaining the documents that ASIC had received from its Hong Kong counterpart, the Securities and Futures Commission.⁸ Which raises the question, why would Mr Flader try to prevent the appointed administrator access to the documents? Also, it is curious that ASIC who fund the assigned administrators would deny them access to information that could assist in solving a fraudulent crime.

It appears extraordinary that the Parliamentary Inquiry, whose task it is to investigate a major fraud, were not informed about the Flader owned GCSL. According to the Supreme Court of NSW, GCSL played a major role in the allocating of investor monies into the Trio underlying funds and would be an important starting point for either the new administrator or for the PJC to start its investigations.

(xiv) According to research by Guernsey citizens.

Research by Guernsey citizens appears to confirm i) Mr Meerveld, in his position as managing director of Global Financial Managers Ltd, was responsible for the transfer of the securities from EMA International Ltd to the Exploration Fund; ii) Mr Meerveld was managing director of Global Financial Managers Ltd.; and iii) there is no documentation to support Mr Meerveld's claim that he resigned prior to the 2009 transfers of assets from Exploration Fund Limited. Accordingly, this new information opens the way for the Guernsey authorities to ask questions about Mr Meerveld's role in Trio and where the missing assets went.

⁸ Duncan Hughes ASIC quizzes adviser over trio's missing millions May 12 2010
<http://tinyurl.com/ycxrxw8g>