



Federal Court of Australia
District Registry: Victoria
Division: General

No: VID820/2017

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION
Plaintiff

REALESTATE EQUITY INVESTMENT TRUST (ARSN 094 623 515) and another
named in the schedule
Defendant

ORDER

JUDGE: JUSTICE MURPHY

DATE OF ORDER: 05 July 2018

WHERE MADE: Melbourne

OTHER MATTERS:

1. By email to the Court dated 6 July 2018, ASIC has confirmed to the Court that: (a) it does not intend to appear at the case management hearing on 6 July 2018; and (b) it consents to the orders proposed herein.
2. The Court has considered the "Report to the Court by Nicholas John Martin and Andrew Thomas Sallway of BDO Australia" dated 15 June 2018 that was filed pursuant to the 20 March 2018 Orders.
3. Order 8 of these Orders is made in the context that the Liquidators/Receivers need information in respect of the alleged claims against REIT and Timeline, in order to determine the rights of the unit-holders of REIT. The request for proofs of debt from creditors of Timeline is not indicative of any intention by the Liquidators to declare a dividend in respect of Timeline. At this stage, the Liquidators do not have sufficient information to do so.

THE COURT ORDERS AND DIRECTS THAT:

Claims against REIT

1. By 4.00pm on 17 August 2018, each of:
 - (a) Equitable Financial Solutions Pty Ltd ACN 151 172 039;
 - (b) NJ Capital Investment Fund Pty Ltd ACN 606 065 436;



(c) Ahmed Saadeldin; and

(d) Starnet Legal,

(each a **Current Claimant**) file and serve on Nicholas John Martin and Andrew Thomas Sallway, in their capacities as receivers (the **Receivers**) of the property of Realestate Equity Investment Trust (ARSN 094 623 515) (**REIT**) an affidavit which sets out the basis on which they assert any claims in relation to the property of REIT, including the land at 490 Flinders Avenue, Lara, Victoria (Certificate of Title Volume 9660 Folio 387) (the **Land**) and exhibits all of the documents that support their claim.

2. By 4.00 pm on 20 July 2018, the Receivers are to publish notice of the receivership of REIT by placing an advertisement in an appropriate newspaper or other publication(s), which notice shall request that any party who asserts a claim against REIT and/or the Land (**New Claimant**) provide to the Receivers particulars of the party's claim by a date not less than 14 days after the publication of the notice.
3. By 4.00 pm on 26 October 2018, the Receivers are to undertake an assessment of the Current and New Claimants' claims against REIT and/or the Land and will notify each of the Claimants and the Court of their preliminary determination in respect of each of the Claimants' claims, in writing.
4. By 4.00 pm on 23 November 2018, each of the Current and New Claimants is to notify the Receivers and the Court, in writing, whether they agree with and accept the determination made by the Receivers in accordance with order 2 above and if not, is to file and serve on the Receivers an affidavit which sets out the basis on which the Claimant disagrees with the Receivers' determination and exhibits all of the documents in support of their position.

Claims against Timeline

5. By 4.00 pm on 17 August 2018, each of the Current and New Claimants are to file and serve on Nicholas John Martin and Andrew Thomas Sallway, in their capacities as joint and several liquidators (**Liquidators**) of Timeline Project Management Pty Ltd (In Liquidation) (**Timeline**) an affidavit which sets out the basis on which they assert any claims against Timeline and exhibits all of the documents that support their claim.



6. By 4.00 pm on 26 October 2018, the Liquidators are to undertake an assessment of the Current and New Claimants' claims against Timeline and will notify each of the Claimants and the Court of their preliminary determination in respect of each of the Claimants' claims, in writing.
7. By 4.00 pm on 23 November 2018, each of the Current and New Claimants is to notify the Liquidators and the Court, in writing, whether they agree with and accept the determination made by the Liquidators in accordance with order 6 above and if not, is to file and serve on the Liquidators an affidavit which sets out the basis on which the Claimant disagrees with the Liquidators' determination and exhibits all of the documents in support of their position.
8. The Liquidators will otherwise:
 - (a) provide notice to the creditors of Timeline (other than the Current and New Claimants) to submit a formal proof of debt; and
 - (b) will deal with any proofs received,in accordance with the *Corporations Regulations 2001* (Cth).

Ongoing investigations

9. Orders 6 and 7 of the orders made on 19 December 2017 (as varied by orders 3 and 4 of the orders made on 19 March 2018) are further varied such that:
 - (a) the Receivers may undertake investigations in relation to identifying unit-holders in REIT and verifying the quantum of investments made by those unit-holders and the nature of those investments;
 - (b) the Receivers may continue to investigate the status of the Musharakah Agreement (NJM-23 to the affidavit of Naomi Johnston sworn on 25 July 2017);
 - (c) the Receivers/Liquidators may undertake an assessment of the Current and New Claimants' claims in respect of the property of REIT and/or Timeline on the basis of the affidavit material filed by the Claimants and served on the Receivers/Liquidators in accordance with these orders; and



- (d) the Receivers/Liquidators may investigate such further matters that the Receivers/Liquidators consider are reasonable and necessary to investigate, calculate or protect the claims of the unit-holders of REIT and to assess claims made in respect of the property of REIT and/or Timeline pursuant to these orders.

Hearing

10. This matter be listed for hearing on 13 March 2019, in order for the Court to make orders providing for the distribution of the proceeds of the sale of the Land.

11. If any of the Current and New Claimants:

- (a) do not accept the determination made by the Receivers, pursuant to order 2 and have provided notice to this effect to the Receivers and the Court in accordance with order 3; or
- (b) do not accept the determination made by the Liquidators, pursuant to order 6 and have provided notice to this effect to the Liquidators and the Court in accordance with order 7,

the validity of any Claimants' claims which are disputed will be heard and determined by the Court on the hearing date fixed in accordance with order 10.

12. Five business days before the hearing date fixed in accordance with order 10, the Receivers/Liquidators are to file and serve:

- (a) a report summarising their further investigations undertaken pursuant to order 9; and
- (b) short submissions summarising their view on how the proceeds of the sale of the Land ought to be distributed, with a view to the Court making orders for that distribution after it has determined the validity of the Claimants' claims in accordance with order 11; and
- (c) an affidavit setting out the Receivers'/Liquidators' costs and expenses incurred to date and an estimate of their likely future costs associated with any further investigations required to be undertaken.

13. There be liberty to apply.



Date that entry is stamped: 5 July 2018

Warrick Soden
Registrar



Schedule

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Second Defendant: TIMELINE PROJECT MANAGEMENT PTY LTD (ACN 145
830 851)