

NOTICE OF FILING AND HEARING

Filing and Hearing Details

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File Title: AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v PAUL CHIODO & ORS
Registry: VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA
Reason for Listing: To Be Advised
Time and date for hearing: To Be Advised
Place: To Be Advised



Sia Lagos

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.



Form 2 Originating process

(rules 2.2 and 15A.3)

No VID of 2026

Federal Court of Australia
District Registry: Victoria
Division: Commercial and Corporations

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

PAUL CHIDO & others named in the schedule

Defendants

A. DETAILS OF THE APPLICATION

This application is made under ss 19, 22 and 23 of the *Federal Court of Australia Act 1976* (Cth), and ss 180, 181, 182, 206C, 208 (as modified by s 601LC), 209 (as modified by s 601LA), 601FC, 601FD, 601JD, 1317E, 1317G of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Plaintiff seeks declarations of contraventions of the Act, pecuniary penalty orders, disqualification orders and costs.

In this originating process, terms defined in the Statement of Claim dated 25 June 2026 have the same meaning as they do in that document.

On the facts stated in the accompanying Statement of Claim, the Plaintiff seeks:

A.1 Declarations (First Defendant, Paul Chido)

A.1.1 Agreements and Transactions

1. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 601FD(1)(b) and (3) of the Corporations Act, in relation to:
 - (a) each ADPF Loan Agreement;
 - (b) the Chido Development Management Agreement;
 - (c) each Venice Loan Agreement;
 - (d) the Venice Side Letter;
 - (e) each SMF-ADPF Payment he authorised; and/or
 - (f) each Chido Corporation Payment he authorised,by failing, as an officer of Keystone as RE of the SMF, to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.



2. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 180(1) of the Corporations Act, in relation to:
 - (a) each ADPF Loan Agreement;
 - (b) the Chiodo Development Management Agreement;
 - (c) each Venice Loan Agreement;
 - (d) the Venice Side Letter;
 - (e) each SMF-ADPF Payment he authorised; and/or
 - (f) each Chiodo Corporation Payment he authorised,by failing, as a director of Keystone, to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.
3. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 601FD(1)(c) and (3) of the Corporations Act, in relation to:
 - (a) each July 2023 ADPF Loan Agreement;
 - (b) the Chiodo Development Management Agreement;
 - (c) each Venice Loan Agreement;
 - (d) the Venice Side Letter;
 - (e) each SMF-ADPF Payment he authorised; and/or
 - (f) each Chiodo Corporation Payment he authorised,by failing, as an officer of Keystone as RE of the SMF, to act in the best interests of SMF members.
4. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 181(1) of the Corporations Act, in relation to:
 - (a) each ADPF Loan Agreement;
 - (b) the Chiodo Development Management Agreement;
 - (c) each Venice Loan Agreement; and/or
 - (d) the Venice Side Letter,by failing, as a director of Keystone, to exercise his powers and discharge his duties as a director of Keystone in good faith in the best interests of Keystone and for a proper purpose.
5. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 601FD(1)(e) and (3) of the Corporations Act, in relation to:
 - (a) each July 2023 ADPF Loan Agreement;
 - (b) the Chiodo Development Management Agreement;
 - (c) each Venice Loan Agreement; and/or
 - (d) each Chiodo Corporation Payment he authorised,



by making an improper use of his position as an officer of Keystone as RE of the SMF to gain, directly or indirectly, an advantage for themselves or another person.

6. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 182(1) of the Corporations Act, in relation to:
 - (a) each ADPF Loan Agreement;
 - (b) the Chiodo Development Management Agreement;
 - (c) each Venice Loan Agreement; and/or
 - (d) each Chiodo Corporation Payment he authorised,by making an improper use of his position as an officer of Keystone.
7. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 601FD(1)(a) and (3) of the Corporations Act, in relation to:
 - (a) each SMF-ADPF Payment he authorised; and/or
 - (b) each Chiodo Corporation Payment he authorised,as an officer of Keystone as RE of the SMF, by failing to act honestly.

A.1.2 Financial benefits

8. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 209(2) of the Corporations Act (as modified by s 601LA) in the period from 11 April 2022 to 27 May 2024, each time Keystone gave one of the SMF-Chiodo Corporation Benefits, by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) arising out of Keystone's failure to obtain SMF member approval before giving the benefit.
9. In the alternative to paragraph 8 above, declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant, in the period from 11 April 2022 to 27 May 2024:
 - (a) each time Keystone made one of the SMF-ADPF Payments, contravened s 209(2) of the Corporations Act (as modified by s 601LA) by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) arising out of Keystone's failure to obtain SMF member approval before giving the payment; and
 - (b) each time Keystone made one of the Chiodo Corporation Payments which he authorised, contravened s 209(2) of the Corporations Act (as modified by s 601LA) (alternatively, s 209(2) of the Corporations Act) by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) (alternatively, s 208 of the Corporations Act) arising out of Keystone's failure to obtain SMF member approval (alternatively, Keystone member approval) before giving the payment.



A.1.3 Valuations

10. Declarations pursuant to s 1317E(1) of the Corporations Act, that the first defendant contravened s 601FD(1)(f) and (3) of the Corporations Act in each of the quarters ending 30 September 2022, 31 December 2022, 31 March 2023, 30 September 2023, 31 December 2023 and/or 31 March 2024, by:

- (a) failing to cause Keystone to obtain valuations of the SMF's units in the ADPF on the last business day of each quarter; and
- (b) failing to ensure Keystone obtained those valuations from the Administrator or an external expert valuer, being a service provider that was not related to Keystone,

and thereby failing to take all steps that a reasonable person would take if they were in his position as a director of Keystone to ensure that Keystone, as RE of the SMF, complied with the Corporations Act, the SMF Constitution and the Compliance Plan.

A.1.4 Conflicts of interest

11. Declarations pursuant to s 1317E(1) of the Corporations Act that the first defendant contravened s 601FD(1)(f) and (3) of the Corporations Act:

- (a) in the period from about March 2022 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo March 2022 Loan Agreement Conflicts;
- (b) in the period from about May 2022 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo Development Management Agreement Conflicts;
- (c) in the period from about July 2023 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo July 2023 Loan Agreements Conflicts;
- (d) in the period from about July 2023 to 29 December 2023, by failing to take steps to avoid or adequately manage the Frolov July 2023 Loan Agreements Conflicts;
- (e) in the period from about December 2023 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo Venice Conflicts;
- (f) in the period from about April 2022 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo Investment Decision Conflicts; and/or
- (g) in the period from about May 2022 to 29 December 2023, by failing to take steps to avoid or adequately manage the Frolov Investment Decision Conflicts,

and thereby failing to take all steps that a reasonable person would take if they were in his position as a director of Keystone to ensure that Keystone, as RE of the SMF, complied with s 912A(1)(aa) of the Corporations Act.

A.2 Declarations (Second Defendant, Ilya Frolov)

12. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 601FD(1)(b) and (3) of the Corporations Act, in relation to:



- (a) each ADPF Loan Agreement;
 - (b) each Venice Loan Agreement;
 - (c) each SMF-ADPF Payment he authorised; and/or
 - (d) each Chiodo Corporation Payment he authorised,

by failing, as an officer of Keystone as RE of the SMF, to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.
13. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 180(1) of the Corporations Act, in relation to:
 - (a) each ADPF Loan Agreement;
 - (b) each Venice Loan Agreement;
 - (c) each SMF-ADPF Payment he authorised; and/or
 - (d) each Chiodo Corporation Payment he authorised,

by failing, as a director of Keystone, to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.
14. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 601FD(1)(c) and (3) of the Corporations Act, in relation to:
 - (a) each July 2023 ADPF Loan Agreement;
 - (b) each Venice Loan Agreement;
 - (c) each SMF-ADPF Payment he authorised; and/or
 - (d) each Chiodo Corporation Payment he authorised,

by failing, as an officer of Keystone as RE of the SMF, to act in the best interests of SMF members.
15. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 181(1) of the Corporations Act, in relation to:
 - (a) each ADPF Loan Agreement; and/or
 - (b) each Venice Loan Agreement,

by failing, as a director of Keystone, to exercise his powers and discharge his duties as a director of Keystone in good faith in the best interests of Keystone and for a proper purpose.
16. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 601FD(1)(e) and (3) of the Corporations Act, in relation to:
 - (a) each July 2023 ADPF Loan Agreement;
 - (b) each Venice Loan Agreement; and/or
 - (c) each Chiodo Corporation Payment he authorised,

by making an improper use of his position as an officer of Keystone as RE of the SMF, to gain, directly or indirectly, an advantage for themselves or another person.



17. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 182(1) of the Corporations Act, in relation to:
- (a) each ADPF Loan Agreement;
 - (b) each Venice Loan Agreement; and/or
 - (c) each Chiodo Corporation Payment he authorised,
- by making an improper use of his position as an officer of Keystone.
18. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 601FD(1)(a) and (3) of the Corporations Act, in relation to:
- (a) each SMF-ADPF Payment he authorised; and/or
 - (b) each Chiodo Corporation Payment he authorised,
- as an officer of Keystone as RE of the SMF, by failing to act honestly.

A.2.1 Financial benefits

19. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 209(2) of the Corporations Act (as modified by s 601LA) in the period from 11 April 2022 to 29 December 2023, each time Keystone gave one of the SMF-Chiodo Corporation Benefits, by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) arising out of Keystone's failure to obtain SMF member approval before giving the benefit.
20. In the alternative to paragraph 19 above, declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant, in the period from 11 April 2022 to 29 December 2023:
- (a) each time Keystone made one of the SMF-ADPF Payments, contravened s 209(2) of the Corporations Act (as modified by s 601LA) by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) arising out of Keystone's failure to obtain SMF member approval before giving the payment; and
 - (b) each time Keystone made one of the Chiodo Corporation Payments which he authorised, contravened s 209(2) of the Corporations Act (as modified by s 601LA) (alternatively, s 209(2) of the Corporations Act) by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) (alternatively, s 208 of the Corporations Act) arising out of Keystone's failure to obtain SMF member approval (alternatively, Keystone member approval) before giving the payment.

A.2.2 Valuations

21. Declarations pursuant to s 1317E(1) of the Corporations Act, that the second defendant contravened s 601FD(1)(f) and (3) of the Corporations Act, in each of the quarters ending 30 September 2022, 31 December 2022, 31 March 2023 and/or 30 September 2023, by:



- (a) failing to cause Keystone to obtain valuations of the SMF's units in the ADPF on the last business day of the quarter; and/or
- (b) failing to ensure Keystone obtained those valuations from the Administrator or an external expert valuer, being a service provider that was not related to Keystone,

and thereby failing to take all steps that a reasonable person would take if they were in his position as a director of Keystone to ensure that Keystone, as RE of the SMF, complied with the Corporations Act, the SMF Constitution and the Compliance Plan.

22. A declaration pursuant to s 1317E(1) of the Act that the second defendant, as member of the Compliance Committee, contravened s 601JD(1)(b) and (3) of the Corporations Act:

- (a) in respect of each of the quarters ending 30 September 2022, 31 December 2022, 31 March 2023 and/or 30 September 2023, by failing to inform the Compliance Committee (or to cause the Compliance Committee to report to Keystone) that Keystone had not obtained valuations of the SMF's units in the ADPF from the Administrator or an external expert valuer, being a service provider that was not related to Keystone; and/or
- (b) by failing to inform the Compliance Committee that Keystone did not have arrangements in place to obtain valuations of the SMF's units in the ADPF on the last business day of each quarter from the Administrator or an external expert valuer, being a service provider that was not related to Keystone,

and thereby failing to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.

A.2.3 Conflicts of interest

23. Declarations pursuant to s 1317E(1) of the Corporations Act that the second defendant contravened s 601FD(1)(f) and (3) of the Corporations Act:

- (a) in the period from about March 2022 to 29 December 2023, by failing to take steps to avoid or adequately manage the Chiodo March 2022 Loan Agreement Conflicts;
- (b) in the period from about May 2022 to 29 December 2023, by failing to take steps to avoid or adequately manage the Chiodo Development Management Agreement Conflicts;
- (c) in the period from about July 2023 to 29 December 2023, by failing to take steps to avoid or adequately manage the Chiodo July 2023 Loan Agreements Conflicts;
- (d) in the period from about July 2023 to 29 December 2023, by failing to take steps to avoid or adequately manage the Frolov July 2023 Loan Agreements Conflicts;
- (e) in the period from about April 2022 to 29 December 2023, by failing to take steps to avoid or adequately manage the Chiodo Investment Decision Conflicts; and/or



- (f) in the period from about May 2022 to 29 December 2023, by failing to take steps to avoid or adequately manage the Frolov Investment Decision Conflicts,

thereby failing to take all steps that a reasonable person would take if they were in his position as a director of Keystone to ensure that Keystone, as RE of the SMF, complied with s 912A(1)(aa) of the Corporations Act.

24. Declarations pursuant to s 1317E(1) of the Act that second defendant, as a member of the Compliance Committee, contravened s 601JD(1)(b) and (3) of the Corporations Act:

- (a) in the period from about March 2022 to 29 December 2023, by failing to take steps to identify, assess and avoid or adequately manage the Chiodo March 2022 Loan Agreement Conflicts;
- (b) in the period from about May 2022 to 29 December 2023, by failing to take steps to identify, assess and avoid or adequately manage the Chiodo Development Management Agreement Conflicts;
- (c) in the period from about July 2023 to 29 December 2023, by failing to take steps to identify, assess and avoid or adequately manage the Chiodo July 2023 Loan Agreement Conflicts and/or the Frolov July 2023 Loan Agreement Conflicts; and/or
- (d) in the period from about April or May 2022 to 29 December 2023, by failing to take steps to identify, assess and avoid or adequately manage the Chiodo Investment Decision Conflicts and/or the Frolov Investment Decision Conflicts,

and thereby failing to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.

A.3 Declarations (Third Defendant, Mark Yorston)

25. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 601FD(1)(b) and (3) of the Corporations Act, in relation to:

- (a) each ADPF Loan Agreement;
- (b) the Chiodo Development Management Agreement;
- (c) each Venice Loan Agreement;
- (d) each SMF-ADPF Payment he authorised; and/or
- (e) the Reconciliation Agreement,

by failing, as an officer of Keystone as RE of the SMF, to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.

26. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 180(1) of the Corporations Act, in relation to:

- (a) each ADPF Loan Agreement;
- (b) the Chiodo Development Management Agreement;
- (c) each Venice Loan Agreement;



- (d) each SMF-ADPF Payment he authorised; and/or
- (e) the Reconciliation Agreement,

by failing, as a director of Keystone, to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.

27. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 601FD(1)(c) and (3) of the Corporations Act, in relation to:

- (a) each July 2023 ADPF Loan Agreement;
- (b) the Chiodo Development Management Agreement;
- (c) each Venice Loan Agreement;
- (d) each SMF-ADPF Payment he authorised; and/or
- (e) the Reconciliation Agreement,

by failing, as an officer of Keystone as RE of the SMF, to act in the best interests of SMF members.

28. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 181(1) of the Corporations Act, in relation to:

- (a) each ADPF Loan Agreement;
- (b) the Chiodo Development Management Agreement;
- (c) each Venice Loan Agreement; and/or
- (d) the Reconciliation Agreement,

by failing, as a director of Keystone, to exercise his powers and discharge his duties as a director of Keystone in good faith in the best interests of Keystone and for a proper purpose.

29. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 601FD(1)(e) and (3) of the Corporations Act, in relation to:

- (a) each July 2023 ADPF Loan Agreement;
- (b) the Chiodo Development Management Agreement;
- (c) each Venice Loan Agreement; and/or
- (d) the Reconciliation Agreement,

by making an improper use of his position as an officer of Keystone as RE of the SMF, to gain, directly or indirectly, an advantage for themselves or another person.

30. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 182(1) of the Corporations Act, in relation to:

- (a) each ADPF Loan Agreement;
- (b) the Chiodo Development Management Agreement;
- (c) each Venice Loan Agreement; and/or
- (d) the Reconciliation Agreement,



by making an improper use of his position as an officer of Keystone.

A.3.1 Financial benefits

31. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 209(2) of the Corporations Act (as modified by s 601LA) in the period from 2 January 2024 to 27 May 2024, each time Keystone gave one of the SMF-Chiodo Corporation Benefits, by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) arising out of Keystone's failure to obtain SMF member approval before giving the benefit.
32. In the alternative to paragraph 31 above, declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 209(2) of the Corporations Act (as modified by s 601LA) in the period from 2 January 2024 to 27 May 2024, each time Keystone made one of the SMF-ADPF Payments, by reason of his involvement in Keystone's contravention of s 208 of the Corporations Act (as modified by s 601LC) arising out of Keystone's failure to obtain SMF member approval before giving the payment.

A.3.2 Valuations

33. Declarations pursuant to s 1317E(1) of the Corporations Act, that the third defendant contravened s 601FD(1)(f) and (3) of the Corporations Act in the period from 11 April 2022 to 27 May 2024 by:
 - (a) failing to inform himself about the arrangements Keystone had in place to comply with cl 12.1 of the SMF Constitution, cl 6.9.1 of the Compliance Plan and s 601FC(1)(j) of the Corporations Act; and/or
 - (b) failing to obtain and review the valuations of the SMF's units in the ADPF that Keystone was required to receive,

and thereby failing to take all steps that a reasonable person would take, if they were in his position, to ensure that Keystone as RE of the SMF complied with the Act, the SMF Constitution and the Compliance Plan.

A.3.3 Conflicts of interest

34. Declarations pursuant to s 1317E(1) of the Corporations Act that the third defendant contravened s 601FD(1)(f) and (3) of the Corporations Act:
 - (a) in the period from about March 2022 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo March 2022 Loan Agreement Conflicts;
 - (b) in the period from about May 2022 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo Development Management Agreement Conflicts;
 - (c) in the period from about July 2023 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo July 2023 Loan Agreements Conflicts;



- (d) in the period from about December 2023 to 27 May 2023, by failing to take steps to avoid or adequately manage the Chiodo Venice Conflicts; and/or
 - (e) in the period from about April 2022 to 27 May 2024, by failing to take steps to avoid or adequately manage the Chiodo Investment Decision Conflicts,
- and thereby failing to take all steps that a reasonable person would take if they were in his position as a director of Keystone to ensure that Keystone, as RE of the SMF, complied with s 912A(1)(aa) of the Corporations Act.

A.4 Declarations (Fourth Defendant, Jeremy Danon)

A.4.1 Valuations

35. Declarations pursuant to s 1317E(1) of the Corporations Act that the fourth defendant contravened s 601JD(1)(b) and (3) of the Corporations Act, as member of the Compliance Committee, in the period from 7 June 2022 (alternatively, 20 September 2024) to 27 August 2024 by:

- (a) failing to inquire about Keystone's arrangements for ensuring that:
 - (i) the assets of the SMF were valued on the last day of each calendar quarter;
 - (ii) the assets of the SMF were valued either by the Administrator or an external expert valuer, being a service provider that was not related to Keystone; and/or
- (b) failing to take steps to ensure that Keystone had arrangements in place to ensure it:
 - (i) obtained a valuation of the assets of the SMF on the last day of each calendar quarter; and/or
 - (ii) obtained the valuation from the Administrator or an external expert valuer, being a service provider that was not related to Keystone,

and thereby failing to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.

A.4.2 Conflicts of interest

36. Declarations pursuant to s 1317E(1) of the Act that the fourth defendant contravened s 601JD(1)(b) and (3) of the Corporations Act, as a member of the Compliance Committee:

- (a) in the period from about 7 June 2022 (alternatively, 21 November 2022) to 27 May 2024, by failing to take steps:
 - (i) to identify that the COI Register did not state how conflicts of interest arising from Chiodo Corporation's position as property developer were to be managed;
 - (ii) thereafter, take steps to assess those conflicts of interest and how they could be appropriately managed; and/or



- (b) in the period from about 21 November 2022 to 27 May 2024, by failing to:
- (i) identify that the COI Register did not refer to the financing agreements by which the ADPF provided financing to projects run by Chiodo Corporation or state how conflicts of interest arising from those agreements were to be managed;
 - (ii) thereafter, take steps to assess those conflicts of interest and how they could be appropriately managed; and/or
- (c) in the period from about 21 November 2023 to 27 May 2024, by failing to:
- (i) identify that there were conflicts between Chiodo's duties as a director of Keystone and a director of Chiodo Corporation in relation to decisions by Keystone to invest scheme property of the SMF in the ADPF, and the COI Register did not state how such conflicts of interest were to be managed;
 - (ii) thereafter, take steps to assess those conflicts of interest and how they could be appropriately managed; and/or
- (d) in the period from 7 June 2022 to 27 May 2024, by failing to:
- (i) make inquiries about the references to Falcon Capital in cl 6.19.1 of the Compliance Plan, and identify that those references were included in error and should have been references to Keystone;
 - (ii) thereafter, review the arrangements in respect of investments by the SMF in the ADPF, and take steps to ensure that any such arrangement was entered into in the best interests of the members of the SMF,

and thereby failing to exercise the degree of care and diligence that a reasonable person would exercise if they were in his position.

A.5 Pecuniary Penalty Orders

37. Orders pursuant to s 1317G(1) of the Corporations Act the first defendant pay pecuniary penalties to the Commonwealth of Australia in respect of his contraventions of the Corporations Act referred to in declarations numbered 1 to 11 above, in such amount as the Court considers appropriate.
38. Orders pursuant to s 1317G(1) of the Corporations Act the second defendant pay pecuniary penalties to the Commonwealth of Australia in respect of his contraventions of the Corporations Act referred to in declarations numbered 12 to 24 above, in such amount as the Court considers appropriate.
39. Orders pursuant to s 1317G(1) of the Corporations Act the third defendant pay pecuniary penalties to the Commonwealth of Australia in respect of his contraventions of the Corporations Act referred to in declarations numbered 25 to 34 above, in such amount as the Court considers appropriate.
40. Orders pursuant to s 1317G(1) of the Corporations Act the fourth defendant pay pecuniary penalties to the Commonwealth of Australia in respect of his contraventions of the Corporations Act referred to in declarations numbered 35 to 36 above, in such amount as the Court considers appropriate.



A.6 Disqualification orders

- 41. Orders pursuant to section 206C of the Corporations Act, the first defendant be disqualified from managing corporations for a period that the Court considers appropriate.
- 42. Orders pursuant to section 206C of the Corporations Act, the second defendant be disqualified from managing corporations for a period that the Court considers appropriate.
- 43. Orders pursuant to section 206C of the Corporations Act, the third defendant be disqualified from managing corporations for a period that the Court considers appropriate.

A.7 Further orders

- 44. The defendants pay the plaintiff's costs of and incidental to the proceeding.
- 45. Such further or other orders as the Court considers appropriate.

A handwritten signature in blue ink, appearing to read 'Rebecca Jaffe'.

.....
Signed by Rebecca Caroline Jaffe
Solicitor for the Plaintiff

This application will be heard by at
..... at *am/*pm on

B. NOTICE TO DEFENDANT(S) (IF ANY)

TO:

The First Defendant, Paul Chiodo, 17C/29 Queens Road in Melbourne, VIC 3004.

The Second Defendant, Ilya Frolov, Villa 7, Street 60, Al Barsha South, Dubai, United Arab Emirates.

The Third Defendant, Mark Yorston, 10 Kelvin Grove, Ashburton, VIC 3147.

The Fourt Defendant, Jeremy Danon, 409/20 Spring Street, Bondi Junction NSW 2022.

If you or your legal practitioner do not appear before the Court at the time shown above, the application may be dealt with, and an order made, in your absence. As soon after that time as the business of the Court will allow, any of the following may happen:

- (a) the application may be heard and final relief given;
- (b) directions may be given for the future conduct of the proceeding;



(c) any interlocutory application may be heard.

Before appearing before the Court, you must file a notice of appearance, in the prescribed form, in the Registry and serve a copy of it on the plaintiff.

Note Unless the Court otherwise orders, a defendant that is a corporation must be represented at a hearing by a legal practitioner. It may be represented at a hearing by a director of the corporation only if the Court grants leave.

C. FILING

Date of filing:

.....
Registrar

This originating process is filed by Rebecca Caroline Jaffe for the plaintiff.

D. SERVICE

The plaintiff's address for service is Level 8, 447 Collins Street Melbourne VIC 3000.

It is intended to serve a copy of this originating process on each defendant and on any person listed below:

- The First Defendant, Paul Chiodo
- The Second Defendant, Ilya Frolov
- The Third Defendant, Mark Yorston
- The Fourt Defendant, Jeremy Danon



Schedule

No VID of 2026

Federal Court of Australia
District Registry: Victoria
Division: Commercial and Corporations

Defendants

Second Defendant:	ILYA FROLOV
Third Defendant:	MARK YORSTON
Fourth Defendant:	JEREMY DANON

Date: 25 June 2026