

## NOTICE OF FILING

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INTERPRAC FINANCIAL PLANNING PTY LTD (ACN 076 093 680)  
Registry: VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA



*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 17  
Rule 8.05(2)(a)

## Statement of Claim

(Filed pursuant to Orders of the Honourable Justice Neskovic made on 11 December 2025)

No. VID1481/2025

Federal Court of Australia  
District Registry: Victoria  
Division: General

**IN THE MATTER OF INTERPRAC FINANCIAL PLANNING PTY LTD (ACN 076 093 680)**

**AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION**

Plaintiff

**INTERPRAC FINANCIAL PLANNING PTY LTD (ACN 076 093 680)**

Defendant

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## A. PARTIES

### 1. The plaintiff (**ASIC**):

- (a) is a body corporate under s 8(1)(a) of the *Australian Securities and Investments Commission Act 2001* (Cth) (the **ASIC Act**); and
- (b) is entitled to commence and maintain this proceeding in its corporate name under s 8(1)(d) of the ASIC Act.

### 2. The defendant (**Interprac**):

- (a) is a body corporate registered under the *Corporations Act 2001* (Cth) (the **Act**) and is capable of being sued;
- (b) is and was at all material times a subsidiary of **Sequoia** Financial Group Ltd (ACN 091 744 884);
- (c) is and was at all material times the holder of Australian Financial Services Licence (**AFSL**) number 246638 and a financial services licensee (within the meaning of the Act), including in the period between 1 January 2021 and 15 August 2025 (**Relevant Period**); and
- (d) at all material times since 2004, has carried on a financial services business by authorising individuals (**ARs**) and corporations (**CARs**) as its authorised representatives in accordance with s 916A or 916B of the Act to provide financial product advice including personal advice (within the meanings of s 766B of the Act) to retail clients (within the meaning of s 761G of the Act).

### Particulars

Interprac had:

- (i) 278 ARs and 200 CARs as at 30 June 2021 (ITP.0003.0001.4988);
- (ii) 266 ARs and 201 CARs as at 30 June 2022 (ITP.0003.0001.5007);
- (iii) 298 ARs and 220 CARs as at 30 June 2023 (ITP.0003.0001.5027); and
- (iv) 308 ARs and 226 CARs as at 30 June 2024 (ITP.0003.0001.5050).

ASIC refers to Representative Lists for Interprac extracted from ASIC's database.

**B. KEY COMMITTEES AND PERSONNEL**

3. At all material times, Sequoia had:

(a) a Risk and Compliance Committee:

(i) which was a subcommittee of the Sequoia Board; and

(ii) the role of which included supervising, monitoring and overseeing the risk and compliance activities of Sequoia and its subsidiaries including Interprac; and

(b) an Investment Committee:

(i) which was a subcommittee of the Sequoia Board;

(ii) the role of which included:

A. approving, managing and monitoring Interprac's investment activities; and

B. overseeing Interprac's Approved Product List (**APL**); and

(iii) which was required to make recommendations to the Risk and Compliance Committee on all matters within its responsibility.

**Particulars**

Risk and Compliance Committee Charter dated March 2020 (ITP.0125.0001.0016), 16 May 2022 (ITP.0093.0001.1706) and 1 December 2024 (ITP.0124.0001.0063).

Investment Committee Charter (QX5.1001.0003.0436).

4. During the entirety of the Relevant Period, Garry **Crole** was:

(a) the chief executive officer and managing director of Sequoia and Interprac; and

(b) a responsible manager for Interprac's AFSL.

5. Michael **Butler** was:

- (a) Head of Advice and Compliance at Interprac from January 2020 to 31 August 2023;
  - (b) a director of Interprac from 21 April 2023 to 31 October 2024; and
  - (c) a director and shareholder of **MBCC** Pty Ltd (ACN 613 519 627) at all material times.
6. Steven **Kallona** was:
- (a) Manager of Advice Compliance at Interprac from approximately August 2020 to July 2022;
  - (b) Senior Compliance Manager at Interprac from approximately July 2022 to 30 August 2023; and
  - (c) Head of Compliance Operations at Interprac from 1 September 2023.
7. Justin **Harding** was:
- (a) Head of Legal, Risk & Compliance at Sequoia from 2 October 2023; and
  - (b) a director of Interprac from 10 October 2024.
8. During the Relevant Period, the compliance team for Interprac comprised:
- (a) the Head of Advice and Compliance (until 31 August 2023) or Head of Compliance Operations (from 1 September 2023); and
  - (b) between three and four compliance managers.

#### **Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0076.0001.0003, ITP.0022.0001.0002 at .0010-0011).

ASIC also refers to organisation charts for Sequoia and Interprac dated July 2022 (ITP.0093.0001.0604 at .0606), April 2023 (ITP.0052.0001.0054 at .0056) and September 2024 (ITP.0093.0001.1391 at .1394).

## C. THE AUTHORISED REPRESENTATIVES

### C-1. Venture Egg and Merhi

9. Ferras **Merhi** was:

- (a) an AR of Interprac from 18 May 2016 to 31 May 2025, and during that period was a party to an authorised representative agreement with Interprac dated 18 May 2016;
- (b) the sole director of Venture Egg Financial Services Pty Ltd (in liquidation) (ACN 606 306 147) (**VEFS**) (named Ferras Merhi Pty Ltd until 19 March 2024) from 9 June 2015 to 30 May 2025;
- (c) the sole shareholder of VEFS at all material times;
- (d) the sole director of United Financial Advice Pty Ltd (in liquidation) (ACN 617 382 082) (**UFA**) from 13 July 2022 to 30 May 2025;
- (e) the sole shareholder of UFA from 13 July 2022;
- (f) the sole director of Financial Services Group Australia Pty Ltd (in liquidation) (ACN 009 569 939) (**FSGA**) from 10 February 2021 to 30 May 2025;
- (g) the sole director of **Cornerstone** Strategic Management Pty Ltd (in liquidation) (ACN 646 764 767) from 22 December 2020 to 30 May 2025, which was the sole shareholder of FSGA from 10 February 2021; and
- (h) the sole shareholder of Cornerstone from 22 December 2020.

10. **Venture Egg** (ABN 72 776 973 722):

- (a) was at all material times the trading name of a partnership between VEFS and UFA;
- (b) was a CAR of Interprac from 17 June 2016 to 31 May 2025, and during that period was party to a corporate authorised representative agreement with Interprac dated 16 June 2016;

#### Particulars

The corporate authorised representative agreement dated 16 June 2016 (ITP.0020.0001.1743) is between Interprac and Chenh Pty Ltd,

El-Helou Pty Ltd, Ferras Merhi Pty Ltd (VEFS) and Rhys Reilly Pty Ltd, being the members of the partnership known as Venture Egg at that time. From 2 August 2017 onwards, the members of the partnership known as Venture Egg were VEFS and UFA (ITP.0003.0001.0058). By a letter dated 4 August 2025, Interprac informed ASIC that there are no other corporate authorised representative agreements, or amending agreements, with Venture Egg other than the agreement dated 16 June 2016 (ITP.0133.0001.0003).

- (c) operated, in Melbourne, a business of providing financial product advice to retail clients; and
- (d) employed one financial adviser (in addition to Merhi) and one paraplanner as at 1 January 2022 and employed a further 11 financial advisers and 38 paraplanners over the course of 2022 to 2024.

#### **Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0121.0001.0002, ITP.0109.0001.0003 at .0014).

#### **C-2. RRPL and Reilly**

11. Rhys Reilly was:

- (a) an AR of Interprac from 17 June 2016 to 15 August 2025, and was party to an authorised representative agreement with Interprac dated 17 March 2017; and
- (b) the sole director and shareholder of Rhys Reilly Pty Ltd (ACN 606 191 557) (**RRPL**) at all relevant times.

12. RRPL:

- (a) was a CAR of Interprac from 28 March 2017 to 15 August 2025, and during that period was party to a corporate authorised representative agreement with Interprac dated 17 March 2017;
- (b) operated, in Perth and Melbourne, a business of providing financial product advice to retail clients; and

- (c) as at 1 January 2022 employed no financial advisers (other than Reilly) and one paraplanner and, over the course of 2022 to 2024, employed five financial advisers and two paraplanners.

#### **Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0126.0001.0003).

### **D. FIRST GUARDIAN AND SHIELD**

#### **D-1. First Guardian**

13. **First Guardian Master Fund (ARSN 635 429 113):**

- (a) was a managed investment scheme registered on 23 August 2019; and
- (b) was available for investment through platforms of retail superannuation funds, including funds of which **Equity Trustees** Superannuation Ltd (ACN 055 641 757), Diversa Trustees Ltd (ACN 006 421 638), Netwealth Superannuation Services Pty Ltd (ACN 636 951 310) and Netwealth Investments Limited (ACN 090 569 109) were the respective trustees.

14. At all material times:

- (a) First Guardian's responsible entity was **Falcon Capital** Limited (in liquidation) (ACN 119 204 554); and
- (b) First Guardian's investment manager was First Guardian Capital Pty Ltd (ACN 073 622 741) (**FG Capital**).

15. At all relevant times, the Product Disclosure Statements (**PDSs**) for First Guardian:

- (a) stated that:
- (i) there was a real risk that unitholders would not receive all of their capital upon redemption or transfer of units, or upon winding up;
- (ii) a significant component of the total assets of the fund would be illiquid real estate investments; and

- (iii) an investment in the fund was illiquid, and investors may not be able to exit at a time of their choosing;
- (b) did not identify the underlying asset allocation of the fund; and
- (c) instead, identified an allocation of several sub-funds:
  - (i) that did not suggest any coherent investment strategy;
  - (ii) the nature and asset allocation of each of which was not properly identified; and
  - (iii) many of which appeared to include speculative investments, including in residential property development, financial technology, lamb, and construction and property financing.

#### **Particulars**

ASIC refers to the PDSs for the First Guardian Growth, Diversified and Defensive classes each dated 30 April 2020 (Q2U.1004.0001.0230, F1J.0223.0002.8620, Q2U.1004.0001.0325) and subsequent PDSs for each class.

16. At all relevant times, the PDSs for First Guardian’s sub-funds (as referred to in paragraph 15(c) above):
- (a) did not identify the underlying asset allocation of every sub-fund; and
  - (b) identified that some of the sub-funds had large performance fees.

#### **Particulars**

ASIC refers to, among others, the PDSs for the Pan Asia Fund dated 1 May 2022 (ITP.0120.0001.0665), the Gold & Precious Metals Fund dated 6 January 2020 (F1J.0019.0001.0096), the Australian Development Fund dated 15 April 2021 (F1J.0031.0001.1165) and the Global Income Fund dated 1 June 2020 (F1J.0134.0001.0047) and subsequent PDSs for those funds.

17. From 2020, **SQM** Research Pty Ltd (ACN 122 592 036) published research reports regarding First Guardian which:
- (a) gave First Guardian an inaugural rating of 3.5 stars, which was only one rating above SQM’s “caution required” rating and meant that SQM rated the fund as “acceptable” but “low investment grade”;

- (b) identified the following characteristics of First Guardian:
- (i) it was a small, new fund with limited performance or analysis;
  - (ii) the investment team had relatively limited experience in managing multi-asset diversified funds;
  - (iii) FG Capital (the investment manager) and Falcon Capital (the responsible entity) shared common members and a number of related party relationships existed;
  - (iv) the investment manager had no set or preferred investment style or strategy;
  - (v) the board of Falcon Capital was not constituted with a majority of independent directors;
  - (vi) some of the underlying sub-funds added to its complexity;
  - (vii) it was overexposed to the residential property development / mortgage lending sector and did not have any exposure to the largest equity markets in the world, which reduced its diversification and increased its concentration risk; and
  - (viii) its liquidity profile was quite different from a typical balanced fund because a significant proportion of the fund was invested in direct / unlisted assets which are less liquid or illiquid, and some of its underlying sub-funds had lock-in periods;
- (c) related only to First Guardian and did not assess or rate the underlying sub-funds;
- (d) warned that advisers should also refer to the relevant PDSs, not only of First Guardian but also of the underlying sub-funds; and
- (e) identified that SQM had received a fee from the fund manager for the report and rating.

#### **Particulars**

The SQM reports were dated 30 June 2020 (ITP.0016.0001.7709), 31 January 2022 (ITP.0016.0001.4860) and 30 January 2023

(ITP.0016.0001.4897). An advisory update was provided on 26 March 2024 (ITP.0097.0001.1028).

18. In the premises of the facts alleged at paragraphs 15 to 17 above, no reasonable and competent financial adviser could have recommended that any retail client invest any amount (let alone a significant proportion) of their superannuation in First Guardian at any material time because, among other things, it:
- (a) had PDSs that did not adequately identify the allocation of its investment assets;
  - (b) invested in opaque underlying funds;
  - (c) had potentially significant exposure to risky and/or illiquid investments, such as residential property development;
  - (d) had an opaque and unreasonable fee structure, including because some of its sub-funds had excessive performance fees which in effect encouraged the fund manager to take risky and speculative positions;
  - (e) lacked a significant performance track record;
  - (f) had been rated by SQM in the manner alleged in paragraph 17 above;
  - (g) had ownership and investment structures which created potential conflicts of interest; and
  - (h) was available to invest through platforms which had many other comparable investment products that did not have all these deficiencies.

#### **Particulars**

Further particulars may be provided after evidence is filed.

#### **D-2. Shield**

19. **Shield** Master Fund (ARSN 650 112 057):
- (a) was a managed investment scheme registered on 24 May 2021; and
  - (b) was available for investment directly and through platforms of retail superannuation funds, including a fund of which Equity Trustees was the

trustee and a fund of which Macquarie Investment Management Ltd (ACN 002 867 003) was the trustee.

20. At all material times:

- (a) **Keystone** Asset Management Ltd (in liquidation) (receivers and managers appointed) (ACN 612 443 008) was the responsible entity for Shield; and
- (b) **CF Capital** Investments Pty Ltd (in liquidation) (ACN 633 394 751) was the investment manager for Shield.

21. At all relevant times, the PDSs for Shield:

- (a) stated that Shield:
  - (i) should be considered at least a medium risk strategy investment, not intended as a complete investment program;
  - (ii) was designed for investors who could bear the economic risks of the loss of their investment and who recognised that in certain market environments it was likely that there would be constraints on liquidity; and
  - (iii) may also invest in underlying assets including real estate and property development, as well as hedge funds, managed futures, distressed assets, digital assets and private equity;
- (b) did not adequately identify the underlying asset allocation of Shield;

#### **Particulars**

ASIC refers to, among others, the PDS for the Shield Growth class dated 5 July 2021 (ITP.0016.0001.8125), the PDS for the Shield Conservative class dated 8 September 2021 (ITP.0016.0001.5212), and the Supplementary PDS for the Shield Balanced class dated 4 April 2022 (ITP.0016.0001.8567) as well as the subsequent PDSs for those funds.

- (c) did not identify, until 1 July 2023, that Shield had at all material times a significant allocation to unlisted property;

### Particulars

ASIC refers to, for example, the PDSs for the Shield Balanced class (ITP.0110.0001.0011) and Growth class (MAC.1000.0010.8745) both dated 1 July 2023.

- (d) did not always distinguish between Shield's exposure to Australian and international equities;

### Particulars

ASIC refers, for example, to the Supplementary PDS for the Shield Balanced class dated 4 April 2022 (ITP.0016.0001.8567).

- (e) did not disclose the fact that management of around 80 per cent of Shield's portfolio was outsourced to an external fund manager; and
- (f) identified:
  - (i) target asset allocation ranges that were inappropriate for the various classes of fund, unreasonably wide, and gave rise to an unacceptable liquidity risk;

### Particulars

ASIC refers to, for example:

- (i) the Shield Conservative class Supplementary PDS dated 4 April 2022 (SQR.0010.0001.3739) which allowed for allocations of between 0 and 60 per cent in growth assets, between 0 and 70 per cent in alternative assets, and between 0 and 40 per cent in real assets;
  - (ii) the Supplementary PDS for the Shield Balanced class dated 4 April 2022 (ITP.0016.0001.8567) which allowed for allocations of between 20 and 80 per cent in growth assets, and between 0 and 70 per cent in alternative assets; and
  - (iii) the Shield Growth class Supplementary PDS dated 4 April 2022 (SQR.0010.0001.3772) which allowed for allocations of between 30 and 90 per cent in growth assets, between 0 and 70 per cent in alternative assets, and between 0 and 40 per cent in real assets.
- (ii) that the fund had the capacity to invest in related party funds without limitation, and that related entities may be appointed to provide

services or perform functions, and earn fees, commissions or other benefits; and

#### **Particulars**

The PDS for the Shield Conservative class dated 8 September 2021 (ITP.0016.0001.5212) contained statements to the effect alleged, on page 8. Statements to similar effect were contained in the PDS for the Shield Balanced and Growth classes, and subsequent PDSs for each class.

- (iii) that the actual asset allocation ranges of the fund could, and did, change significantly over time.

#### **Particulars**

ASIC refers to, for example, the Supplementary PDS for the Shield Balanced class dated 4 April 2022 (ITP.0016.0001.8567).

- 22. From 2021, SQM published research reports regarding Shield which:
  - (a) gave Shield an inaugural rating of 3.75 stars, which meant that SQM rated the product as “favourable” and regarded the product as suitable to “consider for APL inclusion”;
  - (b) identified that it was a new fund with limited performance or analysis;
  - (c) identified that the Balanced class included an unlisted direct property component of 20 per cent, which involved high-risk investment in property development and financing projects, including those managed by related parties;
  - (d) identified that CF Capital (the investment manager) and Keystone (the responsible entity) shared common members and a number of related party relationships existed;
  - (e) identified that the management of up to around 80 per cent of its portfolio was outsourced to an external fund manager; and
  - (f) identified that SQM had received a fee from the fund manager for the report and rating.

### Particulars

The SQM reports were dated 1 October 2021 (QV1.0010.0001.1407), 6 October 2021 (ITP.0016.0001.7037), 26 October 2022 (ITP.0020.0001.8106) and 17 January 2024 (ITP.0021.0001.1258). An updated report was published on 7 February 2024 (ITP.0088.0001.0523) and an advisory update was provided on 21 March 2024 (ITP.0091.0001.6048).

23. In the premises of the facts alleged at paragraphs 21 and 22 above, no reasonable and competent financial adviser could have recommended that any retail client invest any amount (let alone a significant proportion) of their superannuation in Shield at any relevant time because, among other things, it:
- (a) had PDSs that did not adequately identify the allocation of investment assets, and revealed target asset allocation ranges that were inappropriate (having regard to the relevant target market determination) and unreasonably wide;
  - (b) had potentially significant exposure to risky and/or illiquid investments, such as property development;
  - (c) lacked a significant performance track record;
  - (d) had been rated by SQM in the manner alleged at paragraph 22 above;
  - (e) had ownership and investment structures which created potential conflicts of interest; and
  - (f) was available to invest through platforms which had many other comparable investment products that did not have all these deficiencies.

### Particulars

Further particulars may be provided after evidence is filed.

## E. INVESTMENTS IN FIRST GUARDIAN AND SHIELD

24. Between 2021 and 2024, 6,843 retail clients invested a total of around \$677,093,048 of their superannuation in First Guardian and Shield on the advice of Venture Egg or RRPL (together, the **Authorised Representatives**) comprising:
- (a) 2,930 retail clients who invested around \$242,729,888 in First Guardian on the advice of Venture Egg;

- (b) 2,664 retail clients who invested around \$172,909,078 in Shield on the advice of Venture Egg;
- (c) 1,396 retail clients who invested around \$147,708,228 in First Guardian on the advice of RRPL; and
- (d) 1,139 retail clients who invested around \$113,745,853 in Shield on the advice of RRPL.

#### **Particulars**

The amounts alleged appear in data produced to ASIC by superannuation trustees that offered Shield and First Guardian on their platforms (MQM.0054.0001.0007, EQS.0040.0001.0005, Q2U.1012.0001.0007, Q2U.1013.0001.0006, Q2U.1011.0001.0006).

Interprac has produced data to ASIC showing materially similar amounts for Shield, but somewhat lower amounts for First Guardian (ITP.0077.0001.0006, tabs E and F). Interprac's data shows the total amount of investments in First Guardian and Shield by clients of Venture Egg and RRPL as around \$595,038,312. To the extent there is a difference, ASIC's position is that the data from the trustees is more reliable.

25. The amounts alleged in paragraph 24 above represent more than 50% of the total superannuation investments made by retail clients of Venture Egg and RRPL on their advice in the same periods.

#### **Particulars**

Interprac has produced data to ASIC (ITP.0077.0001.0006, tabs C and D) showing that:

- (i) between January 2021 and August 2024, Venture Egg clients rolled over around \$631,280,646 into superannuation products; and
- (ii) between April 2021 and May 2024, RRPL clients rolled over around \$357,254,102 into superannuation products,

totaling around \$988,534,749.

#### **F. INTERPRAC LACKED AN ADEQUATE PROCESS FOR APPROVING FINANCIAL PRODUCTS, INCLUDING FIRST GUARDIAN AND SHIELD**

26. Throughout the Relevant Period, Interprac required its authorised representatives only to recommend financial products that were on Interprac's APL or were otherwise approved by Interprac.

27. From at least 2021, Interprac had a policy or practice by which managed funds were automatically included on Interprac's APL if they received a minimum rating from a research house, including a minimum rating of 3.5 stars from SQM.

**Particulars**

ASIC refers to, for example, Interprac's "Business Principle — Approved Product List" (**BP-APL**), version 1.1 (12 August 2020) and version 2.1 (9 August 2022) (ITP.0145.0001.0534, ITP.0145.0001.0553).

Interprac has informed ASIC that it "formally implemented SQM Research" in version 2.1 of the BP-APL and that "[a] rating of 3.5 stars for any SQM researched managed funds was the hurdle for automatic inclusion on InterPrac's APL" (ITP.0119.0001.7885 at .7894).

28. During the Relevant Period, Interprac did not have a single list on which all products on its APL were identified.

**Particulars**

Interprac's main APL was available to Interprac's authorised representatives on the Hub24 investment platform, but that list was incomplete and it never included First Guardian or Shield.

Interprac also maintained a supplementary APL (ITP.0025.0001.0015, ITP.0020.0004.8579). Shield, but not First Guardian, was listed on the supplementary APL.

29. On or about 27 January 2021, Butler approved First Guardian for recommendation by Interprac's authorised representatives following a request made by Reilly.

**Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0119.0001.7885 at .7894). The approval was given verbally (ITP.0118.0001.0383) following an email request from Reilly (ITP.0151.0001.2505).

30. From around September or October 2021, Shield was taken to be included on Interprac's APL by reason that Shield had received a rating of 3.75 stars from SQM.

**Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0149.0001.0017 at .0021). While Interprac states that the "Shield Masterfunds were available on InterPrac's APL in September 2021 when they received a 3.75 star rating from SQM Research", SQM's first report regarding Shield is dated 1 October 2021.

31. Before adding First Guardian to its APL, Interprac:
- (a) did not undertake any assessment of the product, apart from relying on a report from SQM; and
  - (b) did not review the PDSs for the product.
32. Before adding Shield to its APL, Interprac:
- (a) did not undertake any assessment of the product, apart from relying on reports from SQM; and
  - (b) did not review the PDSs for the product.
33. By reason of the matters alleged at paragraphs 26 to 32 above, Interprac:
- (a) lacked an adequate process for approving financial products for inclusion on its APL; and
  - (b) failed to undertake appropriate due diligence and/or assessment of the products before adding each of First Guardian and Shield to its APL.

#### **Particulars**

Interprac failed to:

- a. maintain a comprehensive list of approved financial products, document all versions of this APL, and publish the current version on a platform centrally accessible to Interprac's representatives and advisers;
- b. have in place an appropriate and rigorous process for adding financial products to its APL, including:
  - (i) performing due diligence on a proposed product, such as considering applicable PDSs, researching and analysing underlying assets, potential conflicts of interest, suitability for retail clients, fees, investment managers, liquidity, risk, and performance;
  - (ii) requiring consideration – informed by the due diligence referred to in (i) above – by the Investment Committee of the appropriateness of inclusion of a proposed product on the APL; and
  - (iii) requiring an authorised person to make a documented decision whether to add a proposed product to the APL;
- c. review its APL periodically, and upon any material changes to approved products, such as a change to the PDS, target market determination or research house rating; and

- d. consider and make an informed and documented decision whether it was appropriate to add First Guardian and Shield to its APL.

Further particulars may be provided after evidence is filed.

- 34. By reason of the matters alleged at paragraphs 15 to 18 and 21 to 23 above, neither First Guardian nor Shield was a fund that a reasonable and competent financial services licensee would have added to its approved products list.

**G. INTERPRAC LACKED AN ADEQUATE SYSTEM FOR ENSURING COMPLIANCE BY ITS AUTHORISED REPRESENTATIVES**

- 35. During the Relevant Period:

- (a) Interprac maintained a Compliance Manual that contained risk management procedures and was updated until 20 December 2021;
- (b) after December 2021, the Compliance Manual was not updated and was not used by Interprac’s compliance team;
- (c) prior to and after December 2021, Interprac published a series of “Interprac Business Principles” that were made available to advisers online via its Adviser Resource Centre;

**Particulars**

The Interprac Business Principles were directed to advisers, not Interprac’s compliance team. They addressed topics including the advice process, advice documentation, Interprac’s APL and the best interest duty.

- (d) an “Interprac Business Principle — Audit and Vetting Policy” was first released in around June 2024;

**Particulars**

Version 1.1 dated June 2024 (ITP.0133.0001.0005). Interprac has informed ASIC that the earliest date on which this policy came into effect was July 2024 (ITP.0072.0001.0004, tab B, line 8).

- (e) an “Interprac Business Principle — InterPrac Conflicts of Interest and Other Obligations Policies” was first released in around October 2024;

### **Particulars**

Version 1.1 dated October 2024 (ITP.0109.0001.0196). Interprac has informed ASIC that the earliest date on which this policy came into effect was 21 October 2024 (ITP.0072.0001.0004, tab B, line 23).

- (f) in March 2024, Interprac's compliance team implemented a change in their risk assessment/audit of authorised representatives to include discussion of any referral relationships in order to ascertain whether any conflicts of interest were present in an authorised representative's practice; and

### **Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0109.0001.0003 at .0005).

- (g) Interprac did not seek any risk or assurance reports from external parties in relation to its policies and procedures with regard to the supervision of its financial advisers.

### **Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0109.0001.0003 at .0004).

36. Interprac's advice auditing procedure:

- (a) was not governed by any standardised process or any stand-alone audit policy during the majority of the Relevant Period;
- (b) between around December 2021 and around June 2024, was not subject to a compliance guide, policy or manual that was available to, and used by, Interprac's compliance team;
- (c) permitted authorised representatives to select the client files to be audited;

### **Particulars**

ASIC refers to, for example, Interprac's requests for files made to Venture Egg on 27 November 2023 and 14 May 2024, in which file selection was left to Venture Egg (ITP.0020.0004.2316, ITP.0020.0004.2487, ITP.0020.0004.2488).

- (d) did not involve:

- (i) reviewing the PDSs of investment products recommended by Interprac's authorised representatives to retail clients; or
  - (ii) considering the appropriateness of those investment products for those retail clients; and
- (e) did not require consideration of the systems and processes available to, or used by, Interprac's authorised representatives.

**H. INTERPRAC FAILED TO RESPOND APPROPRIATELY TO ITS AUTHORISED REPRESENTATIVES' USE OF LEAD GENERATORS AND CONNECTIONS WITH FIRST GUARDIAN AND SHIELD**

37. In early 2021:

- (a) Venture Egg proposed to Interprac that Venture Egg would use a referral company or "lead generator", **Imperial** Capital Group Australia Pty Ltd (ACN 628 734 583), as part of its business;
- (b) as described by Merhi to Butler, the proposal included Imperial setting up a "lead generation system where they will qualify the leads" and then "hand off" to Venture Egg for the provision of an SOA "with our recommendations and our preferred investment and present to client"; and
- (c) the proposal involved the promotion of First Guardian as the preferred investment.

**Particulars**

The proposal was partly contained in emails from Merhi to Butler sent in January and February 2021 and attachments to those emails (ITP.0118.0001.0592, ITP.0118.0001.0593, ITP.0118.0001.0907, ITP.0118.0001.0908, Q2U.1004.0001.1946, Q2U.1004.0001.1947).

The attachments included an "ICGA Departmentalisation Sales and Admin Process" that set out steps leading to clients rolling over their superannuation to invest in First Guardian, together with call scripts on Imperial letterhead in which First Guardian was the only investment product mentioned. The email chains showed that some of these documents had been sent to Merhi by David Anderson of First Guardian.

38. In February 2021:

- (a) Merhi sent a “draft limited soa” to an Interprac compliance manager, being a draft Statement of Advice (**SOA**) that included a recommendation to invest 100 per cent in First Guardian; and
- (b) the Interprac compliance manager responded stating that Merhi “should keep it sounding ‘fresh’ and ‘real’; not too ‘templated’ so that it stretches plausibility that everyone could have wanted the same thing”.

**Particulars**

Emails dated 10 and 11 February 2021 and attachment (FAS.0071.0001.0280, FAS.0071.0001.0282).

- 39. Imperial was a CAR of Interprac between 1 April 2021 and 25 October 2021.
- 40. In July 2021, Interprac approved an Imperial call script after some revisions by Interprac.

**Particulars**

The approval was communicated in an email dated 29 July 2021 from an Interprac compliance manager to an employee of Imperial stating that the script was “approved with minor changes” and that “I am pleased there is zero mention of product – well done!” (ITP.0151.0001.1567, ITP.0151.0001.1569). The call script included statements to the effect that Imperial worked closely with Venture Egg, “who are specialist superannuation advisors who can provide specific personal advice”, and made provision for “handover” of the client to Venture Egg.

In a telephone call on or around 3 June 2021, Interprac had told Imperial that “you can’t make it so that FG is the underlying reason for the call and that Personal Advice (PA) is secondary to that process” (ITP.0151.0001.2156). Around this time (June 2021), an Interprac compliance manager had monitored some calls between Imperial and prospective clients and raised concerns that the calls included promotion of First Guardian and deviated from Imperial’s call script (ITP.0151.0001.2159, ITP.0151.0001.1275, ITP.0151.0001.1004, ITP.0151.0001.1276).

- 41. In October 2021:
  - (a) Imperial presented to Interprac a proposal to provide “intra-fund advice specific to” Shield;
  - (b) as part of the proposal in (a) above, Interprac was provided with a proposed call script in which Imperial would promote Shield to clients and pass interested clients to a Venture Egg adviser to “find out if the Shield Master Fund suits” the client; and

- (c) although Shield did not exist until May 2021, the proposal involved presenting clients with a chart showing Shield (Growth class) outperforming other “top superfunds” in the period June 2016 to June 2021.

**Particulars**

Email dated 7 October 2021 and attachments (ITP.0091.0001.3173, ITP.0091.0001.3182, ITP.0091.0001.3202). Merhi had provided information about Shield to Butler in July 2021 (ITP.0118.0001.1485, ITP.0118.0001.0530, ITP.0118.0001.0531).

42. In May 2022, Interprac received a complaint regarding advice from Merhi to a client and:

- (a) the complaint stated *inter alia* that:
  - (i) the client was being pressured into moving his superannuation;
  - (ii) the fee was too high for the limited advice; and
  - (iii) the client “did not speak to the Adviser listed on the SoA at all” and only spoke to a person from AGAT who was not registered as an adviser;
- (b) the advice included a recommendation that the client invest a substantial portion of the client’s superannuation in First Guardian; and
- (c) an Interprac employee identified that:
  - (i) the SOA that was given to the client was “very scoped and limited (not clients preference) and is ‘cookie cutter’ and even includes another person’s name”; and
  - (ii) “Only a small portion has been recommended to be invested in Guardian. Maybe it is a coincidence but I believe that Guardian were the company prior to Sheild that ICGA [Imperial] were recommending”.

**Particulars**

ASIC refers to an email dated 31 May 2022 from an Interprac employee to Crole, forwarding details of a complaint set out in an email dated 30 May 2022 from another Inteprac employee, and to the SOA attached

(ITP.0097.0001.0095, ITP.0097.0001.0101). AGAT was an unlicensed lead generator, as alleged at paragraph 48(a) below.

43. By reason of the matters alleged in paragraphs 37 to 42 above, Interprac:
- (a) knew or ought to have known that Venture Egg and Merhi:
    - (i) had connections with First Guardian and Shield; and
    - (ii) were using or intended to use lead generators such as Imperial, who might promote First Guardian or Shield, in the course of generating advice business for Venture Egg; and
  - (b) failed adequately to investigate those matters.

#### **Particulars**

Interprac relevantly failed to:

- a. investigate whether the proposed or actual role of lead generators in the provision of financial advice by Venture Egg advisers (eg, by preparing “fact finds”, scoping advice, completing risk profiles) was consistent with the best interest obligations, and take prompt steps to address any problematic involvement of lead generators; or
- b. from in or about February 2021, investigate whether Merhi’s relationships with Imperial, First Guardian and Shield posed a potential or actual conflict of interest, and take steps to manage any such conflict of interest; or
- c. investigate the characteristics of First Guardian and Shield.

Further particulars may be provided after evidence is filed.

44. Prior to 2024, Interprac did not:
- (a) have in place any policy, manual, or guidelines on the use of lead-generation companies by its authorised representatives; or
  - (b) suspend the use of lead-generation companies while it put in place appropriate policies or safeguards.

#### **Particulars**

In its “Interprac Business Principle — InterPrac Conflicts of Interest and Other Obligations Policies” (version 1.1 dated October 2024), Interprac introduced a policy stating that “paid referrals must not be received, however non-paid referrals may still pose conflicts” (ITP.0109.0001.0196 at .0200).

**I. INTERPRAC FAILED TO ENFORCE PRE-VETTING FOLLOWING A REVENUE SPIKE AND ADVERSE ADVICE AUDIT**

45. During the Relevant Period, Interprac:

- (a) had access to monthly brokerage reports that showed revenue generated by its authorised representatives from upfront and ongoing advice fees; and
- (b) was able to review the products in which retail clients were investing on the advice of its authorised representatives, including the volume and value of those investments, including by viewing those products on superannuation platform portals to which Interprac had access.

**Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0119.0001.7885 at .7890 and.7893).

46. In around June 2022, Interprac identified a significant increase in new business volumes from Venture Egg (the **2022 revenue spike**).

**Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0022.0001.0002 at .0010).

Venture Egg's total monthly revenue increased from around \$117,005 in January 2022 to around \$545,944 in May 2022 (ITP.0110.0003.5743).

47. By reason of the 2022 revenue spike, Interprac conducted a compliance audit of Venture Egg and Merhi in July 2022 that involved reviewing advice files relating to 12 Venture Egg clients.

**Particulars**

ASIC refers to:

- (i) advice reports produced by Fourth Line for Interprac (ITP.0118.0001.2112, ITP.0118.0001.2080, ITP.0118.0001.2135, ITP.0118.0001.2107, ITP.0118.0001.2089, ITP.0118.0001.2102, ITP.0118.0001.2087, ITP.0020.0001.2799, ITP.0020.0001.3115, ITP.0118.0001.2084, ITP.0118.0001.2123, ITP.0118.0001.2129);
- (ii) a summary of the Fourth Line reports (ITP.0119.0001.1622);

- (iii) documents showing consideration of client files and advice by Interprac compliance managers (ITP.0020.0001.7201, ITP.0020.0001.7209, ITP.0020.0001.7212); and
- (iv) a document titled "Venture Egg Process and High Level Compliance Report" (ITP.0020.0001.7218).

48. The July 2022 compliance audit identified numerous problems with Venture Egg's advice, including that:

- (a) fact finding and client data were being obtained by an unlicensed third-party lead generator, **AGAT** Business Pty Ltd (in liquidation) (ACN 623 063 212);
- (b) AGAT was "scoping out advice" using generic questions and "funelling via sales techniques";
- (c) Venture Egg advisers were not verifying the information collected by the lead generator with the client;
- (d) Venture Egg's advice was generally not personalised but was templated or "cookie cutter", such that Venture Egg's model portfolio "appears to be the only solution for the client";
- (e) the modelling that underpinned the advice was poor, including because it was based on unrealistic returns or missing disclosures;
- (f) the advice used inappropriate language such as "you WILL get a better return + no risk disclosures" and "By saying clients are better off in SMA / Model Portfolio / Master Shield product this is a slippery slope for future complaints and appears systemic for SOAs in 2022 in particular";
- (g) the advice appeared to be "inappropriate or unable to demonstrate reasonable basis";
- (h) the fee structure was confusing and fees were "extraordinarily high"; and
- (i) advisers were seeing a concerningly high number of clients within any given time-period.

#### **Particulars**

ASIC refers to the "Venture Egg Process and High Level Compliance Report" (ITP.0020.0001.7218).

49. Following the July 2022 compliance audit:
- (a) Interprac placed Venture Egg on a two-stage “pre-vetting” arrangement commencing 27 July 2022; and
  - (b) under the arrangement referred to in (a) above, Venture Egg was subject to the following requirements (the **pre-vetting requirements**):
    - (i) to submit every client advice file to Interprac for approval before preparing an SOA; and
    - (ii) to submit the completed SOA to Interprac for approval before it was presented to the client.

**Particulars**

The requirements were communicated in an email dated 27 July 2022 from Kallona to Merhi and others at Venture Egg (ITP.0020.0001.2157).

50. Between 27 July 2022 and 5 September 2022, Venture Egg provided Interprac with only three SOAs for review.
51. By 5 September 2022, Interprac knew or ought to have known that Venture Egg had been providing SOAs to clients without complying with the pre-vetting requirements.

**Particulars**

ASIC refers to emails dated 5 September 2022 between Kallona and Merhi (ITP.0020.0001.2178). Kallona asked Merhi to “provide me a list of names where new business has been lodged/completed without coming through me first (business conducted after 27/07/22)”. ASIC also refers to brokerage reports showing that Venture Egg was taking on many new clients in this period (ITP.0110.0003.5744, ITP.0110.0003.5773).

52. After 5 September 2022, Venture Egg continued not to comply with the pre-vetting requirements.

**Particulars**

Email dated 19 October 2022 between an Interprac compliance manager and Merhi (ITP.0148.0001.8397).

53. Interprac took no steps:

- (a) to ensure Venture Egg complied with the pre-vetting requirements; or
- (b) to sanction Venture Egg for failing to comply with the pre-vetting requirements; or
- (c) otherwise to direct Venture Egg to cease recommending that retail clients invest in First Guardian and/or Shield.

54. Interprac knew or ought to have known that the 2022 revenue spike was connected with an increased volume of advice by Venture Egg recommending investment in First Guardian and Shield.

**Particulars**

ASIC refers to matters including:

- (i) an internal Interprac email dated 9 June 2022 referring to First Guardian and “how these advisers are able to see a significant number of clients a week” (ITP.0097.0001.1140);
- (ii) the advice reviewed by Interprac in the July 2022 compliance audit and the compliance team’s statements regarding Shield and Venture Egg’s model portfolio in the resulting report (ITP.0020.0001.7218);
- (iii) Interprac’s access to data showing increased inflows into First Guardian and Shield from Venture Egg clients in the first half of 2022 (ITP.0077.0001.0006); and
- (iv) the matters alleged in Part H of this Statement of Claim.

55. By September 2022, Interprac was aware that Venture Egg and RRPL were working together.

**Particulars**

ASIC refers to an email chain between Interprac employees dated 28 September 2022 (FAS.0093.0006.1200).

56. Despite the matters alleged in paragraph 55 above, Interprac did not carry out a similar compliance audit of RRPL’s client files or impose the pre-vetting requirements on RRPL.

57. Interprac:

- (a) sent an email to advisers on 13 September 2022 stating that it had come to the compliance team’s attention that AGAT “may be employing strong sales techniques”; and
- (b) despite knowing that Venture Egg was using AGAT as a lead generator (by reason of the matters alleged at paragraphs 42 and 48 above), failed to take steps to:
  - (i) investigate whether the arrangement was appropriate; or
  - (ii) prevent Venture Egg from continuing with the arrangement.

**Particulars**

Email dated 13 September 2022 (FAS.0070.0001.7133).

58. In April 2023, Interprac noticed a further “major spike” in new business volumes from Venture Egg and RRPL (the **2023 revenue spike**).

**Particulars**

Email from Crole to Butler and Kallona dated 15 April 2023 (ITP.0097.0001.7699).

Venture Egg’s total monthly revenue increased from around \$408,741 in February 2023 to around \$1,722,417 in April 2023 (ITP.0097.0001.7927 at .7933).

59. Interprac knew or ought to have known that the 2023 revenue spike was connected with an increased volume of advice by Venture Egg and RRPL recommending that retail clients invest in First Guardian and Shield.

**Particulars**

The particulars to paragraph 54 above are repeated. Data produced by Interprac shows significant increases in monthly investments by clients of both Venture Egg and RRPL in both First Guardian and Shield over the period July 2022 to April 2023 (ITP.0077.0001.0006, tabs E and F).

**J. INTERPRAC’S ADVICE AUDITS LACKED RIGOUR AND INTERPRAC FAILED TO RESPOND ADEQUATELY TO SERIOUS ISSUES**

60. In November 2022:

- (a) Interprac reviewed a further Venture Egg client file, in which the SOA recommended a 100 per cent allocation of the client's superannuation to First Guardian; and
- (b) Interprac's review:
  - (i) did not consider the appropriateness of that fund, including that allocation; and
  - (ii) identified, among other things, that the SOA:
    - A. used incorrect risk profile figures;
    - B. recommended investments that would see the client paying higher fees than their existing superannuation investments despite the SOA promising, and the client seeking, lower fees; and
    - C. contained potentially misleading projections.

#### **Particulars**

ASIC refers to emails from Kallona on 9, 10 and 15 November 2022 (ITP.0020.0001.3077) and the relevant SOA (ITP.0020.0004.3758) and updated SOA (ITP.0020.0001.3315) that Venture Egg provided to Kallona. The file was selected by and offered to Interprac by Venture Egg, rather than requested or selected by Interprac.

61. In February 2023, Interprac reviewed a further five Venture Egg and RRPL client files and:
- (a) all those files recommended significant allocations to Shield or First Guardian;
  - (b) two files recommended a 100 per cent allocation of the client's superannuation to Shield;
  - (c) Interprac's review did not consider the appropriateness of Shield or First Guardian, including the appropriateness of those high allocations, notwithstanding that data available to Interprac showed a large number of Venture Egg and RRPL clients investing millions of dollars in Shield and First Guardian every month; and

- (d) Interprac's review identified numerous problems with the files including:
  - (i) failure to record discussions with clients and maintain adequate risk profiles;
  - (ii) failure to disclose increased costs of moving superannuation funds in SOAs;
  - (iii) failure to include adequate warnings regarding inaccurate or incomplete information in the SOAs; and
  - (iv) the client objectives were exactly the same in every file.

#### **Particulars**

ASIC refers to the SOAs reviewed and an undated document prepared by Interprac recording "common issues" in the files reviewed (ITP.0020.0001.2223).

62. In May 2023, Interprac reviewed a further 10 Venture Egg and RRPL client files and:
- (a) all but one of those files recommended significant allocations to Shield, and the file that did not do so recommended a significant allocation to First Guardian;
  - (b) half of the files recommended a 100 per cent allocation of the client's superannuation to Shield;
  - (c) Interprac's review did not consider the appropriateness of Shield (or First Guardian), including the appropriateness of the high allocations, notwithstanding that data available to Interprac showed a large number of clients continuing to invest millions of dollars in Shield (and also First Guardian) every month; and
  - (d) Interprac's review identified, among other things, that the SOAs:
    - (i) ignored client objectives;
    - (ii) assumed concerningly high and unrealistic investment returns for the recommended funds;
    - (iii) ignored insurance considerations; and

- (iv) contained very similar, and in some cases precisely the same, client objectives.

#### **Particulars**

ASIC refers to, for example, an email dated 8 May 2023 from Kallona to the Interprac compliance team (ITP.0020.0001.5831) attaching an Interprac document titled “Venture Egg & Reilly Financial – File feedback 10/05/2023” (ITP.0020.0004.5754) as well as the SOAs reviewed and the Fourth Line reports relating to those SOAs.

63. In September 2023, Interprac reviewed five further RRPL client files and:
- (a) two of the five SOAs recommended that the client invest the entirety of their superannuation in Shield;
  - (b) one of those two SOAs was dated 22 August 2023, which was more than a month after the commencement of the Hold alleged at paragraph 72 below; and
  - (c) Interprac’s review did not consider the appropriateness of recommending Shield for investment while it was subject to the Hold, nor generally, and concluded that overall the files were “of good quality”.

#### **Particulars**

ASIC refers to SOAs dated 11 April 2023 and 7 August 2023 (ITP.0093.0001.5611, ITP.0093.0001.5704) and Interprac’s Practice Review Report issued by Kallona and authorised by Butler dated 5 September 2023 (ITP.0020.0001.4813).

64. In September and October 2023, Interprac reviewed five further Venture Egg files and:
- (a) each of the five SOAs, which were all dated 7 or 8 September 2023, recommended significant allocations in Shield and First Guardian notwithstanding the Hold;
  - (b) Interprac’s review did not consider the appropriateness of recommending those funds for investment while subject to the Hold or in light of the Hold; and
  - (c) Interprac’s review identified numerous issues including that:

- (i) the average Fourth Line score for the five SOAs was 42%, which was a low score and below expectations;
- (ii) Venture Egg's files had consistently received low Fourth Line scores; and
- (iii) Venture Egg's investment portfolio projections were based on an annual return of 14.18%, which was an exceptionally high rate of return to use for superannuation investment projections and may be considered misleading and not based in fact.

### **Particulars**

ASIC refers to the SOAs reviewed and Interprac's Practice Review Report dated 26 October 2023 (ITP.0020.0001.6519).

Fourth Line was a product that Interprac subscribed to and used until April 2025 as part of its process for reviewing advice (ITP.0119.0001.7885 at .7889-7891). Among other things, Fourth Line produced automated reports that identified issues with advice documents.

65. By reason of the matters alleged at paragraphs 60 to 64 above:

- (a) the advice files of Venture Egg and RRPL demonstrated that the Authorised Representatives were not, or that there was a significant risk they were not, complying with each of ss 961B, 961G, 961H and 961J of the Act;
- (b) in conducting file reviews and audits, Interprac failed to engage adequately or at all with:
  - (i) whether Shield and First Guardian were appropriate investments;
  - (ii) why Venture Egg and RRPL were advising large numbers of retail clients to invest in Shield and First Guardian;
  - (iii) claims made in various SOAs about the performance of Shield and First Guardian that were unrealistic, not supported by evidence, and not credible; or
  - (iv) continued advice to invest in Shield and First Guardian despite the Hold on those products.

66. By reason of the matters alleged at paragraphs 60 to 65 above, by October 2023:

- (a) Interprac's file reviews had shown for more than a year that the advice produced by Venture Egg and RRPL was not meeting standards and was not improving in response to Interprac's feedback;
- (b) Interprac's file reviews lacked rigour and failed to consider the appropriateness of ongoing recommendations of high allocations to Shield and First Guardian in advice provided by Venture Egg and RRPL; and
- (c) Interprac imposed no meaningful and timely consequences on Venture Egg or RRPL as a result of the file reviews.

### **Particulars**

Interprac relevantly failed to:

- a. adequately monitor volumes of business being generated by Venture Egg and RRPL advisers and investigate warning signs, including spikes in revenue (eg, from mid-2022 to early 2023), large numbers of clients per adviser, and high volumes of investments into Shield and First Guardian;
- b. develop and implement appropriate pre-vetting and audit processes in respect of advice provided by Venture Egg and RRPL advisers, including by:
  - (i) developing robust, standardised benchmarks against which to review financial advice during pre-vetting and audit processes;
  - (ii) implementing appropriate mechanisms to (among other things) select client files for review, ensure advisers complied with pre-vet processes, document outcomes, monitor adviser progress, and decide when to end pre-vetting;
  - (iii) ensuring that pre-vetting, where mandated, was actually carried out;
  - (iv) from in or about July 2022, reviewing all personal financial advice to be provided by Venture Egg or RRPL advisers before a statement (or record) of advice was issued; and
  - (v) monitoring the implementation of pre-vet/audit recommendations and adequately addressing failures by Venture Egg and RRPL advisers to comply with their best interest obligations;
- c. from in or about July 2023, monitor Venture Egg and RRPL advisers to ensure they were not recommending Shield and First Guardian, or investing client funds in those products, when Interprac had placed these products on Hold; and
- d. suspend or terminate the authorisation of Venture Egg, Merhi and other advisers when there were reasonable grounds to believe they were not complying with their best interest obligations.

Further particulars may be provided after evidence is filed.

**K. BUTLER HAD A CONFLICTING BUSINESS RELATIONSHIP WITH MERHI**

67. From 1 January 2023, Butler (through MBCC) provided paid consulting services to Merhi (through FSGA) (the **consulting arrangement**).

**Particulars**

The consulting services were provided pursuant to a Consultancy Agreement dated 1 January 2023 (FAS.0094.0002.0043). The Consultancy Agreement provided that MBCC would spend 16 hours each week providing the Consultancy Services and that the Consultancy Services would only be performed by Butler or such other persons agreed in writing from time to time by FSGA (clause 2). FSGA paid MBCC a monthly fee of \$5,500 (including GST).

68. On 16 December 2022, Butler informed Interprac's compliance managers of the consulting arrangement and stated that Crole had given permission for the consulting arrangement.

**Particulars**

Minutes of compliance managers' meeting on 16 December 2022 (ITP.0039.0001.0340 at .0343).

69. The consulting arrangement created an actual and apparent conflict of interest between Butler's duties as Head of Advice and Compliance at Interprac and his interest in receiving ongoing payments from FSGA.

**L. INTERPRAC PLACED SHIELD AND FIRST GUARDIAN ON "HOLD" BUT FAILED TO ENFORCE OR MAINTAIN IT**

70. On 4 July 2023, ASIC wrote to Crole and Butler raising concerns about advice to invest in Shield and First Guardian.

**Particulars**

ASIC refers to the letter (ITP.0039.0001.1271).

71. Between 4 and 6 July 2023:
- (a) Crole reviewed the PDSs for Shield and First Guardian; and

(b) this was the first time any employee or officer of Interprac had done so.

72. On or about 6 July 2023, Interprac initiated a “hold” for new investments into First Guardian and Shield (the **Hold**).

**Particulars**

ASIC refers to the email dated 6 July 2023 from Crole to Butler and others (ITP.0097.0001.1027).

73. The Hold was to:

- (a) prevent any AR or CAR from placing clients into either First Guardian or Shield;
- (b) take effect on 11 July 2023; and
- (c) continue until further notice, pending a review of the funds by Crole and the Investment Committee.

**Particulars**

ASIC refers to the email dated 6 July 2023 from Crole to Butler and others (ITP.0097.0001.1027).

74. On or about 7 July 2023, there was a compliance managers’ meeting at which Crole stated that:

- (a) he could not recall authorising either First Guardian or Shield;
- (b) he believed that the structure of First Guardian and Shield was “heavily conflicted” and that their charges were “awful” because in addition to the headline management fee there were further layers of investments, each subject to additional management fees;
- (c) First Guardian and Shield “invest in their own products”, including their “own property investments” which posed a real liquidity issue;
- (d) understanding all the different costs of the funds required “read[ing] the PDS really [carefully]”;
- (e) there was a person related to the funds about whom he was nervous; and

- (f) the advisers “must stop putting money into [the funds] with immediate effect” and Merhi and other advisers “must start withdrawing the funds slowly without creating a panic that the fund is collapsing”.

**Particulars**

ASIC refers to the minutes of the compliance managers’ meeting dated 7 July 2023 (ITP.0039.0001.0641) which record statements to the effect alleged.

- 75. Later on 7 July 2023, Kallona on Crole’s behalf sent emails to Interprac’s authorised representatives, including Venture Egg and RRPL, in which he:
  - (a) stated that by 11 July 2023, all inflows to Shield and First Guardian were “to cease” pending a “further analysis” of the funds by the Investment Committee; and
  - (b) did not convey the substance of Interprac’s concerns about Shield and First Guardian nor recommend that the authorised representatives start withdrawing client funds slowly.

**Particulars**

ASIC refers to the emails from Kallona to Crole and others dated 7 July 2023 respectively entitled First Guardian (ITP.0020.0001.2430) and Shield Master Fund (ITP.0020.0001.2538).

- 76. On 10 July 2023, Kallona sent an email to Interprac’s authorised representatives, including Venture Egg and RRPL, in which he stated that Shield and First Guardian were now suspended for new business until further notice.

**Particulars**

ASIC refers to the emails from Kallona to the Authorised Representatives and others dated 10 July 2023 (ITP.0020.0001.2536).

- 77. During the Hold, Interprac’s compliance team did not monitor whether advisers continued to advise clients to invest in either Shield or First Guardian.
- 78. While Shield and First Guardian were subject to the Hold :

- (a) between July and August 2023, approximately 1,389 retail clients of the Authorised Representatives invested at least \$67.3 million of their superannuation in First Guardian; and
- (b) from July 2023 onwards, approximately 2,358 retail clients of the Authorised Representatives invested around \$75.6 million of their superannuation in Shield.

**Particulars**

Interprac has produced data to ASIC to the effect alleged (ITP.0077.0001.0006).

79. In September 2023:

- (a) Interprac informed Merhi that it had lifted the Hold on First Guardian; and
- (b) Interprac lifted the Hold:
  - (i) after only two months;
  - (ii) following a request from Merhi; and
  - (iii) without any adequate basis, nor any documented reasons.

**Particulars**

Emails from Crole and Butler to Merhi dated 5 September 2023 (ITP.0020.0001.1822).

Text message from Merhi to Butler dated 23 August 2023 (FAS.0111.0039.0001 at .0052).

**M. INTERPRAC FAILED TO RESPOND APPROPRIATELY TO PAYMENTS MADE TO MERHI BY ENTITIES ASSOCIATED WITH FIRST GUARDIAN AND SHIELD**

80. On or about 6 June 2024, Merhi provided a statement to Interprac in which Merhi stated that:

- (a) between 24 February 2021 and 21 July 2023, Cornerstone received payments totalling \$19,230,000 from entities associated with First Guardian; and

- (b) on 6 September 2022, Venture Egg received a payment of \$500,000 from Chiodo Corporation Pty Ltd, an entity associated with Shield.

**Particulars**

ASIC refers to Merhi's statement (ITP.0091.0001.6064).

Interprac has informed ASIC that on 17 July 2025, Reilly disclosed to Interprac that he received payments totaling \$140,000 from Merhi in 2021 in circumstances where Reilly should have understood that the payments were connected with continuing advice to invest in First Guardian (ITP.0003.0001.1432).

- 81. Despite the matters alleged in paragraph 80 above, Interprac:
  - (a) permitted Venture Egg and Merhi to remain as its authorised representatives until 31 May 2025; and
  - (b) permitted RRPL and Reilly to remain as its authorised representatives until 15 August 2025.

**Particulars**

In a letter dated 9 July 2024, Interprac communicated to Merhi requirements regarding the receipt of payments from product providers and stated that "First Guardian and Shield Master Funds cannot be recommended by authorised representatives of Venture Egg without prior requests to InterPrac's compliance team" (ITP.0091.0001.4531, ITP.0091.0001.4532).

**N. INTERPRAC PROVIDED INADEQUATE, TEMPLATE RESPONSES TO CLIENT COMPLAINTS**

- 82. By September 2024, Interprac was receiving numerous complaints about advice of Venture Egg and RPPL to invest in Shield and First Guardian.

**Particulars**

The complaints are recorded in Interprac's complaints register (ITP.0145.0001.0006).

- 83. Instead of properly engaging with and investigating the complaints, Interprac developed a template response that asserted the relevant advice had been appropriate, and sent a version of that response to clients who had lodged complaints.

### Particulars

ASIC refers to, for example:

- (i) an email from Harding to Merhi and others dated 9 September 2024 (ITP.0053.0002.4904) setting out a proposed “skeleton” response to complaints;
- (ii) an email from Harding to Kallona dated 29 November 2024 (ITP.0110.0001.3861) suggesting working on formatting some standard “responses”; and
- (iii) Interprac’s response to a complaint made on 20 November 2024 (ITP.0110.0001.4034) which was typical of the standard response.

### O. INTERPRAC IMPROPERLY APPROVED THE USE OF “NEGATIVE CONSENT”

84. In around August 2022, and again in February 2024, Interprac permitted the Authorised Representatives to use a practice known as “negative consent”.

### Particulars

Interprac has provided information to ASIC to the effect alleged (ITP.0082.0001.0001, ITP.0149.0001.0017).

ASIC further refers to emails from Harding to Crole dated 16 January 2024 (ITP.0097.0001.1355) and from Harding to Wes Hall of New Quantum dated 5 February 2024 (ITP.0149.0001.0022).

85. “Negative consent” allowed the Authorised Representatives to alter a client’s investment portfolio without the client’s genuine consent, by issuing a Record of Advice (**ROA**) stating that the client would be taken to have consented to rebalancing unless the client explicitly instructed otherwise.

### Particulars

Interprac has provided information to ASIC to the effect alleged (ITP.0082.0001.0001, ITP.0149.0001.0017).

86. The Authorised Representatives were the only CARs and ARs of Interprac that were authorised by Interprac to alter a client’s investment portfolio using “negative consent”.

### Particulars

Interprac has provided information to ASIC to the effect alleged (ITP.0082.0001.0001, ITP.0149.0001.0017).

87. Between August 2022 and November 2024, the Authorised Representatives used “negative consent” to make changes to clients’ portfolios on at least 13 occasions:
- (a) using a generic ROA and without regard to the individual circumstances or objectives of each client;
  - (b) without the genuine consent of those clients; and
  - (c) in some cases, to move client investments into Shield or First Guardian, including where the client was not invested in either Shield or First Guardian when the ROA was issued.

#### **Particulars**

Interprac has provided information to ASIC to the effect alleged (ITP.0082.0001.0001, ITP.0149.0001.0017).

ASIC also refers to an email chain between Harding and others between November 2024 and January 2025 (ITP.0110.0001.8472) in respect of a complaint by a client (ITP.0103.0001.0087).

## **P. ADVICE CONTRAVENTIONS**

### **P-1. Sample clients**

88. Between around January 2021 and August 2024, the Authorised Representatives provided personal advice to retail clients, including to the clients identified in Schedule A to this Statement of Claim (the **Sample Clients**).
89. The Sample Clients were:
- (a) retail clients with superannuation;
  - (b) typically referred to the Authorised Representatives by lead generators;
  - (c) provided with personal financial product advice by the Authorised Representatives, including in the form of a SOA; and
  - (d) recommended, in advice given by the Authorised Representatives, to:
    - (i) roll over their superannuation into a choice superannuation fund; and

- (ii) invest a substantial portion of their superannuation in First Guardian and/or Shield.

**Particulars**

See Schedule A.

90. After receiving advice from the Authorised Representatives, most of the Sample Clients:

- (a) rolled their superannuation into a choice superannuation fund; and
- (b) invested a substantial portion of their superannuation in Shield and/or First Guardian.

**Particulars**

As set out in respect of the Sample Clients in Schedule A:

- (a) all of the Sample Clients were advised to invest in Shield and/or First Guardian; and
- (b) 21 of the 26 Sample Clients subsequently had funds placed in either Shield and/or First Guardian.

**P-2. The contraventions**

91. In providing personal advice to each of the Sample Clients, the Authorised Representatives typically:

- (a) failed to identify the objectives, financial situation and needs of the client as disclosed to them through instructions, within the meaning and operation of s 961B(2)(a) of the Act;
- (b) failed to identify the subject matter of the advice that was sought by the client explicitly or implicitly, within the meaning and operation of s 961B(2)(b)(i) of the Act;
- (c) failed to identify the objectives, financial situation and needs of the client that would reasonably be considered as relevant to the advice sought on the subject matter, within the meaning and operation of s 961B(2)(b)(ii) of the Act;

- (d) failed to make reasonable enquiries to obtain complete and accurate information where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, within the meaning and operation of s 961B(2)(c) of the Act;
- (e) failed to conduct a reasonable investigation into the financial products that might achieve the objectives and meet the needs of the client that would reasonably be considered as relevant to advice on that subject matter, within the meaning and operation of s 961B(2)(e)(i) of the Act; and
- (f) failed to assess the information gathered in the investigation, within the meaning and operation of s 961B(2)(e)(ii) of the Act; and
- (g) failed to base all judgments in advising the client on the client's objectives, financial situation and needs, within the meaning and operation of s 961B(2)(f) of the Act.

#### **Particulars**

Further particulars may be provided after evidence is filed.

92. In providing personal advice to each of the Sample Clients, the Authorised Representatives failed to act in the best interests of the Sample Clients in relation to the advice, in contravention of s 961B(1) of the Act, including by reason of the matters alleged at paragraphs 18, 23 and 91 above.

#### **Particulars**

Further particulars may be provided after evidence is filed.

93. By reason of the matters alleged at paragraphs 18 and 23 above and in this Part P, in providing personal advice to each of the Sample Clients to invest in Shield and/or First Guardian, the Authorised Representatives provided the advice to each Sample Client in circumstances where it was not reasonable to conclude that the advice was appropriate to that client, had the Authorised Representatives satisfied the duty under s 961B of the Act to act in the best interests of that client, in contravention of s 961G of the Act.

### **Particulars**

Further particulars may be provided after evidence is filed.

94. In providing personal advice to each of the Sample Clients:
- (a) by reason of the matters alleged in sub-paragraphs 91(a) to 91(d) above, it was reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice was based was incomplete or inaccurate; and
  - (b) in contravention of s 961H(1) of the Act, the Authorised Representatives failed to warn the client that:
    - (i) the advice was, or may be, based on incomplete or inaccurate information relating to the client's relevant personal circumstances; and
    - (ii) because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client's objectives, financial situation and needs.

### **Particulars**

Further particulars may be provided after evidence is filed.

95. By reason of the matters alleged at paragraphs 18, 23 and 80 above and in this Part P, in providing personal advice to each of the Sample Clients to invest in Shield and/or First Guardian, the Authorised Representatives failed to give priority to the client's interests when giving the advice, in contravention of s 961J(1) of the Act.

### **Particulars**

Further particulars may be provided after evidence is filed.

#### **Q. HARM**

##### **Q-1. First Guardian**

96. On 9 April 2025:

- (a) First Guardian's responsible entity, Falcon Capital, was placed into liquidation; and
- (b) the liquidators were ordered to wind up First Guardian.

97. At the date of this Statement of Claim:

- (a) only a partial return of unredeemed funds may eventuate, and a substantial shortfall of asset recovery to outstanding and unredeemed funds invested is likely;
- (b) some investments may provide no or very limited recovery and some investments are likely to take a significant period of time to realise any return, particularly those investments in assets that are not commercialised, or which may require litigation to be commenced to enable recovery;
- (c) eight investments made by First Guardian that held a book value of around \$59 million have a potential realisation of \$504,754 (a recovery percentage of 0.85 per cent); and
- (d) other investments made by First Guardian (where potential recoveries are still to be determined by the liquidators) held a total book value of around \$453 million and in respect of which the liquidation has realised only \$859,227 to date.

#### **Particulars**

ASIC refers to the *Update Report to Creditors and Unitholders* by the liquidators of Falcon Capital dated 2 December 2025.

98. By reason of the matters alleged in paragraphs 96 to 97 above, the clients of the Authorised Representatives who invested their superannuation in First Guardian have suffered substantial loss.

#### **Q-2. Shield**

99. On 27 August 2024, the Federal Court appointed receivers and managers to the property of Keystone in its capacity as the responsible entity of Shield.

### **Particulars**

ASIC refers to *Australian Securities and Investments Commission v Keystone Asset Management Ltd* [2024] FCA 1019.

100. On 28 August 2024, Keystone was placed into administration by its directors.
101. By 22 November 2024, the receivers and managers of Keystone estimated that Shield had suffered significant loss, and the returns to unitholders of Shield (varying between classes) could be between 22 per cent and 58 per cent of their investment.

### **Particulars**

ASIC refers to the letter dated 27 November 2024 from Deloitte, as Receivers and Administrators of Keystone, to unitholders of Shield titled "Significant Event Notice for the purposes of Section 1017B of the Corporations Act 2001 regarding the Appointment of voluntary Administrators and Receivers of Keystone Asset Management and related events".

102. On 2 December 2024, Keystone was placed into liquidation by its creditors.
103. On 10 April 2025, Shield was terminated by a notice of termination.
104. On 10 April 2025, the receivers and managers and liquidators of Keystone informed unitholders of Shield that they had determined it was in the best interests of those unitholders to terminate Shield, on grounds including that:
  - (a) the purpose, return objectives and investment and diversification exposures outlined in the PDSs for each class of units in Shield could not be achieved; and
  - (b) Shield had likely suffered significant losses.

### **Particulars**

ASIC refers to the letter dated 10 April 2025 from Alvarez & Marsal to unitholders of Shield titled "Notice of termination of the Shield Master Fund".

105. By reason of the matters alleged in paragraphs 99 to 104 above, the clients of the Authorised Representatives who invested superannuation in Shield have suffered substantial loss.

**R. INTERPRAC CONTRAVENED SECTION 961L OF THE ACT**

106. By reason of the matters alleged at paragraphs 3 to 94 above, Interprac:
- (a) failed to take reasonable steps to ensure that its authorised representatives complied with each of ss 961B, 961G, 961H and 961J of the Act; and
  - (b) contravened s 961L of the Act.

**S. INTERPRAC CONTRAVENED SECTION 912A OF THE ACT**

107. By reason of the matters alleged at paragraphs 3 to 94 above, Interprac contravened s 912A(1)(a) of the Act.

**Particulars**

During the Relevant Period:

- (i) there was a substantial risk that the financial services being provided by Venture Egg and RRPL, that were covered by Interprac's AFSL, were not being provided efficiently, honestly and fairly;
  - (ii) Interprac knew, or ought to have known, of that substantial risk;
  - (iii) Interprac did not take reasonable steps to address that substantial risk; and
  - (iv) Interprac failed to do all things necessary to ensure that the financial services being provided by Venture Egg and RRPL were provided efficiently, honestly and fairly.
108. By reason of the matters alleged at paragraphs 3 to 94 above, Interprac:
- (a) failed to have adequate risk management systems; and
  - (b) contravened s 912A(1)(h) of the Act.
109. By reason of the matters alleged at paragraphs 107 and 108 above, Interprac contravened s 912A(5A) of the Act.

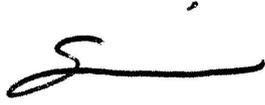
**T. ORDERS UNDER SECTIONS 1101B AND 1324 OF THE ACT**

110. By reason of the contraventions alleged at paragraphs 106 to 109 above and the facts giving rise to those contraventions, as well as the matters alleged at paragraphs 96 to 105 above, it is appropriate for the Court to make the orders sought in paragraph 3 of the Originating Process.

**U. RELIEF**

111. In the premises of the matters alleged above, ASIC seeks the relief set out in the Originating Process.

Date: 6 March 2026



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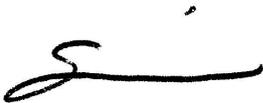
Gina Wilson  
Lawyer for the Plaintiff

This pleading was prepared by S R Senathirajah, G Ayres and J Forrest of Counsel.

### **Certificate of lawyer**

I, Gina Wilson, certify to the Court that, in relation to the statement of claim filed on behalf of the Plaintiff, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: 6 March 2026



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Signed by Gina Wilson  
Solicitor for the Australian Securities and  
Investments Commission

## SCHEDULE A: SAMPLE CLIENTS<sup>1</sup>

	Sample Client	Date of SOA	Adviser Firm	SOA Author	Total Value of Super Before Advice (per SOA)	Total Advised Investment into Shield (\$ / %)	Total Advised Investment into First Guardian (\$ / %)	Date of Initial Investment into Shield	Initial Amount Invested into Shield	Total amount invested into Shield	Date of Initial Investment into First Guardian	Initial Amount Invested into First Guardian	Total Amount Invested into First Guardian
1	SC1	15 June 2022	Venture Egg	Ferras Merhi	\$321,652.43	\$320,652.43 (99%)	N/A	27 October 2022	\$301,089.19	\$301,089.19	N/A	N/A	N/A
2	SC2	23 March 2023	Venture Egg	Ferras Merhi	\$81,813.97	\$70,776.97 (87%)	N/A	27 April 2023	\$15,200.00	\$15,200.00	N/A	N/A	N/A
3	SC3	5 May 2023	Venture Egg	Ferras Merhi	\$144,193.97	\$142,977.68 (99%)	N/A	25 May 2023	\$163,747.69	\$163,747.69	N/A	N/A	N/A
4	SC4	5 July 2023	Venture Egg	Ari Papapavlou	\$40,091.96	\$29,007.23 (72%)	N/A	25 July 2023	\$32,534.01	\$32,534.01	N/A	N/A	N/A
5	SC5	10 March 2023	Venture Egg	Ferras Merhi	\$79,805.37	\$78,781.43 (99%)	N/A	6 April 2023	\$87,550.68	\$87,550.68	N/A	N/A	N/A
6	SC6	16 June 2023	Venture Egg	Ari Papapavlou	\$25,013.44	\$13,979.40 (56%)	N/A	13 July 2023	\$18,548.59	\$18,548.59	N/A	N/A	N/A

<sup>1</sup> SC12 to SC26 were reviewed by Interprac. The remaining files were not reviewed by Interprac.

	Sample Client	Date of SOA	Adviser Firm	SOA Author	Total Value of Super Before Advice (per SOA)	Total Advised Investment into Shield (\$ / %)	Total Advised Investment into First Guardian (\$ / %)	Date of Initial Investment into Shield	Initial Amount Invested into Shield	Total amount invested into Shield	Date of Initial Investment into First Guardian	Initial Amount Invested into First Guardian	Total Amount Invested into First Guardian
7	SC7	16 September 2021	Venture Egg	Ferras Merhi	\$166,447.64	N/A	\$166,447.64 (100%)	N/A	N/A	N/A	1 October 2021	\$207,137.25	\$214,216.97
8	SC8	3 May 2022	Venture Egg	Ferras Merhi	\$246,051.43	N/A	\$223,443.33 (91%)	N/A	N/A	N/A	18 May 2022	\$189,171.13	\$238,326.07
9	SC9	15 June 2023	Reilly Financial	Rhys Reilly	\$150,646.00	N/A	\$138,005.35 (92%)	N/A	N/A	N/A	18 July 2023	\$134,777.34	\$134,777.34
10	SC10	22 June 2023	Reilly Financial	Rhys Reilly	\$425,906.00	N/A	\$413,406.00 (97%)	N/A	N/A	N/A	11 July 2023	\$410,061.10	\$556,653.10
11	SC11	11 October 2023	Reilly Financial	Rhys Reilly	\$65,477.73	N/A	\$54,368.18 (83%)	N/A	N/A	N/A	25 October 2023	\$50,748.48	\$50,748.48
12	SC12	24 May 2021	Venture Egg	Sam Saad	\$426,660.19	N/A	\$416,660.19 (98%)	N/A	N/A	N/A	9 June 2021	\$404,325.76	\$404,325.76
13	SC13	15 February 2022	Venture Egg	Ferras Merhi	\$109,000.00	N/A	\$96,500.00 (89%)	N/A	N/A	N/A	10 March 2022	\$92,366.35	\$106,850.94
14	SC14	19 April 2022	Venture Egg	Ari Papapavlou	\$164,302.62	N/A	\$32,860.52 (20%)	N/A	N/A	N/A	29 April 2022	\$31,981.29	\$163,962.35
15	SC15	21 December 2021	Venture Egg	Ferras Merhi	\$21,437.15	\$10,437.15 (49%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Sample Client	Date of SOA	Adviser Firm	SOA Author	Total Value of Super Before Advice (per SOA)	Total Advised Investment into Shield (\$ / %)	Total Advised Investment into First Guardian (\$ / %)	Date of Initial Investment into Shield	Initial Amount Invested into Shield	Total amount invested into Shield	Date of Initial Investment into First Guardian	Initial Amount Invested into First Guardian	Total Amount Invested into First Guardian
16	SC16	7 February 2023	Reilly Financial	Rhys Reilly	\$600,541.77	N/A	\$587,155.96 (98%)	N/A	N/A	N/A	21 February 2023	579,641.77	\$604,047.88
17	SC17	10 March 2023	Reilly Financial	Rhys Reilly	\$137,870.77	\$126,870.77 (92%)	N/A	30 March 2023	\$122,700.00	\$122,700.00	N/A	N/A	N/A
18	SC18	13 March 2023	Reilly Financial	Rhys Reilly	\$460,022.84	\$438,984.75 (95%)	N/A	30 March 2023	\$231,800.00	\$448,800.98	N/A	N/A	N/A
19	SC19	15 March 2023	Venture Egg	Ferras Merhi	\$134,554.02	\$24,910.80 (19%)	N/A	30 March 2023	\$47,400.00	\$47,400.00	N/A	N/A	N/A
20	SC20	1 May 2023	Reilly Financial	Rhys Reilly	\$553,422.85	\$532,348.05 (96%)	N/A	25 May 2023	\$604,472.80	\$604,472.80	N/A	N/A	N/A
21	SC 21	22 May 2023	Venture Egg	Ferras Merhi	\$138,845.49	\$25,769.10 (19%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
22	SC 22	8 June 2023	Reilly Financial	Rhys Reilly	\$134,762.58	N/A	\$130,000.00 (96%)	N/A	N/A	N/A	21 July 2023	\$110,980.56	\$128,980.56
23	SC23	7 August 2023	Reilly Financial	Rhys Reilly	\$163,926.60	\$134,703.00 (82%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
24	SC24	7 September 2023	Venture Egg	Ferras Merhi	\$68,280.10	\$11,656.02 (17%)	\$11,656.02 (17%)	N/A	N/A	N/A	N/A	N/A	N/A

	Sample Client	Date of SOA	Adviser Firm	SOA Author	Total Value of Super Before Advice (per SOA)	Total Advised Investment into Shield (\$ / %)	Total Advised Investment into First Guardian (\$ / %)	Date of Initial Investment into Shield	Initial Amount Invested into Shield	Total amount invested into Shield	Date of Initial Investment into First Guardian	Initial Amount Invested into First Guardian	Total Amount Invested into First Guardian
25	SC25	8 September 2023	Venture Egg	Ferras Merhi	\$114,422.13	\$20,884.43 (18%)	\$27,221.22 (24%)	N/A	N/A	N/A	N/A	N/A	N/A
26	SC26	27 November 2023	Venture Egg	Ferras Merhi	\$44,216.48	N/A	\$43,332.15 (98%)	N/A	N/A	N/A	8 January 2024	\$39,080.86	\$39,080.86