

IN THE SUPREME COURT OF NEW SOUTH WALES
DIVISION: EQUITY
REGISTRY: SYDNEY

No.

IN THE MATTER OF RETAIL ADVENTURES PTY LIMITED (IN LIQUIDATION)
ACN: 135 890 845

Sperling Enterprises Pty Ltd
ACN 001 882 364
Plaintiff

Retail Adventures Pty Limited (In Liquidation) (ACN 135 890 845) (and Others)
First Defendant

AFFIDAVIT OF PAUL RAINFORD 8 DECEMBER 2014

On 18 December 2014, I, Paul Rainford of Level 6, 37 St George's Terrace, Perth, Western Australia, Investment Manager say on oath:

1. I am an investment manager employed by IMF Bentham Limited (IMF). Up until May 2014 I was responsible for managing this matter on behalf of the IMF and I am duly authorised to make this affidavit on IMF's behalf.
2. Exhibited to me at the time of swearing this affidavit and marked "PH-1" is a paginated bundle of documents to which I refer.
3. I refer to Schedule 1 of the Originating Process filed in these proceedings and adopt the defined terms contained therein.
4. The following facts are within my own personal knowledge except as otherwise stated.
5. In late 2012 IMF was approached by a creditor of RAPL and asked to consider funding legal actions against officers and others connected with RAPL.



Deponent




Witness

Filed on behalf of : the Plaintiffs
Prepared by:
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Attention: Heather Collins

6. On 13 February 2013 IMF sent a letter of introduction to certain creditors of RAPL. Exhibited at pages 1 - 3 is a copy of that letter.
7. On 19 March 2013 IMF announced that it proposed to fund an investigation, public examinations and legal proceedings to recover losses incurred by unsecured creditors of RAPL. Exhibited at page 4 is a copy of the announcement to the ASX dated 19 March 2013.
8. On 18 March 2013 an information pack was emailed to 78 creditors of RAPL. Exhibited at pages 5 - 62 is a copy of the list of creditors that the information pack was email to and a copy of the information pack.
9. On 20 March 2013 an information pack was mailed to a further 526 creditors of RAPL. Exhibited at pages 63 - 72 is a copy of the list of the creditors to whom the information pack was mailed to. Two further mail outs of the Information pack occurred on 20 March 2013 and 23 March 2013. A further 38 creditors of RAPL received the information pack shortly after this. Exhibited at pages 73 - 74 is a copy of the two supplementary lists of creditors the information pack was mailed out to.
10. Between 20 March 2013 and 2 September 2013 128 RAPL creditors executed and returned IMF Funding Agreements. Based on the adjudication of the informal proofs of debt by the administrators of RAPL the value of the debts owed to those creditors was \$28,026,324. Exhibited at page 75 is a schedule of the Funded Creditors as at 2 September 2013 (**List of Funded Creditors**).
11. On 26 August 2013 IMF sent out a notice to all Funded Creditors attaching a revised funding agreement. The amended IMF funding agreement incorporated the requirements of IMF's conflict management policy. Exhibited at pages 76 - 108 is a copy of the revised IMF funding agreement in mark up.
12. Since 2 September 2013 the List of Funded Creditors has been amended for the following reasons:
 - (a) IMF discovered that one of the creditors, Ice Water Press Pty Ltd (Receivers and Managers Appointed), was under the control of a receiver and manager at the time that it executed the funding agreement with IMF. The IMF Funding Agreement was executed by the director of that creditor company without the authority of the receiver. As a result that creditor is no longer part of the IMF funded creditors.
 - (b) Gummie Pty Ltd assigned its debt to Group Security Solutions Pty Limited. Exhibited at pages 109 - 112 is a copy of the Formal Proof of Assigned Debt; and
 - (c) Art Beads & Craft Supplies Warehouse Pty Ltd assigned its debt to Art Beads & Craft Warehouse Pty Limited.



 Deponent



 Witness

Exhibited at pages 113 - 115 is a copy of the updated list of Funded Creditors.

SWORN at

PERTH

Signature of deponent



Name of witness Christopher Stephen Williams.

Address of witness Solomon Brothers, Level 15, 197 St. George's Terrace, Perth

Capacity of witness Legal Practitioner

And as a witness, I certify the following matters concerning the person who made this affidavit (the deponent):

- 1 #I saw the face of the deponent. ~~[OR, delete whichever option is inapplicable]~~ ~~#I did not see the face of the deponent because the deponent was wearing a face covering, but I am satisfied that the deponent had a special justification for not removing the covering.*~~
- 2 #I have known the deponent for at least 12 months. ~~[OR, delete whichever option is inapplicable]~~
~~#I have confirmed the deponent's identity using the following identification document:~~

Identification document relied on (may be original or certified copy)[†]


Signature of witness



Note: The deponent and witness must sign each page of the affidavit. [* The only "special justification" for not removing a face covering is a legitimate medical reason (at April 2012).]

[† "Identification documents" include current driver licence, proof of age card, Medicare card, credit card, Centrelink pension card, Veterans Affairs entitlement card, student identity card, citizenship certificate, birth certificate, passport or see Oaths Regulation 2011 or JP Ruling 003 - Confirming Identity for NSW statutory declarations and affidavits, footnote 3.]

CHRISTOPHER STEPHEN WILLIAMS
A legal practitioner who has held
a practice certificate for at least two years
and who holds a current practice certificate.



Deponent

Witness

SCHEDULE

PLAINTIFF/S


Sperling Enterprises Pty Ltd
ACN 001 882 364
Plaintiff

DEFENDANT/S

Retail Adventures Pty Limited (In Liquidation)
ACN 135 890 845
First Defendant

Vaughan Strawbridge, John Lethbridge Greig
and David John Frank Lombe

Second Defendant



Deponent

Witness