

Information Memorandum



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**LEGAL SERVICES
CAPITAL TRUST**

Corporate Directory



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Auditor

PricewaterhouseCoopers

Corporate Authorised Representative

BUSiFUND Pty Ltd ABN 65 496 912 772

312/33 Lexington Drive

Bella Vista NSW 2153

Investment vehicle / SPV

BUSiFUND Capital Trust

BUSiFUND Legal Services Capital Trust

Registered office

BUSiFUND Pty Ltd ABN 65 496 912 772

312/33 Lexington Drive

Bella Vista NSW 2153

Accountant

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(Chartered Accountants)

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Legal counsel/s

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Sydney NSW 2000

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Sydney NSW 2000

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Level 21, 133 Castlereagh Street

Sydney NSW 2000

Executive Summary

- About our AFSL
- Offer
- Purpose
- Security
- Asset risk
- Asset class/es
- Investment Returns

Executive Summary

About our AFSL

BUSiFUND Pty Ltd (BUSiFUND) atf BUSiFUND Capital Trust is a Corporate Authorised Representative (**CAR**) (#001281683) of Sapien Capital Partners Limited (AFSL # 238128) (**Sapien**) presently limited to the provision of services to Wholesale or Sophisticated clients (**Wholesale Clients**) in carry on a financial services business.

Offer / Funds Sought from Investors

The SPV seeks through the [Offer](#) (**Offer**):

- to raise up to \$4.7m from Investors,
- Issuing up to 94 units in the SPV at \$50,000 per unit.

Investment returns / Distributions

Your investment pays a pro-rata monthly Distribution of 5.25% per annum (**Investment Return**) + any Bonus Distribution, in cash or re-invested into further Units (at the Investor's discretion discussed in [Chapter 6](#)).

The minimum term is one (1) year (365 days).

A Distribution *Bonus* of 1.25% p.a. (**Bonus**) becomes then remains payable during any subsequent year upon fully rolling over the previous years' investment sums (and any further investments).

Currently, annual Investment Return in the 2nd year of an investment represents in total 6.50% per annum.

The Fund's annual Investment Return is reviewed biannually in January and July each calendar year (**Review**).

Bonus interest is payable to qualifying rollover investors providing 90+ days notice prior to their term maturity date, otherwise the prevailing rate upon rollover applies.

Purpose

The SPV's Purpose is:

*to distribute superior financial returns through acquisition and realisation of low-risk, appreciating, legal services assets - for the sole purpose of improving the SPV's asset base. (**Purpose**)*

Security

Your investment features a Hierarchy of Security likely to include:

- Security interest/s over Defendant's Real Property.
- Security interest/s over causes of action/s against Defendants.

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- Fee income from Litigation Funders for managing their MIS's under our AFSL.
 - Security Interest over All Present and After Acquired Assets of Defendants or others.
 - An interest in the **Fruits of Litigation** including:
 - Security interest/s over the Defendant's interest/s in the real and personal property including business/es, shares, cash and otherwise.
 - Security interest over court judgments, orders, damages, compensation awards etc.
 - Security interest charged against guarantees / declarations of liability and otherwise over the Defendant/s.

Asset Classes / income streams

The SPV expects to be exposed to these income streams:

1. Legal Services / Litigation Funding including class-action finance (savings, success fees or otherwise). Such revenue may be generated from assisting either the Plaintiff or a Defendant - sharing in a savings fee or similar - shared with investors through monthly Distributions.
2. Managing MIS's (Managed Investment Schemes) for off-shore Litigation Funders with success and other fees payable to the SPV.

Investment risk

The SPV shall hold Securities over the nominated Asset Classes - which are likely to be growth assets (susceptible to short-term volatility).

To mitigate risk/s, in appropriate instances (upon the advice of lawyers), the SPV will settle proceedings, on a commercial basis, with Defendant's when advised it is prudent to do so.

Assets and security classes

1. **Legal Services funding exposure.**
2. **Other Legal Funding**
3. **MIS Legal Services / conducting class action managed investment schemes (on behalf of off-shore Litigation Funders)**

The SPV's funds are to be applied primarily into Asset Classes to generate Investment Returns, these classes including:

1. Legal Services / Litigation Funding

Legal Services / Litigation Funding has been [in the news recently](#) and is defined by **ASIC** in general terms as:

... a third-party (a litigation funder) with no direct interest in proceedings agreeing to finance some or all of a party's legal costs (which can include solicitors' fees, counsels' fees and other disbursements) in return for a share of any proceeds of the litigation.

In July 2020, the Australian newspaper opined

*Litigation funding is a
lawyer's picnic ...*

and reported judicial comments that it ... offered **returns** described as

“stratospheric, in the 10’s of
thousand% per annum”.

Accordingly, it is reasonable some investors wish to have, at least, part of their portfolio invested in (or be informed about the prospect/s of) these Asset Class/es.

Legal Services / Litigation Funding - Parliamentary Review

The Australian Government is in the midst of (early) steps to regulate the Litigation Funding.

It is expected regulations will in future impose upon Litigation Funders, especially those providing funding to Class Actions and Class Action Members - retail investors, a requirement to hold an AFSL *AND* be regulated under and through a Managed Investment Scheme.

.... the gist of the regulation is that Legal Services / Litigation Funding is a “financial product” and that Litigation Funders (including those based in the New York, London or elsewhere) are actually thus...

carrying on a financial services business in Australia

Therefore, we expect, Funders will be required to be regulated in the same way that other providers of financial services - in Australia - are required.

Submissions in this Government Review have closed and can be viewed online here.

A copy of the draft regulations materials is available here - click link.

Litigation Funding is discussed further in the main body of this document.

2. Other Legal Funding

As mentioned above, the SPV may fund or assist either Plaintiff’s or Defendants with strong cases.

All cases that the SPV will assist in are and will be those where the SPV’s lawyers advise that our client has good prospects (or better).

In the case of either Plaintiffs or Defendants that we assist - the SPV will generate income from the use of its resources to assist that party to obtain the best possible commercial outcome.

3. MIS Legal Services

As mentioned above, the regulations are likely to require certain Litigation Funders of (retail) class action members to hold an AFSL.

Many Litigation Funders are multi-nationals (based in New York Singapore or London) and are unlikely to hold existing AFSL's.

Through the CAR, the SPV offers for a fee access to the AFSL.

It is proposed the SPV, with lawyers it presently retains, will generate fees for the provision of services to (perhaps) both Off-shore Litigation Funders AND class action members.

Moreover, retail investors 'joining' a class action, it is expected, shall be deemed under regulation to be consumers of financial services and therefore will require '*advice*'.

The AFSL licensee and the Corporate Authorised Representative through the SPV, it is proposed, will provide an avenue to manage delivery of this advice (on a fee for service basis), through the SPV's lawyers, to class action claimants (deemed to be retail investors). NB: Some class-actions could have hundreds or thousands of members - fee income may be highly material and development of this revenue stream is a high priority.

Discussions by the SPV and its lawyers with offshore (and some on-shore) Litigation Funders suggests strong interest in such services for a fee payable to the SPV and the lawyers we work with.

Prospective returns

1. **Forecast returns**
2. **Income sources supporting these returns:**
 - **Litigation Funding**
 - **Management fees from operating Managed Investment Schemes for Litigation Funders**
 - **Other revenue**

Investment returns

We offer a Distribution paid monthly of 5.25% per annum (pro-rata) + any Bonus Distribution to roll-over investors, currently 1.25% per annum in year 2 (**Investment Return**) discussed in [Chapter 6 - click here to view this Chapter](#).

Distributions may be structured (at the SPV's discretion) as straight interest, dividends (franked or otherwise), net realised capital gains, capital returns or buy backs.

Income sources

The SPV's income sources are expected to include:

1. Fruits of Litigation - [judgment orders, litigant asset sales, interest on judgment sums and otherwise](#).
2. Legal Services provided to: Plaintiffs, Defendants (on a success fee or other basis), or; Class Action Managed Investment Scheme Management and the payment of fees (charged to class members or alternatively indemnified by external Litigation Funders) as per financials forecast available upon signing a non-disclosure agreement [Chapter 6 - click here to view](#).
3. Project Management and related fees.

Team

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**BUSiFUND / Corporate
Authorised Representative**

Mark J. Smith and team

PaidOnExchange



Corporate Authorised Rep

1. BUSiFUND

2. Mark A. Kebblewhite



BUSiFUND

BUSiFUND provides a gateway for Wholesale investors to diversify their portfolio and receive personalised fixed income opportunities.

BUSiFUND also provides Australian business with access to secured and alternative Money Supply and Contract Monetisation solutions.

Part of a private group of companies that operate within select industry sectors. BUSiFUND brings to market a highly specialised, bespoke offering to both the Investor and Money Supply markets.

Mark A. Kebblewhite

Mark, 49 is the Managing Director of BUSiFUND, a niche investor and money supply business, focussing on delivery of specialised money supply solutions across a number of targeted verticals. Mark also is the Founder of BUSiPAY, a first to market mobile technology, delivering debt assigned money supply solutions to employers and their employees and contractors.

Mark has held Executive, Director and Managing Director roles in retail including Inchcape, OEM's

including Hyundai, Audi and Volvo; and the San Diego based Digital Marketing company Search Optics.

Mark has extensive commercial experience across organisations including within Mainland China and the United States of America.

Mark is an experienced executive with a demonstrated history of working in finance - business growth solutions, automotive and technology sectors, skilled in organisational transformation, finance, negotiation, business planning, market planning, team building, cross cultural management, mentoring and coaching.

Mark graduated from Sydney University with a Graduate Diploma in 2014 and is currently studying The Legal Profession Admission Board's Diploma in Law with the University of Sydney Law Extension Committee.

Mark is married and has three children and a dog.

In his spare time Mark enjoys early morning gym workouts, kickboxing, golf and personal development.



DCP Asset Management

1. DCP Asset Management

2. Mark J. Smith

3. Tim Horne

4. Sri Sarvani Amudala

DCP Asset Management

DCPAM will be involved in managing Securities, including mortgage enforcement (together with its lawyers) which the SPV undertakes plus support compliance and reporting obligations of the Trustee, BUSI-FUND, Sapien and its auditors, PricewaterhouseCoopers (**PWC**).

Mark J. Smith

Mark, 51 graduated in 1999 with an MBA and in 11 weeks will complete a [Juris Doctor \(Postgrad Law Masters\) at the University of Sydney - Law School](#) (November 2020).



Mark is then able to proceed to enrol as a Solicitor in the Supreme Court of NSW or elsewhere (which may include a stint in Singapore where he has business interests - Covid willing?).

As a company Director, Mark has worked (in Australia, Singapore and Thailand) in sectors including hospitality, travel/tourism, labour logistics, construction, food manufacturing, commodity trading, land development, project management, litigation, corporate finance/insolvency and through DCPAM has case managed his group of company's claims since about 2006.

During this period, Mark has a record in enforcing Securities or settling Claims which he puts down to due diligence and a problem solving capacity - settling or closing around 600 Claims to enforce Securities.

Mark through his related companies has approx. \$17.9m of Funds Under Management including Securities within a [Litigation Pipeline](#) being enforced by DPCAM's together with its [lawyers](#).



Mark is married to Lisa (since 1990) and has 3 adult children, 2 dogs and 19 sheep (most of them 'black-sheep').

In his spare time (when not working, fathering or studying), Mark & Lisa run an ever popular boutique guest-house called [Snowgums Retreat at Nashdale, Orange](#) where he is a [Superhost on Airbnb](#) (with plans to expand it once his JD studies are completed).

Tim Horne (Lawyer)

Tim is a product of Deakin University, Melbourne where, in 2008, he completed a Bachelor of Laws (graduating with honours) and a Bachelor of Commerce (majoring in Finance and Economics).



Tim completed his articles at Gadens Melbourne and formed part of their Banking and Finance Litigation team. There he was directly involved in Victorian, interstate, federal and international commercial litigation matters. His main clients included the biggest financial institutions in Australia – Commonwealth Bank, NAB, AMP and Westpac.

Following this, Tim took on a role in Wealth Management in Mexico. He has subsequently mastered Spanish and has gained a Mexican wife and two children.

Whilst in Mexico, Tim worked with a broad range of clients and projects (including Austrade) which has enhanced his commercial expertise and broadened his network.

Tim returned to Australia to assist with a major class action for NSW irrigators against the Murray Darling Basin Authority. He has subsequently worked closely with many regional groups in advocating for many issues around water law and property rights.

Horne Legal was set up to focus on dynamic relationships with clients to better serve their needs. Communication, responsiveness and focus on obtaining success through the success of its clients are the core values.

Tim and Mark have been working to-

gether since early 2019 and Horne Legal Pty will continue advising the SPV and offshore Litigation Funding clients under the MIS management proposed revenue stream.

Sri Sarvani Amudala

Sri Sarvani is an accomplished Program/Project Management professional specialising in Banking and Financial services sector - specifically Banking & Financial services; Financial Management; Trustee Management; Risk & Compliance and elsewhere Project Management experience in Environment Services; Education; Airlines; Telecoms.

Sri Sarvani has delivered projects across technology and business areas with focus on benefits realisation and optimising customer value chain for business stakeholders using Waterfall, AGILE and other Hybrid methodologies along with implementing ITIL processes for UAT and operational readiness management.

Sri Sarvani has worked on improving investment processes for financially managed and Trustee clients, for managed funds and automating retail registry reconciliations for investment funds and in migration of payments system for a global bank, automation of real-time and batch payments with internal business applications and third-party service providers.

Sri Sarvani has completed an MBA, holds a Bachelor of Engineering and is half-way into a Juris Doctor at the University of Sydney with Certificates in PRINCE 2 – Foundation (Project Management) and otherwise.



The Offer

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- Offer
 - Key terms

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Offer

Offer

This Information Memorandum relates to the offer (Offer) of:

- upto 94 distribution eligible units in the Busifund Legal Services Capital Trust (8/2020) (the **SPV**),
- each unit is priced at \$50,000,
- the offer is dated 7 September 2020.

The Offer seeks to raise a total of upto \$4,700,000.

Founder Mark J. Smith brings, he estimates, Securities of circa \$17,900,000 for the SPV to asset manage and provide it with legal services.

Investment returns / Distributions

In return for your investment, the SPV will pay investors a Distribution of 5.25% per annum (pro-rata) + roll-over investors a Bonus Distribution, currently 1.25% per annum during year 2 (**Investment Return**) discussed in [Chapter 6](#).

Investors may receive their Distributions in cash or re-invest (in full or part) into further Units.

Particulars / Key Terms

Particulars

The Offer under this **Information Memorandum** is to raise up to \$4,700,000, through the Issue of up to 94 distribution eligible units in the Busifund Legal Services Capital Trust (8/2020) at a price of \$50,000 per unit (**Unit Price**).

Investment is restricted to applicants who qualify as **Wholesale Clients** under Section 761G (7) of the **Corporations Act** or **Sophisticated Investors** under Section 761GA of the Corporations Act.

Applications Close on 31 August 2021, or when the Offer is fully subscribed (whichever occurs first).

Key Terms

Minimum / Maximum capital commitment	<p>The minimum capital commitment that an investor can subscribe to will be in multiples of \$50,000 units. The maximum being \$4.7m or as otherwise determined by the Trustee at its absolute discretion.</p> <p>The Trustee retains the discretion to accept more or less if it so desires.</p>
Offering of Units	<p>This investment is offered to Sophisticated Investors or Wholesale Clients only, as defined by section 761GA and 761G(4) of the Act.</p> <p>Investors will be required to enter an Investment Deed with the CAR of Sapien, i.e. BUSiFUND.</p>
Distributions	<p>The forecast return is 5.25% per annum (pro-rata) paid monthly in arrears commencing 31 October 2020 plus, if applicable, Bonus Distribution in the subsequent financial year being indicatively, in year 2, a further 1.25% per annum paid monthly in the subsequent year to the first year following Application.</p> <p>The mix quantum of Distributions, i.e. relevant mix of dividend, interest, franking etc will be determined on or about the last business day of each quarter depending upon available surplus cash, franking credits, retained profits and otherwise.</p>
Fees	<p>Certain fees are payable out of the SPV to related entities in relation to Case Management and otherwise.</p> <p>A comprehensive P&L forecast including itemised budgets is available upon execution of a non-disclosure agreement by contacting Mark J. Smith or Mark Kebblewhite.</p>
Term	<p>The minimum term is one (1) year being 365 days from the date of Application for units. Investors who roll-over no less than their initial investment from the previous year giving 90+ day notice of rollover qualify for Bonus Distributions discussed herein.</p>

	Particulars
Date of Offer	7 September 2020
Date Offer Closes	<p>The Date Offer Closes is upon completion of the equity raise of upto \$4,700,000 or 31 August 2021, whichever is the earlier.</p> <p>The Trustees may extend or close the Offer at their discretion without notice.</p>
Legal structure Trust	<p>Hybrid Unit Trust.</p> <p>Busifund Legal Services Capital Trust (8/2020) (SPV).</p>
Trustee	See glossary.
Purpose	The SPV's purpose is: <i>to distribute superior financial returns through acquisition and realisation of low-risk, appreciating, legal services assets - for the sole purpose of improving the SPV's asset base.</i> (Purpose)
Trust Term / Exit plan	<p>The SPV will terminate when:</p> <ul style="list-style-type: none"> - the SPV's rights are disposed of (i.e. all cases in which the SPV has a financial or security interest have concluded), or - all obligations of the Trust have been finalised or - all monies owing to the SPV have been collected, or - the Unitholders otherwise determine.
Issue Price	\$50,000 per Unit payable on application (Application).
Capital to be raised	The Offer is for upto \$4,700,000 AUD in equity capital.

Underlying assets

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- **Proforma Balance sheet**
- **Mortgage Backed Securities**
- **About Litigation funding Securities**
- **Other Asset Backed Securities**

The SPV has agreed to receive benefits from the Founder Mark J. Smith’s company, DCP Asset Management including securities, rights and income over the portfolio of Mortgages and other Securities DC-PAM holds (**Portfolio**) as follows:

Description	Securities
Director’s valuation of Securities under management by the DCPAM (Funds Under Management) as at 7 September 2020 is:	circa \$17,900,000
Liabilities	-\$875,000
Estimated realisable value of Funds Under Management as at 7 September 2020 (Asset Backing).	circa \$17,025,000
Plus proposed Funds	circa \$4,700,000
Total Asset Backing forecast under this Offer	circa \$21,725,000



Mortgage backed Securities

Business Lending

Surplus funds from time to time held by the SPV (including returns achieved from settling proceedings) may be deployed in traditional [Business Lending](#). Such lending is usually exempt from the National Consumer Credit Protection Act 2009 (Credit Code) and may enjoy, on short-term loans (3-6 months) interest rates of around 18% per annum, provide real estate security, and have loan to valuation ratios (LVR's) typically not exceeding 79.9%.

Such Business Lending may be overseen by our Founders - [BUSi-FUND](#) or [PaidOnExchange](#).



About Litigation Funding

What is Litigation Funding?

ASIC defines its understanding of Litigation Funding, in general terms:

... a third-party (a litigation funder) with no direct interest in the proceedings agreeing to finance some or all of a party's legal costs (which can include solicitors' fees, counsels' fees and other disbursements) in return for a share of any proceeds of the litigation.

Why is Legal Services / Litigation Funding an attractive Asset Class?

Amongst other reasons, Litigation Funding has been referred to as:

- Being a *lawyers picnic*.
- Offering "stratospheric returns ... 10,000% return (pa)"

but, otherwise is:

- Legal and
- Moral and
- Provides 'victims' access to justice that may otherwise not be available.

How the SPV generates Investment Returns?

In addition to returns from the Fruit/s of Litigation (a number of actions already underway and expected to generate financial returns during the next 12 months), the Fund will generate returns from:

- providing resources to a diversified pool of Plaintiff's and Defendant's in return to success and other fees and charges.
- MIS Management Fees pursuant to the Management of Class Action / Retail **Managed Investment Scheme** (to be established under the AFSL).
- It is intended that DCPAM and **Horne Legal** will collaborate on the Managed Investment Scheme revenue stream to generate for the SPV Investment Returns (discussed in [Chapter 6 - see here](#)).

Litigation security pipeline

Matters & Investor's Underlying Security

DCPAM holds a large quantum - number and value - of Securities supporting the SPV in a 'Pipeline'.

These Securities offer investors in the SPV a Hierarchy of Securities including real property, cash, shares, insurance claims and otherwise - pledged to the SPV for the purposes of the Trust.

Below is a short summary of some current Legal Services matters the SPV will be advancing to generate Investment Returns from Day 1:

Project Jurua

This is a case of alleged professional negligence by a professional services advisory firm and a governmental agency (i.e. government guaranteed), each backed by separate insurance companies, the personal and business assets of the advisors (and government agency).

Project Mekong

This claim also involves alleged professional negligence and/or misconduct causing loss.

In this instance the Security includes the Defendant's professional license, personal assets, receivables, actual business and otherwise - backed by an insurance company plus the personal and business assets of the advisor/s.

Additionally, the SPV's claim may also be recoverable against the [NSW Torrens Assurance Fund \(TAF\)](#), a fund compensating persons with an interest in real property if and where that interest has been prejudiced.

Project Pearl

This claim involves an export trading firm and the wrongful misappropriation from our client of its property, the mis-use of that property and an action to recover the profits generated from that mis-use.

In this instance the Security, we believe, includes the Defendant's (and Associates) real property, plant and equipment (worth millions of dollars), business assets, trademarks, the director's considerable personal and family assets and otherwise.

Project Guaport

This is a matter involving land developments (the Developer).

In this instance, our client is the beneficiary of a trust relationship over funds unlawfully acquired and subsequently withheld, later transferred by the Developer into a range of other real property assets discussed below.

In this instance the Security (we believe) includes the trust money (potentially traceable) including into the Defendant company (or its asso-

ciated company's) real and/or personal property, development land pipeline, directors personal assets, associates personal assets and otherwise including:

- a \$15m property in one of Sydney's premier beachside suburbs.
- \$4.7m of real estate.
- a \$32m development site.
- a Technology firm with assets of approximately \$160m.

Project Tsangpo

This matter is a liquidator's claim against a company director who caused a particular company to trade for a lengthy period incurring debts whilst insolvent contrary to the Director's Duty to avoid insolvent trading.

This case has similar facts to another matter we are undertaking named Project Sukhona.

The security for this particular case, as in Project Sukhona, is the real property of the Director and the Director's personal guarantee/s.

DCPAM holds and has pledged to the SPV access to many many other claims to various stages of enforcement to ensure the SPV a consistent stream of revenue over many years to come.

Asset Backed Securities

1. **Equipment finance**
2. **1st mortgage lending**
3. **other types of personal and business lending**

Other discrete lending and financing

DCP Asset Management may apply from time to time any surplus funds to productive use in a variety of other lending or financing applying the SPV's funds to produce Investment Returns including:

- Equipment finance
- 1st mortgage lending (short-term)
- Other types of Personal or Business Lending

Investment outline

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- **Investment Return Policy**
 - **Investment Structure & Philosophy**
 - **Legal Services Funding in the news**

Investment Return Policy



Very simply, an investment in the SPV provides the Investor with a fixed Income Distribution of 5.25% per annum (pro-rata) + any Bonus Distribution for rollover investors (presently 1.25% bonus per annum in rollover years (paid monthly) to be obtained via the SPV's exposure to include:

1. Fruits of Litigation - [judgment orders, litigant asset sales, interest on judgment sums and otherwise.](#)
2. Legal Services provided to: Plaintiffs, Defendants (on a success fee or other basis), or; Class Action Managed Investment Scheme Management and the payment of fees (charged to class members or alternatively indemnified by external Litigation Funders) as per financials forecast available upon signing a non-disclosure agreement [Chapter 6 - click here to view.](#)
3. Project Management and related fees.

The Investment Returns are guaranteed to the investor in Priority to the Founder's receiving Investment Returns from the SPV (**Investment Return Policy**).

Investment structure & philosophy

Structure

The investment is structured within the SPV, a Hybrid Trust, with the Investors receiving Priority Dividend Units.

Capital Returns and other payments to the Founders and Staff are only available by way of (sub-ordinate) Capital Only Units.

Fund strategy

The SPV will be managed with funds applied to Legal Services (Litigation Funding) operations, with surplus funds exposable to Mortgage Back Business Lending and/or Other Discrete Business Lending.

Benchmark returns

The OECD G7 inflation index + at least 3% per annum.

Number of investments

The SPV may hold an undefined number of Securities.

Risk profile

The Fund is suited to both income and growth investors who qualify as Sophisticated Investors or Wholesale Clients.

Currency

The Fund's currency is in Australian dollars.

Minimum suggested investment time-frame

The recommended investment timeframe is 1.5-3 years.

Fund performance

The SPV performance will be reported annually to Investors, based upon financial years running from 1 July to 30 June.

Maximum active position

The target maximum position (portfolio weight) of an individual Security is less than 50% of the Fund.

Legal Services / Litigation funding - recent articles

Go to our website to see a range of recent Litigation Funding news articles:

<https://www.dcpartners.solutions/products-services/financial-services/litigation-funding/litigation-funding-recent-news/>

Financials

-
- Forecast returns

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Forecast returns

The investment provides a **Distribution** to Investors of 5.25% per annum (pro-rata) + any Bonus Distribution of 1.25% pa from year 2, paid monthly in accordance with our Investment Return Policy.

In the financial year to 30/6/2021 the returns are forecast to be generated 92% from Legal Services/Litigation Funding activities.

In the financial year to 30/6/2022, the returns are forecast to be generated 71% from Legal Services/Litigation Funding activities and about 19-20% from Business Lending and around 10% of revenue is expected to come from MIS fees for servicing large multi-national class action litigation funders (without their own AFSL's) and their domestic class action membership base, assembling Managed Investment Schemes and administering this base in conjunction with Horne Legal (or other lawyers).

In subsequent financial years, i.e. financial years 2023-2025, Investor Returns are anticipated to be generated increasingly from a balance of Business Lending and Litigation Funding activities.

An in-depth review of financial statements and pro-forma P&L is

agreement a number of our Legal Services/Litigation Funding matters and their forecast Financial Returns are legally privileged.

To discuss Investment Returns including to access a more detailed set of accounts, forecasts and other due diligence materials - call [Mark Smith or Mark Kebblewhite](#). To obtain our NDA [click here](#).

Fees

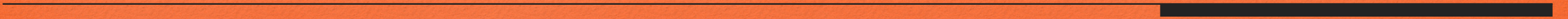
The Trustee and its associates, lawyers and others expect to incur and pay fees to each other and related parties in the carrying on of the ordinary course of the SPV's business and Purpose. A detailed pro-forma P&L is available to potential investors for due diligence purposes after entry into a non-disclosure agreement, to obtain [click here](#).

Sensitivity analysis

The final financial result/s for each financial year and the timing of those results is dependent upon, particularly, the timing the SPV concludes cases in or out of court.

A more detailed sensitivity analysis with if/then analysis modelling a number of scenarios on the timing and conclusion of various court matters in the Trust's Litigation Pipeline is available for inspection and due diligence upon entry into a non-disclosure agreement.

Risks



General and Business Specific Risks

All investments carry risks.

Different investment strategies may carry different levels of risks depending on the assets that make up that strategy.

Assets with the highest long-term returns may have the highest level of short-term risks. Some of the risks specific to the Fund are outlined below.

Market risk

Past performance is not a reliable indicator of future performance.

The investments and securities available to the **Fund** largely comprise potential additional value, the ownership of which carries an inherent risk element.

Unit prices reflect the cash value of the assets of the Fund and consequently Unit Prices or overall underlying value within the SPV may be expected to rise in line with actual legal success and the timing of that success.

Macro-economic risks

The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates, currency exchange rates and statutory requirements are some of the fac-



tors which may influence the progress of financial markets and individual companies.

Company-specific risks

The progress of litigated assets may be affected by changes in factors such as the legal and financial environments in which they in, regulation, technology, personnel and court preferences.

Operational risks

The Trustee is satisfied that it and DCPAM have in place adequate internal controls for its custody and investment administration operations. However, there still may be breakdowns in operations and procedures that cannot be prevented.

Interest rate risk

Interest rate movements may have a positive or negative impact on the asset values and/or returns. There is the risk that an increase in interest rates could lead to a fall in value of the Fund.

Liquidity risk

Some Securities in which the SPV has an interest, especially those relating to companies which have a smaller total market capitalisation, or where the SPV has a large exposure to the company, may be thinly traded or less liquid and therefore may have to be sold at a discount from current market prices, or sold in small lots over an extended period of time.

Regulatory risks

All Securities carry the risk that their value may be affected by changes in laws especially corporation and taxation laws.

Borrowings

The Trustee may undertake borrowings on behalf of the SPV however, the Trustee does not intend presently to borrow on behalf of the Fund.

Compensation fee structure risk

The Trustee may receive compensation based on the performance of the investments of the Fund (but not in priority to Investors and their right to Distributions).

These arrangements may create an incentive for the Trustee to consider some Securities which might otherwise not be the case?

General risks

The key risks of investing in the SPV include:

- the value of investments will vary;
- the level of returns will vary and future returns will differ from past returns;
- returns are not guaranteed;
- laws affecting registered managed investment schemes or similar may change in the future; and
- the relevant level of risk for each investor will vary depending on a range of factors including their age, investment timeframe, the investor's other investments and their individual risk tolerance.

For further information about risks associated with investing in managed investment schemes, please go to ASIC's MoneySmart website (moneysmart.gov.au).

- Before investing in Units, each prospective Unitholder should consider whether the Units are a suitable investment given their individual objectives, financial situation, needs or circumstances.

- An investment in the SPV is illiquid and therefore should not be considered a short-term investment.
- The list of risks is not exhaustive and prospective Unitholders should read this IM in full and seek appropriate advice from their financial adviser.

Important information

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This Information Memorandum relates to the offer (**Offer**) of units in the Busifund Legal Services Capital Trust (8/2020) (**The Trust**) and is dated 7 September 2020.

This Information Memorandum has been prepared by, and the offer of units is made by Busifund, a corporate authorise representative agent of Sapien on behalf of the Trustee (**we, us, our**, the SPV or Trustee).

No performance guarantees

Neither the Trust, nor the Trustees, their respective directors, employees, agents, officers or advisers (**Specified Persons**) makes any promise or representation or gives any guarantee as to the performance or success of the Trust, the repayment of capital or any rate of income or capital return for the Trust.

Past performance is no indication of future performance.



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).removeClass("active");a.fn.scrollspy=d,this,a(window).on("load",function(){a.fn.scrollspy.call(this,a(window).height(),function(a){"use strict";function b(b){return this.each(function(){var c=a(b),d=c.data("bs.scrollspy"),e=d.options,f="top",g=c.offset(),h=g+f,i=g+g+f,j=g+g+f+g,k=g+g+f+g+g,l=g+g+f+g+g+g,m=g+g+f+g+g+g+g,n=g+g+f+g+g+g+g+g,o=g+g+f+g+g+g+g+g+g,p=g+g+f+g+g+g+g+g+g+g,q=g+g+f+g+g+g+g+g+g+g,r=g+g+f+g+g+g+g+g+g+g+g,s=g+g+f+g+g+g+g+g+g+g+g,t=g+g+f+g+g+g+g+g+g+g+g+g,u=g+g+f+g+g+g+g+g+g+g+g+g+g,v=g+g+f+g+g+g+g+g+g+g+g+g+g+g,w=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g,x=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g,y=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g,z=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,A=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,B=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,C=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,D=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,E=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,F=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,G=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,H=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,I=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,J=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,K=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,L=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,M=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,N=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,O=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,P=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Q=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,R=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,S=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,T=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,U=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,V=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,W=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,X=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Y=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Z=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Aa=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Ab=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Ac=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Ad=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Ae=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Af=g+g+f+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g+g,Ag=

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No investment advice

This Information Memorandum is for your general information only.

It is not intended to be a recommendation by the Trustees or any other Specified Person to make an investment in the Trust or constitute a basis for any investment decision to do so. This Information Memo-

random does not contain investment, legal, tax or immigration advice, nor is it a recommendation or opinion on the merits of investing in the trust.

This Information Memorandum does not consider your individual objectives, financial situation or needs or those of any particular investor.

You should read this Information Memorandum carefully and consider the appropriateness of the information and the risk factors including the Risks set out in section 7 that could affect the performance of the investment having regard to your objectives, financial situation and needs.

Investment in the SPV is subject to general investment risk, including possible delays in repayment and loss of income or capital invested and is only suitable for experienced investors with an awareness of the associated risks.

You should not base your decision to invest in the Trust solely on the information in this Information Memorandum. You should consult your financial adviser about an investment in the Trust.

No unauthorised statements or representations

We have not authorised any person to give any information or to make any representation in connection with the Offer which is not contained in this Information Memorandum.

No information or representation which is not contained in this Information Memorandum may be relied upon as having been authorised by us in connection with the Offer.

Unregulated capital raising

The regulated fundraising requirements of the Corporations Act do not apply to this Offer.

An offer of Units in the Trust under this Information Memorandum can only be made to recipients who qualify as Wholesale Client under Section 761G(7) of the Corporations Act or as Sophisticated Investor/s under Section 761GA of the Corporations Act 2001 (Cth) (**Corporations Act**).

We may also accept applications from investors under the small-scale offering provisions of the Corporations Act.

This Information Memorandum is not a product disclosure statement, nor is it a prospectus within the meaning of the Corporations Act.

This Information is not required to and may not contain the same level of detail which would be required in a product disclosure statement or a prospectus and is not intended to be read by anyone other than a Wholesale Client or Sophisticated Investor (or their advisers).

This Information Memorandum is not required to be and has not been lodged with ASIC under the Corporations Act.

Forward looking statements

This Information Memorandum may contain forward looking statements and prospective financial information relating to future matters.

Such forward looking statements and prospective financial information is not predictive in character and may be affected by known and unknown Risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Trust to be materially different from those expressed or implied by such statements.

Jurisdiction and restriction on distribution of this Information Memorandum

This Offer is only available to persons receiving this Information Memorandum within Australia to whom it is lawful to make such an offer.

The distribution of this Information Memorandum in jurisdictions outside of Australia may be restricted by the law of those jurisdictions and this Information Memorandum shall not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to offer the units in the Trust under this Information Memorandum.

If you receive this Information Memorandum in such circumstance you should seek advice on, and observe, those restrictions.

We will take your return of a duly completed Application Form to constitute a representation and warranty by you that there has been no breach.

Unless otherwise stated, dollar amounts are expressed in Australian dollars.

Foreign languages

This Information Memorandum has been prepared in English and is intended to be read and understood in English.

Any translations into other languages are for information purposes only.

In the event of any inconsistency between this English language version of the Information Memorandum and a translation into another language, this English language version will prevail.

General disclaimer

The information in this Information Memorandum is up to date at the time of preparation.

The Trustees may amend or withdraw this Information Memorandum at any time and may issue a new or amended Information Memorandum from time to time.

You should independently verify the material contained in this Information Memorandum and rely on your own enquiries and seek professional independent legal, financial and tax advice before making any decision with respect to an investment in the Trust.

Units in the Trust are offered and issued by the Trustees subject to the Trust Deeds of the Trust and on the terms and conditions described or implied in this Information Memorandum.

This Information Memorandum should be read together with the Trust Deeds.

This Information Memorandum has been prepared by the Trustee.

The Specified Persons make no representations as to the accuracy and completeness of this Information Memorandum.

The Specified Persons accept no liability for any loss or damage suffered or incurred by any investor in the Trust or any other person or entity however caused relating in any way to this Information Memorandum including without limitation, the accuracy or completeness of the information, any errors or omissions or any other written or oral communications made by any Specified Person in relation to this Information Memorandum.

An investment in the Trust is only suitable for experienced investors with an awareness of the associated Risks.

Confidentiality

This Information Memorandum is provided on a strictly confidential basis solely for your information and exclusive use to assess an investment in the Trust and may not be used for any other purpose.

This Information Memorandum or any other document may be legally privileged (privilege is not waived) and as such, no contents of this IM should be disclosed or used contrary to the presumption that the material IS legally privileged.

Documents related to an investment in the Trust may not be copied, reproduced, republished, posted, transmitted, distributed, disseminated or disclosed, in whole or in part, to any person in any way without our prior written consent, which we may withhold in our absolute discretion.

By accepting this Information Memorandum, you agree you will comply with these confidentiality restrictions and terms.

This Information Memorandum is for the establishment of the SPV by that will invest in disclosed Purpose.

Glossary

Glossary

This Information Memorandum is to be read in conjunction with the knowledge base (glossary) contained on our associated party's website - <https://www.dcpartners.solutions/knowledge-base/category/financial-services/>

AFSL

Means an Australian Financial Services License, in this instance, AFSL #238128, issued to Sapien pursuant to s913B of the Corporations Act 2001 (Cth).

To view a copy of Sapien's AFSL click here: <https://bit.ly/2C3pbyT>

ASIC

Means the Australian Securities and Investment Commissions

www.asic.gov.au

BUSiFUND Pty Ltd

Means Busifund Pty Ltd ACN 631 566 446 in its own capacity (but otherwise noted as acting in its capacity as trustee of the BUSiFUND Capital Trust).

Corporate Authorised Representative

Means Busifund Pty Ltd, the Corporate Authorised Representative of Sapien, duly appointed under the Corporations Act (presently limited as at the time of printing to matters involving Sophisticated Investors or Wholesale Clients, but intended to enable servicing of Retail Investments under Class Action / Managed Investment Schemes).

Distribution

Means an Investment Return payable to an Investor being, at the Trustee's discretion, the payment of interest, a dividend, a capital return or any other lawful form of distribution which the SPV may make to an Investor.

Fund

Fund means the SPV.

Hierarchy of Securities

The Hierarchy of Securities underpinning an investment in the SPV may include:

- Real Property
- All present and after acquired property (AllPAAPs)
- The cause/s of action in litigation

-
- The fruit of litigation being
 - a court judgment
 - declarations of personal liability against specific persons
 - security over the real property of specific persons
 - An interest in the SPV.
 - Otherwise

Horne Legal

The Legal practise of Timothy Horne, assisting the SPV, DCPAM and Founders and integral in the Management Fee generation working with on-shore and off-shore Litigation Funders managing Managed Investment Schemes for these 3rd party Litigation Funders, managing retail investors being Class Action Class Members.

Information Memorandum

Means this document, the Information for the SPV, dated 7 September 2020 and also means IM.

Investment Returns

Means Distributions.

Investor/s

Means a unitholder or person who has (or will) subscribe to units in the SPV pursuant to the Offer being a Sophisticated or Wholesale Client.

Litigation Pipeline

A quantity of filed and un-filed Litigation matters held by DCPAM as Plaintiff (or Assignee or Funder) intended to be filed in the appropriate court in the appropriate jurisdiction subject to receipt of final legal advice.

The Litigation Pipeline is discussed in detail within Chapter 4, Section 3 of this IM.

Managed Investment Scheme

A "managed investment scheme" can be defined as a scheme where people (we expect these to be, in the context of this IM, primarily Class Action Members) contribute money or money's worth to acquire rights to benefits produced by the scheme. Any contributions made are pooled or used in a common enterprise (litigation, funded by external litigation funders) to produce financial benefits for the members of the scheme but the members do not have control over the day-to-day operation of the scheme... The definition of managed investment

scheme is set out in s 9 of the Corporations Act and is subject to specific exclusions.

Therefore, to be a managed investment scheme, each of the following elements must exist:

- it must be a “scheme”
- it must involve a contribution of money or money’s worth to acquire rights to benefits
- the contributions are to be pooled or used in a common enterprise to produce benefits for the scheme members and
- the members do not have day-to-day control over the scheme.

It is the practice of the courts to consider each element of the definition separately, and require that all elements be present for the arrangement to be considered a managed investment scheme.

Offer

Has the meaning of Chapter 3 of this IM.

Purpose

The Trust’s purpose as a business and through the SPV and this IM is:

*the funding of legal services, acquiring appreciating assets and/or improving the value of SPV assets for the benefit of stakeholders (**Purpose**).*

The managing aspect of this purpose extends to work done for a fee in managing Managed Investments Schemes (with Horne Legal) including the management of individual retail investors (being retail class action members and claimants, through and with Horne Legal).

Sapient Capital Partners Limited

Means the holder of the AFSL, Sapient Capital Partners Limited including BUSiFUND Pty Ltd (BUSiFUND) atf BUSiFUND Capital Trust is a Corporate Authorised Representative (CAR) (#001281683) of Sapient Capital Partners Limited (AFSL # 238128) (Sapient).

Securities

Means hierarchy of securities.

Sophisticated Investors

has the meaning contained in s 761GA of the Corporations Act.

SPV

Means the Special Purpose Vehicle known as Busifund Legal Services Capital Trust (8/2020) (the SPV).

Trustee

Means the Trustee of the SPV has described in the Trust Deeds to the Trust as amended from time to time.

Unit Price

Means the price payable upon application per unit by a Sophisticate or Wholesale investor to the Trustee being \$50,000 per Unit.

Units

Means units in the SPV issued by the Trustee under this Offer.

We / Us / Our

Means the Trustee or SPV or DCPAM unless the contrary appears to be the case from the context and/or use of the term/s.

Wholesale Clients

has the meaning given by section 761G of the Corporations Act.