

## Body Corporate and Community Management and Other Legislation Amendment Bill 2023

**Submission No:** 85  
**Submitted by:** Ralan Purchasers Rights Alliance  
**Publication:** Making the submission and your name public  
**Attachments:** See attachment  
**Submitter Comments:**

Attn: Ms Kathryn O'Sullivan, Committee Secretary  
The Legal Affairs and Safety Committee  
Parliament House George Street BRISBANE QLD 4000

To: lasc@parliament.qld.gov.au

Cc: [REDACTED]

2 September 2023

Dear Committee Members,

We are pleased to hear the Amendment Bill 2023 was introduced into the QLD Parliament on August 24, 2023, in particular the amendment for the release of deposits under an 'off the plan' residential property contract.

- As per Section 5 of the [Explanatory Notes](#) , “It has been identified there might be uncertainty in the existing provisions that could lead to the early release of the deposits to a seller (property developer), which is not consistent with the policy intent of these existing provisions. “
- “... a deposit can only be released, from a relevant trust account to a party to the contract (such as a property developer who is the seller) at the time of settlement or if another contract finalisation event occurs where that party is entitled to the deposit.”

Our proposals for the above notes are:

1. The explanatory notes should identify what these existing provisions are which may cause uncertainty that could lead to the early release of the deposits to a seller (property developer), but also lead to the misinterpretation by government authority like OFT QLD (e.g. presale deposit release in the Ralan case) as they are the executors for the Property Occupations Act(POA) 2014 and the Agents Financial Administration Act (AFFA) 2014.
2. Providing clear definition of "another contract finalisation event". If we could interpret “the contract finalisation event” is restricted to the event between a seller and the property purchaser, that means the Ralan side agreement to release presale deposit between the purchaser and Ralan Capital Investment Pty Ltd (which was a third party not a seller related to the property sales contract) should be considered as illegal business practice against the POA and AFFA.

As per the legal advice based on Ms Lin's Ralan case (attached), the law that governs the handling of a property agent's trust account in Queensland is the Agents Financial Administration Act 2014 (Administration Act).

The Administration Act relevantly provides that funds in the trust account: a. must be kept in the trust account until paid out under the Act (s 21(1)); and b. can only be paid out in a way permitted by the Administration Act (s 21(2)).

The Ralan Side Agreements used by the Vendors were contrary to the Occupations Act and the release of the presale deposits by Ralan Service Pty Ltd to Ralan Capital Investment Pty Ltd were a breach of the Administration Act. However, the Trust Review Business Unit of OFT QLD had misinterpreted the POA 2014 and AFFA 2014 because they thought the Acts allowed the presale deposit release because the creditors and Ralan entered the side agreements voluntarily. They did not take any action to stop the illegal business practice and had not exercised their function properly to prevent the property developer to misuse the funds and protect the consumers in the market.

The Office of Fair Trading (Queensland) (OFT) is the authority responsible for administering the Occupation and Administration Act. In the last few months, we provided a copy of the legal advice used Ms Lin's Ralan case to the Chief Executive OFT and requested him to reassess the auditor reports. The Chief Executive has dismissed our complaints and stated he did not find any issues with the auditor reports on the trust account. His response letters were attached to this submission. Grant Thornton, the Ralan liquidators and Receivers also commented that they found no misconduct with the Ralan auditor.

We are very disappointed with OFT QLD, the Ralan auditor and the liquidators because they believe the side agreements were signed by creditors and Ralan voluntarily and hence they were legal.

We strongly propose the Committee to consider making Parliamentary inquiry into OFT QLD in dealing with Trust fund. We believe OFT should improve their monitoring and reviewing process to prevent similar corporate collapse like Ralan happening in the future and protect consumers in the QLD property market.

You may also consider making amendments to the Agents Financial Administration Act 2014 if necessary. It has been identified through our complaints to the Chartered Accountants ANZ against the Ralan auditor that it is impractical to implement the enforcement of the Agents Financial Administration Act 2014 that an auditor must comply with at all times on accounting standards and auditing standards Australia. This is a grey area for the QLD government bodies to look at and enhance ASAP.

Please let us know if you need any further information or clarification. We look forward to hearing from you soon.

Sincerely yours,



Suichun (Erin) Lin

[REDACTED]  
Deemed Leader of Ralan Purchasers' Rights Alliance  
Master of Commerce, Macquarie University, Australia  
Certified Practice Accountant Australia, Membership No 9174396  
[REDACTED]

[REDACTED]

Robin Hu

[REDACTED]  
ACCA President

Purchasers and interested parties to the Federal Court Case:

Youren Chen  
Xu Zhi Hu  
Xiao Qing Wu  
Jingjing Fu  
Ling Zou  
Shuyan Dong

[REDACTED]



On behalf of Ralan Victims  
Ralan Purchasers' Rights Alliance  
Australian Culture and Commerce Association (ACCA)  
*Email address: [ralanrights@hotmail.com](mailto:ralanrights@hotmail.com)*  
**89 The Boulevard, Strathfield, NSW 2135, Australia**

Our reference: OFT-5784572



Office of Fair Trading

Department of  
**Justice and Attorney-General**

Ralan Purchasers' Rights Alliance  
89 The Boulevarde  
Strathfield NSW 2135  
[Ralanrights@hotmail.com](mailto:Ralanrights@hotmail.com)

**Attention:** Suichun (Erin) Lin

Dear Ms Lin

I refer to your letter dated 20 March 2023 and your request for the Office of Fair Trading (OFT) to reassess the auditor reports submitted by Ralan Property Services Qld Pty Ltd (now deregistered) (Ralan).

### **Background**

Ralan held a Queensland corporate real estate agent licence and operated a statutory trust account until 30 July 2019 when Said Jahani and others were appointed joint and several liquidators (the liquidator) over Ralan and other corporate entities in the group (the Group).

The Group was a large property developer that went into liquidation reportedly owing over \$300 million to creditors. Ralan carried on business as a real estate agent for the Group.

On 10 February 2021 the Chief Executive appointed Grant Thornton (the receiver) as receiver over Ralan's trust property when advised persons could not obtain payment of trust property held by Ralan.

### **Your request**

Under Part 3 of the *Agents Financial Administration Act 2014* (the AFAA) an agent is required to appoint an auditor who must make a prescribed audit report to give to the agent who must file the report with the chief executive within a prescribed time.

I can confirm Ralan's trust account was audited for each audit period which it carried on business between 2015 and 2018 by Assura Group Pty Ltd (the auditor) a competent auditor who made audit reports in compliance with section 40 of the AFAA which were filed with the Chief Executive.

The audit reports were assessed by the Trust Accounts Unit within OFT and the OFT is satisfied the auditor carried out its functions and obligations satisfactorily and in compliance with the AFAA.

On review of the audit reports and in consideration of the facts known at the time, no grounds exist that would warrant a referral for investigation or reassessment nor was there a matter about the auditor's conduct which reasonably ought to be reported to its supervisory body pursuant to section 32 of the AFAA.

### **The written agreements**

I acknowledge the significant losses experienced by the unsecured creditors of the Group and it is appropriate, if not beneficial, to say something about the Group's business model which likely contributed to the losses you refer in your correspondence.

The liquidator reported that since 2008 a key aspect of the Group's business model was the release of purchasers' deposits, whereby the Group would offer purchasers the option of releasing their deposit in exchange for capitalised interest at the rate of c. 15-20% per annum, to be paid or deducted from the balance due at settlement (the written agreement).

Most purchasers agreed by the written agreement to reduce their deposit to \$100, with the balance released to another entity, Ralan Capital Investment Pty Ltd, by way of an unsecured loan.

The written agreement may be seen as competent parties contracting in an ordinary way and it is difficult to contemplate the AFAA limiting the directions which a principal may lawfully give to an agent with the consent of the other persons with whom the principal is involved.

It is open to conclude that once the purchasers had agreed for the deposits to be reduced, the balance of funds were no longer part of any deposit and was not trust money. Any loss thereafter of those funds is a matter for the parties' agreement as a private contractual matter.

Finally, I note the arrangement may have met the elements of being a Managed Investment Scheme or as you point out the practice raises issues with respect to the requirement to hold an Australian Financial Services Licence; both of which are regulated by the *Corporations Act 2001* administered by the Australian Securities and Investments Commission (ASIC).

I understand the Group has been referred to ASIC.

#### **The trust account**

The \$100 deposits (and other amounts) remained in Ralan's trust account as trust money and were ultimately disbursed to the persons entitled by the receiver.

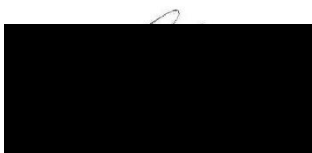
The receiver conducted a full reconciliation of Ralan's trust account with Ralan's books and records and the trust account bank statements. The reconciliation did not disclose any material discrepancy in the trust account and the receiver did not report a defalcation to the Chief Executive as is required under the AFAA if one was identified.

#### **Conclusion**

The Chief Executive is satisfied Ralan's trust account was satisfactorily kept as reported by the auditor and finds no matters for reporting to the auditor's supervisory body.

I appreciate this may not be the answer you were hoping for. You may wish to seek your own independent legal advice about any legal courses of action that may be open to you.

Kind Regards



Craig Turner  
**Executive Director**  
**Office of Fair Trading**

05/06/2023

Attn: David Turner, Chief Executive, OFT QLD

To: OFT-Commissioner@justice.qld.gov.au

Cc: [REDACTED]

26<sup>th</sup> June 2023

Dear Chief Executive, OFT QLD,

Thank you for your letter dated 05/06/2023 responding to our request for the Office of Fair Trading (OFT) to reassess the auditor reports submitted by Ralan Property Services Qld Pty Ltd (now deregistered) (Ralan).

We have further questions which we hope you can answer and explain further. We also seek information from you to support and clarify your comments and assessments.

### **1. Trust Accounts Unit Assessment**

You commented that "Ralan's trust account was audited for each audit period which it carried on business between 2015 and 2018 by Assura Group Pty Ltd (the auditor). The audit reports were assessed by the Trust Accounts Unit within OFT and the OFT is satisfied the auditor carried out its functions and obligations satisfactorily and in compliance with the AFAA."

Please comment details of the process and procedures the Trust Accounts Unit have followed to assess the audit reports, and types of documentations which were examined for this assessment.

Please provide "the facts known at the time" which OFT have taken into considerations.

### **2. Interim Report 19 March 2021 and Final Claim Report Aug 15 2022**

Ms Suichun Lin was provided a copy of the "Interim Report 19 March 2021" the receiver submitted to the Office of Fair Trading to present their preliminary findings regarding their investigations into the Trust Property of Ralan Property Services QLD Pty Ltd.

She has also a copy of the "Final Claims Report" dated Aug 15 2022 which has clearly stated on the cover page that it is a report pursuant to S61 Deciding Claims of AFFA QLD 2014. [The receivers also highlighted the limited scope of work of their appointment](#) and no assessment has been received by OFT.

The receivers commented that "[we do not believe that defalcation has occurred. However, for the avoidance of doubt, we have taken the view that the Released Deposit Scheme was not a defalcation](#) as the purchasers / creditors had agreed, in



writing and by way of the side letter agreement, for the release of their deposit.  
However, **we have not obtained any legal advice on the issue.**"

**Grant Thornton have raised the matter to OFT and to the creditors that the auditor omitted the Released Deposit Scheme in the trust account audit reports. Both interim report and final claim report did not comment that the Auditor Reports have complied with the AFAA and Ralan as registered property agents have not breached the AFAA QLD 2014, particularly Section 20, 21, 22 and Section 17 of the Act. Please comment on this.**

### **3. Further Review and Investigation**

Please let us know if you can conduct further assessment based on our queries.

If not, please let us know the appropriate government body who can investigate and review this matter further.

We look forward to hearing from you soon.

Sincerely yours,

[Redacted Signature]

Suichun (Erin) Lin

[Redacted Title]

Deemed Leader of Ralan Purchasers' Rights Alliance  
Master of Commerce, Macquarie University, Australia  
Certified Practice Accountant Australia, Membership No 9174396

[Redacted Contact Information]

[Redacted Contact Information]

Robin Hu

[Redacted Title]

ACCA President

Purchasers and interested parties to the Federal Court Case:

Youren Chen  
Xu Zhi Hu  
Xiao Qing Wu  
Jingjing Fu  
Ling Zou

Shuyan Dong



On behalf of Ralan Victims  
Ralan Purchasers' Rights Alliance  
Australian Culture and Commerce Association (ACCA)  
*Email address: [ralanrights@hotmail.com](mailto:ralanrights@hotmail.com)*  
**89 The Boulevard, Strathfield, NSW 2135, Australia**

Attn: David Turner, Chief Executive, OFT QLD

To: OFT-Commissioner@justice.qld.gov.au

Cc: [REDACTED]

2nd July 2023

Dear Chief Executive, OFT QLD,

Thank you for your letter dated 05/06/2023 responding to our request for the Office of Fair Trading (OFT) to reassess the auditor reports submitted by Ralan Property Services Qld Pty Ltd (now deregistered) (Ralan). You suggested that we seek independent legal advice about this matter.

Please find attached with this letter an extract of the expert legal advice using my own case.

The Agency Administration Act Qld relevantly provides that funds in the trust account:

- a. must be kept in the trust account until paid out under the Act (s 21(1)); and
- b. can only be paid out in a way permitted by the Administration Act (s 21(2)).

Assure, the Ralan Auditor should have reported these breaches in the auditor reports to the Chief Executive OFT QLD per Section 40.

Please review and act as required by the Act against the auditor because OFT QLD is the administrator for the ACT. You may refer the non-compliance of the audits to CAANZ and ASIC for their review and actions as appropriate.

We look forward to hearing from you soon.

Sincerely yours,

[REDACTED]

Suichun (Erin) Lin

[REDACTED]

Deemed Leader of Ralan Purchasers' Rights Alliance  
Master of Commerce, Macquarie University, Australia  
Certified Practice Accountant Australia, Membership No 9174396

[REDACTED]

On behalf of Ralan Victims  
Ralan Purchasers' Rights Alliance  
Australian Culture and Commerce Association (ACCA)  
Email address: [ralanrights@hotmail.com](mailto:ralanrights@hotmail.com)  
**89 The Boulevard, Strathfield, NSW 2135, Australia**

Please quote: OFT-5787263  
Contact officer: Steve L'Barrow  
Contact telephone: (07) 3738 8800



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Office of Fair Trading

Department of  
**Justice and Attorney-General**

Attention: Suichun (Erin) Lin

Dear Ms Lin

I refer to your letters dated 26 June 2023 and 2 July 2023 and my letter to you dated 5 June 2023, regarding Ralan Property Services Qld Pty Ltd (now deregistered) (Ralan). Your letters contain some statements about the matter, some follow up questions and a document titled 'An Extract of Expert Legal Advice about Suichun Lin's Ralan Case and the Rectification of Certain Elements'.

I note you have a current application in the Queensland Civil and Administrative Tribunal (QCAT), case number GAR236-20, where the Chief Executive and others are respondents. Accordingly, I am unable to comment on the legal advice you obtained or on the specifics of the 'side agreements' the purchasers agreed with Ralan. However, I refer you to my letter dated 5 June 2023, and to the Chief Executive's submissions filed in QCAT for the proceeding. I am advised you were emailed a copy of those submissions on 21 October 2022.

If you wish to obtain information in relation to the activities carried out by the Office of Fair Trading (OFT) in relation to Ralan, then the appropriate channel is by way of a right to information request. Details on how you can apply can be found at:  
<https://www.justice.qld.gov.au/about-us/information-and-privacy>.

In relation to your request for further assessment, or an alternative body to make a further assessment, I confirm OFT will not be further assessing the matter and there is no other body that conducts further assessments of such audit reports.

Thank you for raising your concerns with me, however, I am satisfied Ralan's auditor, the OFT appointed receiver and the OFT's officers have undertaken their roles and functions in keeping with the requirements of the *Agents Financial Administration Act 2014*.

OFT is unable to assist you any further, however if you are dissatisfied with the outcome, you may lodge a complaint with the Queensland Ombudsman at:  
<https://www.ombudsman.qld.gov.au/>.

Kind Regards

  
Craig Turner  
**Executive Director**  
**Office of Fair Trading**

28 / 07 / 2023

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63 George Street, Brisbane QLD 4000  
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**Telephone** +61 7 3738 8779  
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# An Extract of Expert Legal Advice about Suichun Lin's Ralan Case and the Rectification of Certain Elements

2 July 2023

## Background

1. On **22 March 2016**, Suichun Lin entered into a contract to purchase a property located at 2706/2 Birt Avenue, Surfers Paradise (**Property 1**) from Raglan Paradise No 3 Pty Ltd, (**First Vendor**).
  - a. The licenced selling agent for Property 1, was Ralan Property Service Qld Pty Ltd (**Ralan Service**).
  - b. The purchase price for Property 1, was \$890,000.
  - c. The contract of sale required that the Complainant pay an initial deposit of \$89,000 to secure the purchase of Property 1.
2. On **21 March 2016**, the Complainant entered into a side agreement (**Side Agreement**) with the First Vendor to decrease the initial deposit for the Property 1, to \$100 and to release the balance of the initial deposit, being \$88,900 (**Released Deposit**) to Ralan Capital Investments Pty Ltd (**Ralan Capital**).
3. On **23 March 2016**, the Complainant entered into a second contract to purchase 4202/3 Norfolk Avenue, Surfers Paradise (**Property 2**) from Ralan Paradise No 2 Pty Ltd, (**Second Vendor**).
  - a. The selling agent for Property 2, was Ralan Service.
  - b. The purchase price for Property 2, was \$905,000.
  - c. The contract of sale required that the Complainant pay an initial deposit of \$90,500 to secure the purchase of Property 2.
4. On **21 March 2016**, the Complainant entered into another Side Agreement with the Second Vendor to decrease the initial deposit for the Property 2, to \$100 and to release the balance of the initial deposit, being \$90,400 to Ralan Capital.

## Ralan Service and the handling of the deposits

5. In Queensland, the *Property Occupations Act 2014 (Qld)* (**Occupation Act**) governs the situation where a deposit for a property is provided to a property developer.
6. Section 162(1) of the Occupation Act provides that the property developer must pay the deposit directly to either:
  - a. the public trustee;
  - b. a law practice; or
  - c. a property agent.
7. Sections 162 (2) & (3) provides that a contract or instrument made in connection with the relevant contract of sale, is void if it provides for payment of the deposit other than in accordance with section 162(1).
8. Section 163 of the Occupation Act also provides that the deposit must be held by the entity (public trustee, law practice or property agent) in a trust account, which must be dealt with in accordance with the law governing that trust account.

## **Ralan Service Trust Account**

9. Ralan Service was the entity which acted as the property agent for the sale of Property 1 and Property 2, which are the subject of the Complaint.
10. Ralan Service held a real estate licence under the Occupation Act.
11. The directors of Ralan Service were Mr William O'Dwyer and Ms Kate Madigan. Mr O'Dwyer and Ms Madigan also held real estate agent licences and Mr O'Dwyer was the licensee responsible for the Ralan Service trust accounts.
12. The Ralan Service trust accounts were held with the National Australia Bank (**Ralan Service's Trust Account**).
13. The law that governs the handling of a property agent's trust account in Queensland is the *Agents Financial Administration Act 2014* (**Administration Act**).
14. **The Administration Act relevantly provides that funds in the trust account:**
  - a. **must be kept in the trust account until paid out under the Act (s 21(1)); and**
  - b. **can only be paid out in a way permitted by the Administration Act (s 21(2)).**

## **Appointment of the Administrator and Joint Receivers and Managers**

15. On 30 July 2019, Phillip Campbell – Wilson, Graham Killer and Said Jahani were appointed as Joint and Several Voluntary Administrators (**Administrator**) of 58 entities in the Ralan group of companies (**Ralan Group**), this included the First and Second Vendors, Ralan Service and Ralan Capital.
16. On 1 August 2019, Jason Tracy, Timothy Heenan and Salvatore Algeri of Deloitte were appointed as Joint and Several Receivers and Managers by Wingate, the entity which had provided mezzanine debt facilities to the Ralan Group. Wingate was owed \$178,949,368 by the Ralan Group. The Receivership included the First and Second Vendors and Ralan Service.

## **Administrator's Report**

17. On 28 November 2019, the Administrator published his report which relevantly provided:
  - a. The Ralan Group had an unsustainable business model that replicated a partial Ponzi scheme. The accumulated losses and poor management of the group resulted in the group being placed into administration on 30 July 2019.
  - b. At the date of the appointment of the Administrator, the Ralan Group owed:
    - i. \$238 million to secured creditors;
    - ii. \$323 million to unsecured creditors;
    - iii. \$3 million in priority claims (employees).

## **Breaches of the Occupation Act, Administration Act and Corporations Act**

18. **The Side Agreements used by the Vendors were contrary to the Occupations Act and the release of the deposits by Ralan Service to Ralan Capital were a breach of the Administration Act.**
19. The Administrators Report provided that the release of the deposits by Ralan Service to Ralan Capital were:

- a. an unsecured loan or debt instrument (Debenture); and
  - b. a managed investment scheme (MIS)
20. In Australia, Chapter 7 of the Corporations Act, requires entities issuing debentures to hold an Australian Financial Services Licence (AFSL). The Ralan Group did not have an AFL.
21. Chapter 5C, of the Corporations Act requires that entities issuing MIS must also meet with specific regulatory requirements.
22. When the Administrator was appointed, he identified that there was a \$278,635,568 short fall in respect of deposits made by purchasers and the amounts which could be located.
23. The Office of Fair Trading (Queensland) (OFT) is the authority responsible for administrating the Occupation and Administration Act. The OFT was informed of the above breaches.
24. ASIC is the entity responsible for the administration of the Corporations Act and were aware of the above breaches.
25. Under the Occupation and Administration Act the licensees, Ralan Service and the individual licensees, Ms Madigan and Mr O'Dwyer were responsible for maintain the Ralan Service Trust Account.

### **Rescinding of the Contracts**

26. The apartments complexes in which properties the Complainant had contracted to purchase, did not proceed to completion, as the Receivers and Managers rescinded the contracts of sale. The remaining deposits (\$200), in respect of the Property 1 and Property 2, remained in Ralan Service's Trust Account.
27. The Administrator found that Ralan Service's Trust Account contained \$2,154,809.69 as at 30 July 2019. This account related to 1,647 separate contracts for the sale of residential units by the Ralan Group on behalf of 1,078 individuals. For 1,445 contracts of sale, this represented the \$100 deposit.
28. The balance of the Complainants deposit had been directed by to Ralan Capital by way of the Side Contracts.
29. The Administrator concluded that Ralan Capital:
  - a. acted as an investment vehicle and treasury business to the Ralan group of companies.
  - b. entered into side agreements with purchasers for off the plan apartments in Queensland to release their deposits as unsecured loans to the Ralan group.
  - c. the released deposits, were not reinvested: ( Jahani, in the matter of Ralan Group Pty Ltd (in liquidation) [2022] FCA 107 at 181).
    - i. in accordance with the terms of sale contracts; or
    - ii. as permitted by the Administrations Act.

### **Liquidation and Bankruptcy**

30. On 18 December 2019, the Administrators became the Liquidators of the Ralan Group.
31. On 28 July 2021, Mr O'Dwyer was declared bankrupt.

## **Claims on the trust account of Ralan Service**

32. On 5 November 2020, the Liquidators applied to the Federal Court for directions in relation to the distribution and allocation of the money contained in Ralan Service's Trust Account, as the liquidator was the view that this account, was the only source of funds from which the liquidator's remuneration and expenses could be paid.
33. The OFT, joined these proceedings as Amicus Curiae and a number of purchasers, who had made deposits which were held in Ralan Service's Trust Account, joined as interested persons.
34. The Complainant was listed as the Second Interested Person and made submissions in the proceedings.
35. The judgment in this matter was delivered on 16 February 2022 and the court permitted the liquidator to take an equitable lien over Ralan Service's Trust Account as security for his remuneration and expenses in the amount of \$165,863.16.

## **Consideration & Analysis**

36. When the Ralan Group was placed into administration and liquidation it was discovered that:
  - a. Ralan Service had entered into Side Contracts with purchasers which were in effect, debentures or MIS in breach of the Corporations Act.
  - b. Ralan Service had maintained two sets of trust records compiled by the licensee one of which was not any accurate portrayal of the trust accounts.
  - c. Ralan Service had released the purchasers deposit in breach provisions of the Occupation and Administration Acts.
37. It is noted that breaches of the:
  - a. Occupation and Administration Act are administrated by the OFT and the breaches by Ralan Service have been reported to the OFT, by the Administrator.
  - b. Corporations Act are administrated by ASIC and have been reported to ASIC, by the Administrator.



**Re: Public Examination on Ralan Creditor - Assura [GT-AUSTRALIA.FID1997688]**

Ralan Purchasers Rights Alliance &lt;Ralanrights@hotmail.com&gt;

Fri 8/25/2023 3:06 AM

  
Dear Said,

Thanks for your email.

We have the following questions regarding your assessment and judgement on the audit:

- Can you please advise how you assessed the auditor's role and the auditor's reports ?
- Did you seek legal advice on Assura's conduct and the auditor's reports?

Look forward to hearing from you again.

Kind regards,

Erin On behalf of Ralan Purchasers' Rights Alliance

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**From:** **Sent:** Wednesday, August 23, 2023 1:01 AM**To:** Ralan Purchasers Rights Alliance <Ralanrights@hotmail.com>; **Cc:** **Subject:** RE: Public Examination on Ralan Creditor - Assura [GT-AUSTRALIA.FID1997688]

Dear Erin

I can confirm we have prepared and submitted (some time ago) our report to ASIC on misconduct which we have identified through our own investigations. We note ASIC's investigation is continuing at this stage.

Specifically in terms of the audit conducted by Assura, we did not identify any misconduct in respect of their role. They were presented with the "real" trust ledgers whereby customers had voluntarily agreed to release their deposits. They needed to audit and confirm the balance of the "unreleased" deposits (usually \$100 for QLD apartments) remained in trust.

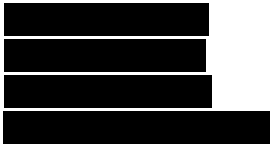
As you know the trust account funds comprised what Ralan and each purchaser agreed to keep in the trust account.

I cannot identify a cause of action against Assura by virtue of purchasers agreeing to release their deposit voluntarily.

Where we have previously found a cause of action against the auditor of a trust account is where the director (without permission from the person who deposited the funds) withdraws funds from the trust account and the auditor does not identify that in their audit.

**Said Jahani**

National Managing Partner - Financial Advisory



[grantthornton.com.au](http://grantthornton.com.au)

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**From:** Ralan Purchasers Rights Alliance <Ralanrights@hotmail.com>  
**Sent:** 3 August 2023 5:06 PM  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** Public Examination on Ralan Creditor - Assura

Dear Mr. Jahani,

Thank you for your update to the creditors on 6 July 2023.

Please find attached an extract of legal advice using my own case.

It has highlighted the breaches of POA, AFAA and Corporation Act and this information has been lodged with ASIC and OFT QLD.

As per ASIC, because the companies within the Ralan Group including Ralan Property Services QLD Pty Ltd and Ralan Group Pty Ltd are in liquidation, the appointed liquidators have a duty to report any potential misconduct to ASIC. They encourage us to raise our concerns with you as you are the liquidator, who can consider taking recovery actions and/or public examinations.

As you have previously reported to us, Assura the Ralan auditor has omitted reporting the presale deposit release from the trust account in the auditor reports to the OFT QLD.

This was noted in your submissions to the Honorable Judge in Federal Court as well.

Please consider conducting public examinations on the auditor's alleged misconduct as soon as you can. A copy of this email will be forwarded to ASIC.

We await for your response.

Kind regards,

Erin On behalf of Ralan Purchasers' Rights Alliance

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