

**MEDIA STATEMENT**  
**24 February 2021**



## **Update From Provisional Liquidators of Maliver Pty Ltd in the Melissa Caddick Case**

**Bruce Gleeson and Daniel Soire Jones Partners were appointed by the Federal Court of Australia on 15<sup>th</sup> December 2020 as Provisional Liquidators of Maliver Pty Ltd (the Company) and Receivers to the property of Melissa Caddick pursuant to an application by ASIC.**

**Bruce Gleeson, Principal at Jones Partners outlines the complexities in the investigation into the financial affairs of Melissa Caddick and the Company.**

“Since our appointment by the Federal Court we have been forensically reconstructing the financial affairs of Melissa Caddick and the Company.

“This has involved reviewing thousands of documents, interviewing and corresponding with various individuals including family members, a former employer, former employees and notably many Investor Creditors.

“We provided to the Federal Court and ASIC on 15<sup>th</sup> February 2021 detailed reports as a result of our investigation. ASIC is now reviewing those reports with a view to redacting from those reports (certain confidential information which has been the subject of Confidentiality Orders) before they are made available to Investors and other parties.

“Due to the confidentiality of some of the matters in the reports we are able to only briefly comment on the result of our investigation.”

- Investors were falsely informed, via a Financial Services Guide, the Company operated an independent financial planning business and was the current holder of an AFS License during the period it operated. Such license (if properly registered) usually specifies the name of individuals authorised to act

as Advisors for the Company. At the time of considering paying investment monies to the Company, Investors were informed by Ms Caddick that Ms Caddick was the Advisor and that she operated under the name of the Company. Searches of the ASIC register revealed neither Maliver Pty Ltd or Ms Caddick have been an AFS Licensee or AFS Authorised Representative during the period of time the business operated.

- Instead of investing Investor Funds the monies were co-mingled on multiple occasions into accounts operated by the Company or Ms Caddick personally, and share transactions did not occur in the name of the Investor. There are hundreds of false bank statements, share contracts and share trading statements. At this stage, we have not identified any circumstances in which CommSec Portfolio Holding Statements provided by the Company and Ms Caddick to the Investors have been found to be true.
- Information was provided to Investors by Ms Caddick purporting to represent the balance of their investments, including share trading accounts, contract notes and bank statements in the respective Investor's name. A large number of the documents were created using the letterhead of CBA and CommSec. In nearly all cases the transactions referred to in the documents and the purported shareholdings deemed to be held by the Investors were fictitious. CBA and CommSec have confirmed the account and/ or reference numbers on such documents do not exist, and if the account number did exist, the account did not relate to the Investor referred to on the document. Our view therefore is that the documents have been falsified, so as to mislead Investors and give Ms Caddick and the Company financial benefits.
- Our review of Ms Caddick's own Self Managed Super Fund (SMSF) revealed fictitious portfolio statements, contract notes and bank statements so as to inflate the value of assets in her SMSF.
- Ms Caddick has received the benefit, directly or indirectly, of Investor Funds and acquired property largely with the benefit of Investor Funds. Ms Caddick treated the affairs of the Company and her own as one and the same and would transfer Investor Funds between the Company and her personal bank accounts.
- Ms Caddick maintained and controlled **all** information provided to external advisors for the Company, herself and the Investors who were assisting in preparing financial and taxation statements/returns. Ms Caddick appeared

insistent on maintaining such records in various Excel spreadsheets as opposed to using an accounting software package which would likely have given such advisers improved visibility over the reporting of financial information. We maintain that aspect was quite intentional on Ms Caddick's part. Excel was also the tool of trade used to generate the fictitious Investor statements. The process enabled Ms Caddick to portray misleading financial positions of not just the Company, but also the financial affairs of the Investors she was acting for. We identified multiple instances where she was recording in Excel spreadsheets Investor Funds as Company Revenue when clearly this was not the correct accounting treatment.

"The upcoming Court hearing set down for 7 April 2021 which is subject to further application by ASIC may include appointing us to be Liquidators of Maliver Pty Ltd as opposed to the current position whereby we are Provisional Liquidators. Such an appointment would enable us to start realising the limited assets of Maliver Pty Ltd."

"However, as stated in Court on 22 February 2021, a majority of assets which Maliver Pty Ltd has an interest in are held in the name of Ms Caddick. There are also assets which are held directly in Ms Caddick's name. Importantly, at this stage, our appointment as Receivers to Ms Caddick's property does not authorise us to sell her assets. Currently, our primary role as Receivers has been to investigate and file our report and also secure the assets of Ms Caddick."

"There are many complex legal issues in determining ownership of assets and just as importantly how best to proceed to enable the expeditious realisation of assets in both administrations and maximise the return to creditors, particularly the Investor Creditors who have been significantly emotionally and financially impacted. This is an unusual matter and we are continuing to liaise with ASIC so that the best strategy can be implemented to enable assets to achieve both aims.

"We understand and have considered the concerns of Investors Creditors as to the use of monies to pay living expenses and legal costs of Ms Caddick's family. We foreshadowed to the relevant parties shortly after our appointment that such payments were likely to be objected to. We note that such payments will cease as at the end of this week in the absence of further Court Orders."

"We are calling on anyone who may be aware of assets belonging to Melissa Caddick or knowledge of her financial affairs relevant to the investigation to come forward."

“We are also urging anyone who has not yet come forward who believes they may be owed money by Melissa Caddick or her Company to contact us.”

We also strongly recommend individuals seeking financial advice and services check the adviser of their business is registered before they proceed. The Federal Government website below is a useful resource:

<https://moneysmart.gov.au/financial-advice/financial-advisers-register>

ENDS

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