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## Phil Sullivan Withdraws: Balmain Trilogy Urges Unitholders to Continue To Lodge Proxy Votes

Balmain Trilogy today called on Unitholders in Pacific First Mortgage Fund to continue to lodge proxies against the appointment of Stacks Managed Investments as the new manager of the Fund following Phil Sullivan's withdrawal of support for a unit holder meeting scheduled for December 9.

Until such time as Matthew Bransgrove – Mr Sullivan's lawyer and the convenor of the meeting - formally abandons the meeting, unit holders should assume it is proceeding.

"This means that your vote will still count on the day," said Balmain Trilogy chief executive Mr Andrew Griffin.

Balmain Trilogy also called on Stacks Finance to confirm that it was no longer associated with the Bransgrove/Sullivan proposal and has no ongoing interest in taking over as the responsible entity of the Fund.

Balmain Trilogy said that it had received overwhelming support from Unitholders wanting to retain it as manager, with more than 95 per cent of proxies cast so far opposed to the Bransgrove/Sullivan proposal to appoint Stacks Managed Investments as the new manager.

Mr Griffin said the lack of support for the Bransgrove/Sullivan proposal was the real motive behind the announcement by the undisclosed convening unit holders that the December 9 meeting was being postponed indefinitely.

"The entire exercise has been an attempt by Mr Sullivan to regain control of the Fund and to head off examination of a series of transactions that resulted in a massive erosion of unit holder value when Mr Sullivan was chief executive," Mr Griffin said.

Mr Sullivan and Mr Bransgrove announced online on Tuesday night that the December 9 meeting had been indefinitely postponed.

"The way that this has been handled, including the confusion around the reported postponement, is just another example of incompetence from the Bransgrove/Sullivan camp," Mr Griffin said. "Serious questions have to be asked as to how PFMF would be managed if the proposal put forward by Mr Sullivan and Mr Bransgrove were to succeed when you consider the shambolic way in which they have managed their proposal. "

"I am pleased to say that Unitholders have seen through the scare-mongering of Bransgrove and Sullivan and seen the proposal for what it is - a self interested campaign that was nothing short of an embarrassment. Over 2,700 Unitholders have already lodged their proxies with Computershare and 95% of votes counted have been cast **AGAINST** the Bransgrove/Sullivan proposal.

Balmain Trilogy pointed to the consistently misleading and deceptive conduct engaged in during the attempts to convince Unitholders to vote in favour of replacing the existing responsible entity of PFMF.

It also pointed to the unprofessionalism that had dogged the campaign against Balmain Trilogy which was riddled with fundamental errors including:

- Mr Bransgrove and Mr Sullivan convened the December 9 Unitholder meeting without sufficient notice to Unitholders.
- They directed Unitholders to vote in a manner which would cause their vote to be invalid.
- Mr Bransgrove who, as Mr Sullivan's lawyer, has as his overriding obligation to act in the best interests of Mr Sullivan was the architect of the proposal, yet tried to convince Unitholders that he was acting in their interests.
- Mr Bransgrove was contracting on behalf of the directors of Stacks Finance and publishing statements on their behalf without their consent.
- The directors of Stacks Finance denied that they were even aware of the material being published by Mr Bransgrove on the Pacific First Management website, even though that website was the primary website used in support of the proposal to appoint Stacks Finance as responsible entity.
- Even the directors of Stacks directed PFMF's lawyers to seek redress against Mr Bransgrove and others (rather than themselves) in relation to the information being distributed to Unitholders.
- The directors of Stacks Finance ordered the closure of the Pacific First Management website.

"It is no wonder that the undisclosed convening Unitholders postponed their proposal immediately after Balmain Trilogy informed them of how Unitholders were voting," Mr Griffin said.

"It is disappointing that Unitholders have again been victim of another Sullivan-backed initiative. Mr Bransgrove and Mr Sullivan have created a great deal of confusion amongst Unitholders. We assure Unitholders that this has only strengthened our resolve to bring Mr Sullivan and his associates to account.

"Given history and the way this campaign has been run, I cannot understand why Stacks Finance or any reputable organisation would ever want to associate themselves with Mr Sullivan and Mr Bransgrove in relation to any matter involving the Fund."

Balmain Trilogy advised that it is seeking clarity as to whether the meeting has been abandoned or whether Mr Bransgrove and Mr Sullivan are seeking to defer the meeting to a later date.

Unless Mr Bransgrove, Mr Sullivan and/ or Stacks Finance release a clear statement that the meeting has been abandoned and their proposal withdrawn, Balmain Trilogy will be proceeding on the basis that the Unitholder meeting will go ahead as planned.

Balmain Trilogy advises Unitholders that they should assume the December 9 meeting will go ahead unless it advises otherwise.