



McGrathNicol

14 April 2025

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Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers Appointed)
ACN 135 024 412
(Brite Advisors)

Update: AFCA's Notice of Intention to Expel

We refer to our previous updates, and in particular our Update to Corporate Trustees and Beneficiaries dated 8 April 2025 (**Previous Update**) regarding the Australian Financial Complaints Authority's (**AFCA**) notice of intention to expel Brite Advisors from its membership (please see the notice **annexed**).

As set out in the Previous Update, the Receivers have:

- engaged with representatives from AFCA, the Compensation Scheme of Last Resort (CSLR) and the Australian Securities and Investments Commission (ASIC) to raise their concerns and understand the implications of AFCA's notice of intention to expel Brite Advisors from membership with AFCA; and
- commenced working with their legal advisers to prepare written submissions in response to AFCA's intention to expel Brite Advisors from its membership.

In addition to the above, the Receivers, together with their legal advisers, are currently considering on an urgent basis whether the Receivers are eligible to make a representative complaint to AFCA on behalf of the beneficiaries of Brite Advisors Pty Ltd.

Notwithstanding the above and in light of the uncertainty of whether the Receivers are eligible to make a representative complaint, the Receivers reiterate that it is the decision of each beneficiary whether to make a complaint with AFCA in respect of Brite Advisors on their own behalf. Beneficiaries should make this decision independently of whether a representative complaint is made by the Receivers. The Receivers refer to the factsheet annexed to the Previous Update which outlines the eligibility criteria to make an AFCA compliant.



The Receivers will provide an update in due course. Should you have any queries, please contact the Receivers at briteadvisors@mcgrathnicol.com.

Yours faithfully

Brite Advisors *Pty Ltd (In Liquidation) (Receivers and Managers Appointed)*

Linda Smith
Receiver and Liquidator

Enclosures:

- Receivers and Managers update to Trustees and Beneficiaries dated 8 April 2025
- Notice of Intention to Expel – AFCA Membership



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8 April 2025

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ACN 135 024 412
(Brite Advisors)

Update: AFCA's Notice of Intention to Expel

We refer to our previous updates and orders of the Federal Court of Australia.

On 21 March 2025, Brite Advisors received a notice from the Australian Financial Complaints Authority (**AFCA**) advising that the AFCA Board are considering expelling Brite Advisors from AFCA membership on 13 May 2025. Brite Advisors has until 15 April 2025 to provide a written submissions outlining the reasons why they believe Brite Advisors should not be expelled.

The Receivers understand that if Brite Advisors are expelled from AFCA membership, AFCA would not be able to consider any complaint by Beneficiaries or any other person in respect of Brite Advisors' conduct made after the date of expulsion. An AFCA determination in favour of the complaint with compensation awarded is a pre-requisite to any person's ability to raise a claim with Australia's Compensation Scheme of Last Resort (**CSLR**).

This means that, if Brite Advisors is expelled from AFCA membership, Beneficiaries who may otherwise be eligible to raise a claim with the CSLR would be prevented from doing so.

Since receiving the notice from AFCA, the Receivers have:

- engaged with representatives from AFCA, CSLR and the Australian Securities and Investments Commission (**ASIC**) to raise their concerns and understand the implications of the proposed expulsion; and
- commenced working with their legal advisers to prepare written submissions to object to the proposal to expel Brite Advisors from AFCA membership.

The Receivers will provide an update in due course. In the meantime, a factsheet is enclosed, outlining the eligibility criteria to make an AFCA complaint, together with information regarding steps required to lodge a claim with the CSLR.

Should you have any queries, please contact the Receivers at briteadvisors@mcgrathnicol.com.

Yours faithfully

Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers Appointed)

Linda Smith
Receiver and Liquidator

Enclosure:

- AFCA/CSLR factsheet



Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers Appointed)
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(Brite Advisors)

AFCA / CSLR factsheet

1 AFCA complaints - eligibility criteria

AFCA will consider a wide range of complaints from consumers and small business about financial firms. In order to make a complaint:

- the complainant must be eligible to complain;
- the complaint needs to be about a financial firm that is an AFCA member, including its employees and agents;
- there must be sufficient connection to Australia;
- the complaint must be made within relevant time limits; and
- the complaint cannot be excluded by AFCA's Rules.

More information including how to lodge a claim and eligibility can be located on AFCA's webpage, link below.

[AFCA's Rules | Australian Financial Complaints Authority \(AFCA\)](#)

The Receivers consider certain Beneficiaries may be eligible to make an AFCA complaint and recommend that Beneficiaries seek their own independent advice regarding their eligibility.

2 Australia's CSLR - eligibility criteria

The CSLR provides compensation of up to AUD\$150,000 to eligible consumers who have an unpaid determination from AFCA relating to the following types of financial services:

- (i) Personal financial advice provided to retail clients on relevant financial products.
- (ii) Dealing in securities for retail clients (but not issuing securities).
- (iii) Providing credit (where a financial firm provides funds).
- (iv) Arranging credit (where someone like a mortgage or finance broker arranges funds).

It is important to note that the AFCA complaint process must first be successfully completed before a claim can be lodged with the CSLR.

More information including how to lodge a claim can be found on the CSLR website, link: [CSLR website](#)

Beneficiaries should seek their own independent advice regarding their eligibility before making a claim.

From: AFCA Company Secretary <membernotifications@afca.org.au>
Sent: Friday, 21 March 2025 10:05 AM
To: FM-Brite Advisors Investor Queries
Subject: Notice of Intention to Expel - AFCA Membership: Member ID: 46179 - Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers appointed)

You don't often get email from membernotifications@afca.org.au. [Learn why this is important](#)

EXTERNAL SENDER



NOTICE OF INTENTION TO EXPEL

The AFCA Board will consider expelling Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers appointed) from membership of the Australian Financial Complaints Authority (AFCA) on 13 May 2025.

As AFCA has been advised Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers appointed) is insolvent, the AFCA Board will consider expelling Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers appointed) (46179).

The meeting will occur on 13 May 2025 and consideration of expulsion will take place in accordance with our [Constitution](#). The Australian Securities and Investments Commission (ASIC) will be notified that the AFCA Board will consider expelling Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers appointed).

Please note that expulsion does not affect Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers appointed)'s liability for existing debts, or its rights and obligations in respect to any complaint lodged prior to expulsion. This includes an obligation to respond to any complaint submitted to AFCA before the expulsion and payment of any binding determination or associated fees, even if these are issued after the expulsion.

Submissions

You may wish to provide a written submission outlining the reasons why you believe Brite Advisors Pty Ltd (In Liquidation) (Receivers and Managers appointed) should not

be expelled. If you wish to provide a submission, you may do so by sending the submission to companysecretary@afca.org.au by close of business on 15 April 2025.

A copy of AFCA's Constitution is available here: <https://www.afca.org.au/about-afca/corporate-information/constitution>

Sincerely,

Anna Campbell

General Counsel and Company Secretary



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