



Federal Court of Australia

District Registry: Victoria

Division: General

No: VID918/2018

MATTHEW HALL

Applicant

PITCHER PARTNERS (A FIRM) and others named in the schedule

Respondents

ORDER

JUDGE: JUSTICE BEACH

DATE OF ORDER: 7 September 2022

WHERE MADE: Melbourne

THE COURT ORDERS THAT:

Settlement approval hearing

1. The applicant's application under s 33V of the *Federal Court of Australia Act 1976* (Cth) (the Act) for approval of settlement of this proceeding (Proceeding) be listed before the Honourable Justice Beach at 10.15 am on 28 October 2022.

Group Member Registration

2. Pursuant to ss 33ZF of the Act, with the exception of those group members who, as at the date of the distribution of the notice referred to below, have:
 - (a) opted out of this Proceeding in accordance with the orders made on 20 July 2021 (with the consequence that they are no longer group members in the Proceeding);
or
 - (b) previously registered with the applicant's solicitors (Maurice Blackburn) to participate as a group member in either the Proceeding, or proceeding VID1213/2016 (*Hall v Slater & Gordon Ltd*) or proceeding VID1010/2019 (*Hall v Arnold Bloch Leibler (a firm)*) (Current Registered Group Members), any group member who wishes to participate in the distribution of any amount which is paid



in settlement of the Proceeding must, by no later than 4.00 pm on 21 October 2022, register as a participating group member by completing the online registration process on the website of Maurice Blackburn (<https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/>).

Notice to Group Members

3. Pursuant to ss 33X and 33Y(2) of the Act, the form and content of:

- (a) the notice set out in Annexure A to these orders (Notice); and
- (b) the text set out in Annexure B to these orders (Website Text),

is approved as the notice that must be given to group members under s 33X of the Act in respect of the application by the applicant under s 33V of the Act for approval of the proposed settlement of the Proceeding.

Timing and Mode of Distribution of Notice

4. By 12 September 2022, the Notice must be given to group members under s 33X of the Act in respect of the applicant's claim as against the first respondent, Pitcher Partners (Pitcher Partners Settlement Approval Application), pursuant to ss 33X and 33Y(2) of the Act.

5. Pursuant to s 33Y(3) of the Act, the Notice is to be given to each group member in accordance with the following procedure:

- (a) Maurice Blackburn shall cause the Notice to be sent to each Current Registered Group Member, such Notices to be sent by email where an email address is available, or failing that, by ordinary mail;
- (b) Maurice Blackburn shall cause a link to the Notice to be posted on Maurice Blackburn's social media accounts;



(c) Maurice Blackburn shall cause a copy of the Notice to be placed on its website (<https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/>), together with a copy of:

(i) the Notice of Objection referred to in order 7 below;

(ii) the following documents:

(A) the Second Further Amended Statement of Claim dated 14 December 2020,

(B) the first respondent's Defence to the Second Further Amended Statement of Claim dated 11 February 2021,

(C) the second respondent's Defence to the Second Further Amended Statement of Claim dated 25 February 2021, and

(D) these orders;

(and shall cause such materials to remain continuously so displayed or available on its website up to and including the final hearing and determination of the Pitcher Partners Settlement Approval Application).

(d) The Notice and/or the Notice of Objection may be amended by Maurice Blackburn before they are emailed, posted or displayed (as the case may be) in order to correct any website or email address or telephone number or other non-substantive, typesetting or typographical error.

6. Pursuant to ss 33ZF of the Act, any person (other than a Current Registered Group Member) who is a group member in the Proceeding and who, following distribution of the Notice in accordance with the procedure set out above, does not register in accordance with order 2 above, shall remain a group member for all purposes of the Proceeding, and will be bound by any order approving the proposed settlement, but shall not, subject to any further order, be entitled to receive a distribution from any amount paid in settlement of the Proceeding.



Directions for Pitcher Partners Settlement Approval Application

7. By 4.00 pm (AEDT) on 21 October 2022 any group member who wishes to oppose any aspect of the proposed settlement shall submit a completed Notice of Objection to Proposed Settlement in the form of Annexure C to these orders (Notice of Objection) by sending it by email to:
 - (a) the Federal Court Registry at vicreg@fedcourt.gov.au; and
 - (b) Maurice Blackburn at SGH@mauriceblackburn.com.au.
8. If the parties' solicitors receive a notice which purports to be a Notice of Objection, they shall provide such notice to the Court within two (2) business days of receipt, and such a notice shall be treated as a Notice of Objection received by the Court at the time it was received by the solicitors.
9. The parties' solicitors have leave to inspect the Court file and to copy any Notices of Objection filed with the Court.
10. By 4.00 pm on 26 October 2022, the applicant's solicitors shall provide to the first respondent's solicitors a copy of any documents received by them pursuant to orders 8 and 9 above.
11. Save for any affidavit or written submissions in respect of which confidentiality orders will be sought (Confidential Affidavit and Confidential Submissions, respectively), by 4.00 pm on 26 October 2022, the applicant and the first respondent shall file and serve any affidavit(s) and written submissions in relation to the Pitcher Partners Settlement Approval Application.
12. By 4.00 pm on 26 October 2022, the applicant is to provide any Confidential Affidavit and/or Confidential Submissions, including in respect of legal costs, on which the applicant proposes to rely in support of the Pitcher Partners Settlement Approval Application to the chambers of the Honourable Justice Beach by email marked "Confidential [Affidavit or Submissions] for Purposes of Settlement Approval Application – Not to be Accessed Except by Direction of a Judge or the Court".



Independent Costs Referee

13. Pursuant to s 33ZF(1) and/or s 37P(2) and/or s 54A of the Act, and Division 28.6 of the *Federal Court Rules 2011* (Cth) (the Rules), Ms Cate Dealehr (Referee) is appointed for the purpose of conducting an inquiry (Reference) and making a report in writing to the Court (Report) stating, with reasons, the Referee's opinion on the following two issues:
 - (a) the reasonableness of the applicant's legal costs and disbursements incurred in relation to the Proceeding, up to and including the approval of the proposed settlement of the Proceeding (including costs anticipated and yet to be incurred as at the date of the Report); and
 - (b) the reasonableness of the sum proposed for settlement administration costs.
14. The Referee is to deliver the Report to the Court and to the solicitors for the applicant, Maurice Blackburn by 4.00 pm on 21 October 2022.

Funding costs

15. In the event that the funder (International Litigation Partners No.15 Pte Ltd) wishes to seek leave to intervene in relation to the Pitcher Partners Settlement Approval Application, it is to file any application for leave to intervene, together with material in support of that application and in relation to the Pitcher Partners Settlement Approval Application on which it proposes to rely by 4.00 pm on 21 October 2022.

Liberty to apply

16. The parties have liberty to apply on 3 days' notice.

Date that entry is stamped: 7 September 2022


Registrar



ANNEXURE A

FEDERAL COURT OF AUSTRALIA

PITCHERS CLASS ACTION

Hall v Pitcher Partners

(VID 918 of 2018)

PLEASE READ THIS NOTICE CAREFULLY

NOTICE OF PROPOSED SETTLEMENT OF PITCHERS CLASS ACTION

This notice is provided pursuant to orders made by the Federal Court of Australia to inform you about (a) the right to participate in a proposed settlement of the class action and (b) the right to object to the proposed settlement.

This notice contains important information about the proposed settlement of a class action brought on behalf of persons who (with some limited exceptions) acquired an interest in fully paid ordinary shares in Slater & Gordon Limited (including entitlements to new fully paid ordinary shares in Slater & Gordon to be issued as part of the Entitlement Offer as defined in paragraph 3 below) during the period between 30 March 2015 and 24 February 2016.

You should read this notice carefully, as your legal rights may be affected by the proposed settlement. Further detailed information is contained on the website of Maurice Blackburn (see the end of this Notice), and you are encouraged to read that information

What is the class action about?

1. A representative proceeding (also known as a “class action”) has been commenced in the Federal Court of Australia (**Court**) against Pitcher Partners (**Pitcher Partners**) on behalf of all persons who (save for some limited exceptions):
 - a. acquired an interest in fully paid ordinary shares in Slater & Gordon Limited (**SGH**) during the period between 30 March 2015 and 24 February 2016; and
 - b. suffered loss or damage by, or which resulted from, the conduct of Pitchers alleged in the class action.

(Pitchers Class Action).
2. In the Pitchers Class Action, the Applicant alleges that the First Respondent, Pitcher Partners, as the auditor of SGH’s FY2015 financial statements, failed to identify or communicate risks around the likely impairment of the \$1.1 billion goodwill asset associated with the acquisition



of the UK-based Professional Services Division (PSD) from Quindell plc, and the likely consequences of that impairment. The result, it is alleged, is that SGH's FY15 Financial Report and/or FY15 Appendix 4E were materially misstated. Substantially all of the goodwill associated with PSD was impaired six months later in SGH's half-yearly report for FY2016.

Earlier Proceedings and Settlements

3. The Pitchers Class Action is one of three class actions brought by the Applicant on behalf of SGH shareholders arising from the acquisition of PSD, and the only one which is still on foot.
 - a. The first class action was brought against SGH, settled for \$36.5m, which was approved by the Court in December 2017 (alongside SGH's restructuring) (*Hall v Slater & Gordon Ltd* Federal Court of Australia Proceeding No. VID1213 of 2016 (**SGH Class Action**)).
 - b. The second class action was brought against SGH's Australian legal advisers, Arnold Bloch Leibler (**ABL**), which settled for \$28m shortly before trial. This settlement was approved by the Court in March 2022 (*Hall v Arnold Bloch Leibler (a firm)* Federal Court of Australia Proceeding No. VID1010 of 2019 (**ABL Class Action**)).
4. A mediation of the Pitchers Class Action which took place in October 2021 did not result in a settlement.
5. The Pitchers Class Action proceeded to trial in the Federal Court in November 2021 and the trial concluded in late December 2021, but the Court has not yet handed down its decision.
6. Following the trial, the Applicant and Pitchers agreed to claims against the Second Respondent Ernst & Young UK LLP (**EY UK**) which had been joined to the proceeding by Pitcher Partners who had alleged that EY UK was partly responsible for any loss suffered by the Applicant and Group Members. The Applicant settled the claims against EY UK on a "walk away" basis that did not involve EY UK paying any compensation. The settlement with EY UK was approved by the Federal Court as being fair and reasonable and in the interests of group members on 5 August 2022.

The proposed settlement and court approval

7. The parties to the Pitchers Class Action have agreed to a proposed settlement of the class action, where Pitchers will pay a total of **\$41,000,000** (inclusive of costs and interest) in full and final settlement of the claims of the Applicant and group members in the class action (**Pitchers Settlement**). The proposed settlement has been reached with no admission of liability by Pitchers.
8. The settlement must first be approved by the Federal Court as being fair and reasonable before it is binding on group members. If approved, after deduction of certain amounts in respect of



the legal and funding costs associated with bringing the class action, the balance of that amount will be distributed to **eligible group members**.

9. The Court will hear the application for approval of the proposed settlement at 10.15am on 28 October 2022 at the Federal Court in Melbourne. That hearing may take place either in person or by video, depending on the COVID-19 health advice and government requirements in place at the time.
10. If you are a Group Member in the Pitchers Class Action, you have the right, if you wish, to attend that hearing and/or to make submissions as to why the Court should, or should not, approve the proposed settlement (or any particular aspect of it). If you wish to exercise that right, you need to follow the steps outlined below (under the sub-heading 'Option C' below).
11. If the settlement is approved, any claims Group Members have against Pitchers arising from, in relation to or connected with the Proceeding and its subject matter will be released so that they can no longer be pursued, and eligible group members will receive a distribution from the settlement.
12. **Details of the proposed deductions** are contained on the website of Maurice Blackburn (see the end of this Notice), and you are encouraged to read that information.
13. **How the settlement is proposed to be distributed** will depend upon the application of a confidential formula, and you may receive different amounts depending on a number of factors, including whether you bought your SGH shares before or after Pitchers gave its audit opinion to SGH, and when you sold your SGH shares. For more details, please contact Maurice Blackburn.

Participation in the proposed settlement

14. Group members who are **eligible** to participate in the settlement of the Pitchers Class Action are those who are **registered** with Maurice Blackburn by no later than [21 October 2022].
15. **Registered Group Members:** If you have previously registered with Maurice Blackburn in relation to the SGH Class Action the ABL Class Action, you are already registered for the purposes of the Pitchers Class Action and do not need to register again. If you have previously registered for the Pitchers Class Action you do not need to register again. If you have previously registered with Maurice Blackburn for the ABL Class Action, and you fall within the group definition set out above in paragraph 1 above, you are already registered for the purposes of the Pitchers Class Action and do not need to register again.

What steps do you need to take?

16. The proposed settlement of the Pitchers Class Action, and the steps (if any) which group members may wish to take in response to this notice, will differ depending on their particular



circumstances as summarised below:

- a. **Registered Group Members:** Group members who have previously registered with Maurice Blackburn to participate in the SGH Class Action, or the Pitchers Class Action, or the ABL Class Action (and you fall within the group definition set out in paragraph 1 above), need not do anything in response to this notice. If you wish to **object to the proposed settlement**, but still participate in the settlement in the event that your objection is overruled and the settlement is approved, you must submit a ‘Notice of Objection to Proposed Settlement’ by 21 October 2022 in accordance with the instructions on Maurice Blackburn’s website).

Registered group members will be entitled to participate in the proposed settlement of the class action, and to receive a monetary distribution from the settlement sum, in the event that the proposed settlement is approved by the Court (and provided they otherwise qualify).

Registered group members do not need to re-register. If you are unsure of your registration status, you should contact Maurice Blackburn at SGH@mauriceblackburn.com.au.

- b. **Unregistered Group Members:** Group members who have **not** previously registered with Maurice Blackburn in the SGH Class Action, or the Pitchers Class Action, or the ABL Class Action (and you fall within the group definition set out in paragraph 1 above), may do **three** things:

- **Option A: Register** to participate in the proposed settlement of the Pitchers Class Action by 21 October 2022 (in which case, you may be entitled to receive a distribution from the proposed settlement of the class action, in the event that it is approved by the Court, and provided you otherwise qualify). To register to participate in the proposed settlement of the Pitchers Class Action, you should go to <https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/> or contact Maurice Blackburn on 1800 572 151
- **Option B: Do nothing** (in which case, if the proposed settlement of the Pitchers Class Action is approved by the Court, you will not be entitled to receive a distribution from the settlement sum). You will, however, still be bound by the settlement and claims you may have against Pitchers will be extinguished.
- **Option C:** Group members may (in addition to Option A or Option B) **object** to the proposed settlement of the Pitchers Class Action. If you want to object to the settlement, but still participate in the settlement in the event that your objection is overruled and the settlement is approved, you should follow both Option A and Option C together. If you wish to object to the proposed settlement, you must submit a Notice of Objection to Proposed Settlement by [21 October 2022] in accordance with the instructions on



Maurice Blackburn's website.

There are different consequences for you depending on which option you choose. Further details in relation to each of the options, including the consequences and steps required, are set out on Maurice Blackburn's website (<https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/>).

- c. **Former Group Members:** Group members who submitted an opt out notice prior to the Court-imposed deadline of 8 September 2021 do not need to do anything in response to this notice. By choosing to opt out of the Pitchers Class Action, you are no longer a group member in the class action and will not be affected by the class action or the proposed settlement of the class action.

More Information

As stated above, further information is available on Maurice Blackburn's website (<https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/>), under the following headings:

- **What is a class action?**
- **What is the Pitchers Class Action?**
- **Are you a Group Member in the Pitchers Class Action?**
- **Are Group Members liable for legal costs?**
- **The Proposed Settlement and Proposed Deductions**
- **The Settlement Approval Process**
- **What do Group Members need to do?**
 - **Registered Group Members**
 - **Unregistered Group Members**
 - **Former Group Members**
- **Relevant documents**
- **What if you have further questions?**



ANNEXURE B

[Proposed Maurice Blackburn Website Text]

Maurice Blackburn has been two class actions on behalf of Slater & Gordon (ASX: SGH) shareholders:

- a class action against SGH's former legal advisers, which has since settled and that settlement is in the process of being administered (**ABL Class Action Settlement**); and
- a class action against SGH's former auditors (**Pitchers Class Action**).

A previous class action against Slater & Gordon (**SGH Class Action**) was settled in 2017.

*This page is about the **Pitchers Class Action**. If you are looking for further information about the **ABL Class Action Settlement**, [please click here](#).*

Case Updates

The Pitchers Class Action proceeded to trial in November 2021 which concluded in late December 2021. The Court has not yet determined the outcome of the trial.

In July 2022 the Applicant and the First Respondent, Pitcher Partners, reached an agreement to settle the Pitchers Class Action for **\$41,000,000** (inclusive of interest and costs). This settlement remains subject to Court approval.

Previously, in March 2022 the Applicant and the Second Respondent, Ernst & Young LLP (**EY UK**), reached an in-principle settlement on a "walkaway" basis, with each party bearing their own legal costs. The settlement was approved by the Court on 5 August 2022.

The Federal Court of Australia has ordered that Group Members who are not already registered with Maurice Blackburn to participate in the Pitchers Class Action and wish to receive any money they may be entitled to from the proposed settlement of the Pitchers Class Action must register their claim with Maurice Blackburn by no later than **4.00pm (AEDT) on 21 October 2022** by completing the online registration process on this website.

The Federal Court of Australia has also ordered that the below information be published online by Maurice Blackburn. The information is important and you should read it carefully. If you have any questions, please contact Maurice Blackburn at SGH@mauriceblackburn.com.au or 1800 572 151 or seek your own legal advice.

Key Dates



- 21 October 2022 – date by which group members must register with Maurice Blackburn (if they have not already registered, including for one of the previous class actions)
- 21 October 2022 – date by which any objections to the proposed settlement must be approved by the Court
- 28 October 2022 – Settlement Approval Hearing for Settlement with Pitcher Partners

IMPORTANT INFORMATION ABOUT THE PROPOSED SETTLEMENT OF THE PITCHERS CLASS ACTION

See the Court-approved Notice to Group Members in the following link: [\[LINK TO NOTICE\]](#)

A previous Court-approved notice in relation to the Pitchers Class Action was sent to registered group members and published on this website and in the *Australian Financial Review* which set out some of the background to the Pitchers Class Action. That notice advised you of your right to opt out of the class actions if you did not wish to participate. The deadline for opting out has now passed. Accordingly, this information is directed **only** to those persons who:

- (a) have been identified as a **potential group** member in the Pitchers Class Action; and
- (b) **did not opt out of the Pitchers Class Action** (by lodging an opt out notice with the Federal Court) before the deadline of 8 September 2021 (any persons who did lodge an opt out notice with the Federal Court before that deadline are no longer part of the Pitchers Class Action, and are not affected by the class action (and any references to ‘Group Members’ below should be understood as excluding such persons)).

The Federal Court of Australia has ordered that the following information be published for the information of persons who might be members of the group on whose behalf the Pitchers Class Action is brought and may have their legal rights affected by the Pitchers Class Action.

If you have received the Court-approved notice you did so because you have been identified as a potential group member in the Pitchers Class Action. **You should read the following information carefully. Any questions you have concerning the matters set out below should not be directed to the Court.** If there is anything that you do not understand, you should contact Maurice Blackburn, whose contact details are set out below, or alternatively seek your own legal advice.

This page provides important information about:

- (a) your status as a **group** member in the Pitchers Class Action;
- (b) what you need to do if you have not already registered, but wish to do so in order to



participate in the proposed settlement described below (and potentially receive some compensation);

- (c) what will happen if you do not register to participate in the proposed settlement of the Pitchers Class Action; and
- (d) what you need to do if you wish to object to the proposed settlement of the Pitchers Class Action.

What is a class action?

A class action is a legal action that is brought by one or more persons (**Applicant(s)**, being in this case Mr Hall) on their own behalf **and** on behalf of a group of persons (**Group Members**) against another person or persons (**Respondent(s)**, being in this case Pitcher Partners), where the Applicant(s) and the Group Members all have similar claims against the Respondent(s).

The Applicants in a class action do **not** need to seek the consent of Group Members to commence a class action on their behalf, or to identify a specific Group Member or Members. However, Group Members can cease to be Group Members by 'opting out' of the class action before the Court-imposed deadline. An explanation of how Group Members could opt out was contained in the previous notice to Group Members and, as noted above, the deadline for opting out has now passed.

What is the Pitchers Class Action?

The Pitchers Class Action is the second of three class actions brought by the Applicant, Mr Matthew Hall, on his own behalf and on behalf of persons who purchased shares in Slater & Gordon Ltd (**ASX:SGH**).

The Pitchers Class Action was commenced in the Federal Court of Australia against Slater & Gordon Limited's (**SGH**) SGH's former auditor Pitcher Partners. The Applicant alleged that Pitcher Partners, in SGH's FY2015 audit, failed to identify or communicate risks around the likely impairment of the \$1.1 billion goodwill asset (associated with the acquisition of the UK-based PSD division from Quindell plc). The result of this is alleged to be that SGH's FY15 Financial Report and/or FY15 Appendix 4E were materially misstated. This impairment ultimately occurred six months later in SGH's half-yearly report for FY2016.

Further information about the proceedings, including the Statement of Claim and Defences of both Respondents, is available to be viewed in the 'key documents' section at the bottom of this page.

Are you a Group Member in the Pitchers Class Action?



You are a Group Member in the Pitchers Class Action if (save for some limited exceptions) you satisfy the following criteria:

- (e) acquired an interest in fully paid ordinary shares in SGH during the period between 30 March 2015 and 29 February 2016; **and**
- (f) you suffered loss or damage by, or which resulted from, the conduct of Pitcher Partners alleged in the Pitchers Class Action (and which is summarised above); **and**
- (g) you did not opt out of the Pitchers Class Action on or before 8 September 2021.

You may disregard the information set out below if you **do not** satisfy the above criteria as your rights will not be affected by the proposed settlement of the Pitchers Class Action which is described further below.

If you do satisfy the above criteria, you should read the following information carefully as it will affect your legal rights.

If you are unsure as to whether or not you are a Group Member, you should contact Maurice Blackburn, whose contact details are set out below, or alternatively seek your own legal advice.

Are Group Members liable for legal costs?

The Applicant and many Group Members have retained Maurice Blackburn to act as their solicitors, but it is not necessary for you or other Group Members to retain (or have retained) Maurice Blackburn in order to participate as a Group Member.

The costs of the Pitchers Class Action have, to this point, been funded in part by International Litigation Partners No15 Pte Ltd (**ILP15**) and in part by Maurice Blackburn. Funding provided by ILP15 has been pursuant to Funding Agreements entered into between ILP15 and the Applicant and between ILP15 and many Group Members).

Specifically, throughout the course of the class action ILP15:

- (h) paid the majority of the legal costs incurred in conducting the Pitchers Class Action (including the costs of solicitors, barristers and experts);
- (i) indemnified the Applicant against potential adverse costs orders; and
- (j) provided cash security against the possibility of any such adverse costs orders.

If the proposed settlement of the Pitchers Class Action is approved by the Court, it is likely that the Court will order that the legal and funding costs of conducting the class action be deducted from the aggregate settlement sum, before calculating each Group Member's entitlement. In other words, the legal and funding costs of conducting the Pitchers Class Action will be spread equitably among all



participating Group Members. Therefore, if you are eligible to participate as a Group Member in the distribution of the settlement sum, your share of the settlement (if any) will be calculated and paid to you **after** deduction of legal and funding costs – under no circumstances will you, by registering to participate in the proposed settlement, be liable to pay any ‘out-of-pocket’ costs, whether to Maurice Blackburn, to ILP15 or otherwise.

The Proposed Settlement and Proposed Deductions

The parties to the Pitchers Class Action have agreed to a proposed settlement of the class action, where Pitcher Partners will pay a total of **\$41,000,000** (inclusive of costs and interest) in full and final settlement of the claims of the Applicant and group members in the class action (**Pitchers Settlement**). The proposed settlement has been reached with no admission of liability by Pitcher Partners.

The proposed settlement does not come into effect unless it is approved by the Federal Court.

If the proposed settlement is approved by the Court, there are likely to be some substantial deductions from the Settlement Sum before distribution of any money to eligible Group Members:

- (k) *Legal costs and disbursements*: Maurice Blackburn will seek payment of the reasonable legal costs incurred in conducting the Pitchers Class Action. The actual legal costs incurred up to 31 July 2022, are approximately **\$12.2 million**. Those costs comprise approximately **\$5.4 million for MB’s legal fees, and approximately \$6.8 million in disbursements** (primarily amounts paid to counsel and to experts on both liability and loss). As stated above, those costs are to be shared on an equitable basis by all Group Members. There will be further disbursements and legal fees for work done after 31 July 2022, including work necessary to obtain court approval of the settlement. It will be a matter for the Court to determine the amount of legal costs which it considers is fair and reasonable, and which may therefore be deducted from the Settlement Sum. Most of those legal costs have already been paid by ILP15 (100% of disbursements and 60% of Maurice Blackburn’s legal fees), and, if approved, ILP15 will be reimbursed for those costs. Maurice Blackburn may also apply for the permitted uplift of 25% of the conditional component of its legal fees, which, if approved, as at 31 July 2022 would be approximately **\$500,000**.
- (l) *Litigation funding charges*: The costs and adverse costs risks of the Pitchers Class Action have primarily been funded by ILP15 pursuant to various Funding Agreements between ILP15 and the Applicant and between ILP15 and some of the Group Members (**Funded Group Members**). ILP15 has paid 100% of all



disbursements and 60% of Maurice Blackburn's legal fees to date. ILP15 has also borne the risk of any adverse costs order against the Applicant (the amount the Applicant might be ordered to pay to the Respondent in the case were unsuccessful) and has also provided cash security for those costs in the amount of \$4.7 million (in respect of both EYUK and Pitchers). Under its Funding Agreements, ILP15 is contractually entitled to a commission of 28.5-35% of the Funded Group Members' share (before legal costs) of the Settlement Sum. To ensure that Funded Group Members are not disadvantaged in comparison to Unfunded Group Members, the Applicant will ask the Court to make an order that provides for equal treatment of all Group Members. Courts have typically used either a Funding Equalisation Order (FEO) or a Common Fund Order (CFO) to ensure equal treatment. Depending on the type of order preferred by the Court in the circumstances of this case, in return for ILP15's funding of the Pitchers Class Action the Applicant may seek Court approval of a payment to ILP15 based on its contractual entitlements from Funded Group Members in an amount of up to \$10.5 million (~25.6% of the Settlement Sum) to be equally shared by all group members. ILP15 may separately make an application that it receive an FEO or a CFO in greater amount (of up to \$12.3 million, or 30% of the Settlement Sum) based on the complexities, cost, and risks associated with funding the Pitchers Class Action. Again, it will be a matter for the Court to determine the final amount.

If the Court approves the proposed deductions from the Settlement Sum referred to above, there will be approximately **\$16.5-18 million** available for distribution to Group Members (plus any interest accrued on the Settlement Sum, less any further legal costs incurred in obtaining Court approval of the proposed settlement and distributing the Settlement Sum to Group Members (with all such further costs likewise being subject to the Court's approval)).

At the present time, it is not possible to estimate how much (if any) each registered Group Member will receive by way of a distribution from the proposed settlement because that will depend on a number of factors including:

- (m) the amount of the payments to Maurice Blackburn and ILP15 on account of legal and funding costs which the Court approves as fair and reasonable;
- (n) the number of Group Members who ultimately register to participate in the proposed settlement before the Court-imposed deadline; and
- (o) the time(s) at which, and the price(s) for which, each registered Group Member acquired and sold their SGH Shares during the Relevant Period.



The amount of the Settlement Sum which is ultimately available for distribution to registered Group Members will be distributed in accordance with a Settlement Distribution Scheme to be approved by the Court (**Scheme**), including a proposed Loss Assessment Formula (**LAF**) (which details how each Group Member's entitlement to a share of the Settlement Sum will be calculated). A copy of the Applicants' proposed Scheme (excluding the confidential LAF) can be downloaded from this page (under the heading 'Relevant Documents' below), or by contacting Maurice Blackburn, whose contact details are set out below. If you wish to obtain a copy of the confidential LAF, you may do so by requesting a copy from Maurice Blackburn and by signing and returning to Maurice Blackburn a confidentiality undertaking.

In addition, the settlement deed entered into by the parties to the Pitchers Class Action also provides for all Group Members to **release** and **discharge** Pitcher Partners and the Slater & Gordon Parties (being Slater & Gordon Ltd, Andrew Alexander Grech, Kenneth John Fowlie, Ian Robert Court, Raymond John Skippen, Erica Maree Lane, Rhonda O'Donnell, and Wayne Brown) from:

- (p) each and every claim made by or on behalf of the Applicant or any Group Member in the Pitchers Class Action, including each of the claims articulated in the Applicant's Amended Originating Application and/or Second Further Amended Statement of Claim; and
- (q) any and all claims arising from, in connection with, in respect of or related to:
 - (i) any matter which is or ever has been the subject of the Pitchers Class Action, including any matter specified in the Applicant's original Statement of Claim and/or Second Further Amended Statement of Claim; and
 - (ii) the Pitchers Class Action itself, including the administration of the Scheme and the costs of, and incidental to, the Pitchers Class Action.

Therefore, if the proposed settlement is approved by the Court, Group Members (whether they register to participate in the settlement or not) will be **bound** by the settlement and will not be permitted to make any subsequent claim against Pitcher Partners or the Slater & Gordon parties in relation to the above matters.

The Settlement Approval Process

The Court will only approve the proposed settlement if it is satisfied that the settlement is fair and reasonable in the interests of the Group Members, including as between the Group Members. If the Court is not so satisfied, it will not approve the proposed settlement (in which case, the Pitchers Class Action will continue and there will be no distribution of monies to Group Members unless and until the



Applicants are successful in the class action, or a further settlement is reached and approved).

The Court will hear the application for approval of the proposed settlement at 10.15am on 28 October 2022 at the Federal Court in Melbourne. That hearing may take place either in person or by video, depending on the COVID-19 health advice and government requirements in place at the time.

If you are a Group Member in the Pitchers Class Action, you have the right, if you wish, to attend that hearing and/or to make submissions as to why the Court should, or should not, approve the proposed settlement (or any particular aspect of it). If you wish to exercise that right, you need to follow the steps outlined below (under the sub-heading 'Option C – Object to the Proposed Settlement' below).

What do Group Members need to do?

Registered Group Members

As advised in the notice which all Group Members should have received, Group Members who have previously registered with Maurice Blackburn to participate in the Pitchers Class Action need not do anything at the present time. **Such Group Members will be entitled to participate in the proposed settlement of the Pitchers Class Action in the event that it is approved by the Court (and provided they otherwise qualify), and specifically need not, and should not, re-register with Maurice Blackburn (as the existing registration remains valid).**

Registered Group Members may, however, **object** to the proposed settlement (or any aspect of it), should they wish to do so, by following the steps set out below (under the sub-heading 'Option C – Object to the Proposed Settlement' below).

Unregistered Group Members

Group Members who have **not** previously registered with Maurice Blackburn to participate in the Pitchers Class Action may do the following three things:

- **Option A:** Register to participate in the proposed settlement of the Pitchers Class Action.
- **Option B:** Do nothing.
- **Option C:** Group Members may (in addition to Option A or Option B) object to the proposed settlement of the Pitchers Class Action.

There are different consequences depending on which option you choose.

Option A – Register to Participate



Group Members who wish to receive a distribution from the proposed settlement of the Pitchers Class Action must register their claim by no later than **21 October 2022** by completing and submitting the online registration form. Please note that if you have previously registered, including for the SGH Class Action or the ABL Class Action, you do not need to register again. If you are unsure whether you have previously registered, please contact Maurice Blackburn.

If the proposed settlement is approved by the Court, any Group Member who is registered by **21 October 2022** and who provides sufficient information to enable Maurice Blackburn to verify that they are a Group Member (i.e., that they satisfy the criteria set out above under the heading ‘Are you a group member in the Pitchers Class Action?’), may be entitled to receive a distribution from the Settlement Sum. The precise amount of that distribution (if any) is presently uncertain, for the reasons set out above under the heading ‘The Proposed Settlement’ (any such distributions will be calculated in accordance with the Scheme and the LAF as approved by the Court).

There is no cost to register your claim. Your registration **must** be completed and received by Maurice Blackburn before **21 October 2022**. Registrations received after that time will not be accepted, and you will be treated as having not validly registered (see Option B below). Again, if you have previously registered, you do not need to register again.

Option B – Do Nothing

Group Members who do nothing (i.e., do not register before the deadline of **21 October 2022**) will remain Group Members for all purposes, but will not, unless the Court determines otherwise, be entitled to receive a distribution from the proposed settlement of the Pitchers Class Action.

Therefore, if the Court approves the proposed settlement, Group Members who do nothing will be **bound** by the settlement (and therefore not able to pursue the same or similar claims against Pitchers in the future) but will **not** be entitled to receive a distribution from the Settlement Sum.

Option C - Object to the Proposed Settlement

If you are a Group Member you have the right, if you wish, to make submissions as to why the Court should, or should not, approve the proposed settlement (or any particular aspect of it). If you wish to exercise that right, you must complete the Notice of Objection to Proposed Settlement form below, and email it to:

- (r) the Federal Court (vicreg@fedcourt.gov.au); and
- (s) Maurice Blackburn (SGH@mauriceblackburn.com.au),

by no later than **21 October 2022**.



Any Group Member who objects in this way may also (but is not obliged to) appear before the Court at the hearing of the application to approve the proposed settlement at **10.15am on 28 October 2022** at the Federal Court in Melbourne.

You may make such submissions whether or not you have registered to participate in the Pitchers Class Action.

Any objections received by the Court will be considered by the Court, along with all of the other evidence and submissions filed by the parties, in determining whether or not to approve the proposed settlement.

Former Group Members

As advised in the notice which all Group Members should have received, Group Members who submitted an opt out form prior to the Court-imposed deadline of 4.00 pm (AEDT) on 8 September 2021 need not do anything further. By choosing to opt out of the Pitchers Class Action, such persons are no longer Group Members in the class action, and will not be affected by the class action or the proposed settlement referred to above.

Relevant Documents

Links to be inserted:

- (t) Notice to Group Members
- (u) Notice of Objection
- (v) The Second Further Amended Statement of Claim dated 14 December 2020
- (w) The first respondent's Defence to the Second Further Amended Statement of Claim dated 11 February 2021,
- (x) The second respondent's Defence to the Second Further Amended Statement of Claim dated 25 February 2021
- (y) Court Orders of **X date**



ANNEXURE C

[Notice of Objection to Proposed Settlement]

Complete this form only if you intend to object to the proposed settlement of the Pitchers Class Action

NOTICE OF OBJECTION TO PROPOSED SETTLEMENT

FEDERAL COURT OF AUSTRALIA

PITCHERS CLASS ACTION

Hall v Pitcher Partners

(VID 918 of 2018)

To:

- the Federal Court of Australia (vicreg@fedcourt.gov.au); and
- Maurice Blackburn (SGH@mauriceblackburn.com.au).

The person identified below gives notice that they object to the proposed settlement of the Pitchers Class Action:

A. DETAILS OF OBJECTOR

Name of Group Member	
Contact name (if different from name of Group Member), and authority to complete this form on Group Member's behalf (e.g. director / secretary of Group Member, lawyer for Group Member)	
Postal address	
Email address	



Telephone number(s)	
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B. GROUND(S) OF OBJECTION

The ground(s) for my objection to the proposed settlement are as follows (set out in the space below any submissions you wish to make – you may attach additional pages if necessary):

C. ATTENDANCE AT HEARING ON 28 OCTOBER 2022 at 10.15am:

- I do not intend to appear at the settlement approval hearing, but wish for my submission to be considered in my absence
 - I do intend to appear at the settlement approval hearing
- (please tick one of the above two options)

If you do intend to appear at the settlement approval hearing, please complete the following:

- I will appear on my own behalf
- I will be represented by a lawyer:



.....

D. SIGNING OF NOTICE:

.....

Please sign here

Date:



Schedule

No: VID918/2018

Federal Court of Australia
District Registry: Victoria
Division: General

Second Respondent ERNST & YOUNG LLP

First Cross Respondent SLATER & GORDON LTD

Second Cross Respondent ANDREW ALEXANDER (AND OTHERS) GRECH

Third Cross Respondent KENNETH JOHN FOWLIE

Fourth Cross Respondent IAN ROBERT COURT

Fifth Cross Respondent RAYMOND JOHN SKIPPEN

Sixth Cross Respondent ERICA MAREE LANE

Seventh Cross Respondent RHONDA O'DONNELL

Eighth Cross Respondent WAYNE BROWN

Ninth Cross Respondent ERNST & YOUNG LLP