



McGrathNicol

2 May 2025

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

Update – Cancellation of Australian Financial Services Licence with conditions

I refer to our previous circulars to Corporate Trustees and Beneficiaries and adopt the defined terms contained in those circulars.

On 8 April 2025, the Australian Securities and Investments Commission (**ASIC**) wrote to the Receivers:

- confirming that automatic cancellation of Brite Advisors' Australian Financial Services Licence (**AFSL**) had been triggered pursuant to section 915B(3B) of the *Corporations Act 2001* (Cth) (**Act**); and
- inviting the Receivers to make submissions relating to that forthcoming cancellation, including whether the Receivers sought conditional continuation of the AFSL, and, if so, what licence specifications under section 915H of the Act may be required to ensure the appropriate administration of the Client AuM.

Having taken appropriate specialist advice on the issue, the Receivers formed the view that maintenance of the AFSL was only required to preserve, to the extent possible, any eligible Beneficiaries' entitlement to lodge a complaint with the Australian Financial Complaints Authority (**AFCA**), which is a pre-requisite to making a claim on the Compensation Scheme of Last Resort (**CSLR**).

On 29 April 2025, ASIC gave notice of its decision to cancel Brite Advisors' AFSL with conditions, effective 29 April 2025. Those conditions were consistent with the Receivers' submissions to ASIC. ASIC has confirmed that the conditional AFSL will continue in effect until 29 April 2026.

A copy of the notice is **enclosed**.

The cancellation of the AFSL will have no direct impact on the Receivership, or the ability of the Receivers to continue to undertake the matters they have been appointed by the Federal Court to undertake.

AFCA Membership will be maintained

I refer to our circulars to Corporate Trustees and Beneficiaries dated 8 April 2025 and 14 April 2025, relating to the notice that Brite Advisors received from AFCA advising that the AFCA Board are considering expelling Brite Advisors from AFCA membership on 13 May 2025 (**Notice**) and inviting the Receivers to make written submissions in respect of the Notice.

As foreshadowed in our circular dated 14 April 2025, the Receivers made written submissions to AFCA in which the Receivers strongly opposed the expulsion of Brite Advisors from AFCA membership on the basis that expulsion would prejudice the interests of Beneficiaries.



On 1 May 2025, AFCA wrote to the Receivers confirming that, in light of ASIC's decision to cancel Brite Advisors' AFSL with conditions, effective 29 April 2025:

- the AFCA Board will not be proceeding to consider the proposed expulsion of Brite Advisors at its meeting on 13 May 2025; and
- the AFCA Board will likely consider the potential expulsion of Brite Advisors at or about 29 April 2026.

Given the above, the Receivers will not seek directions from the Court at this stage in relation to the filing of a representative complaint by the Receivers on behalf of the Beneficiaries. The Receivers will continue to liaise with AFCA in relation to the complaints that have been filed by Beneficiaries, and any future complaints filed by any Beneficiaries who consider themselves eligible to do so with AFCA.

What does this mean for the proposed expulsion of Brite Advisors from AFCA membership?

Brite Advisors will continue to retain AFCA membership until on or around 29 April 2026.

In practical terms, this means that any Beneficiaries who consider themselves eligible to make a complaint to AFCA, have approximately a further 12 months to make that complaint (i.e. whilst Brite Advisors remains a member of AFCA), if a complaint has not already been made by that Beneficiary.

If a Beneficiary has already made a complaint to AFCA, there is no practical impact on that Beneficiary's complaint given that the complaint has been lodged in the period where Brite Advisors is a member of AFCA.

Ongoing updates

The Receivers will continue to keep Trustees and Beneficiaries apprised of the conduct of the receivership, including with respect to the proposed expulsion from AFCA membership, and issue further correspondence when there are material developments.

Correspondence issued to Trustees and Beneficiaries can be downloaded from our website at the following link - <https://www.mcgrathnicol.com/creditors/brite-advisors-pty-ltd>.

If you have any queries, please refer to the Frequently Asked Questions page on our website, which can be accessed here: <https://www.mcgrathnicol.com/creditors/brite-advisors-pty-ltd>. This page will be continually updated as new information that is relevant to beneficiaries and trustees becomes available.

If you have any queries which are not addressed in the Frequently Asked Questions, 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

Australian Securities and Investments Commission

***Corporations Act 2001* section 915B(3B)**

Notice of cancellation of Australian financial services licence

To: Brite Advisors Pty Ltd (ACN 135 024 412)

TAKE NOTICE that:

1. under section 915B(3B) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Australian Securities and Investments Commission (**ASIC**) hereby cancels Australian financial services licence number 337670 (**licence**) held by Brite Advisors Pty Ltd (**Brite Advisors**); and
2. under s915H of the *Corporations Act*, ASIC specifies that the licence continues in effect until 5.00 pm on 29 April 2026 as though the cancellation had not happened for the purpose of section 912A(1)(g)(i) and 912A(2)(c) of the *Corporations Act*, to the extent they require Brite Advisors to be a member of the AFCA scheme.

Dated this 29th day of April 2025



Signed Philip Peck
Delegate of the Australian Securities and Investments Commission