

NOTICE OF FILING

Details of Filing

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File Number:	VID1053/2025
File Title:	AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v GREGORY RAYMOND COTTON & ANOR
Registry:	VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA



Sia Lagos

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.



No. VID1053/2025

Federal Court of Australia
District Registry: Victoria
Division: Commercial and Corporations

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

GREGORY RAYMOND COTTON and another

Defendants

ASIC'S SUBMISSIONS ON RECEIVERS' REMUNERATION
APPLICATION

Overview

1. By interlocutory process dated 1 May 2026, Messrs Woods and Algeri (**the Receivers**) seek orders fixing their remuneration, costs and expenses for the period 15 December 2025 to 24 April 2026,¹ in the amounts of \$638,299.75 (remuneration) and \$196,241.95 (costs and expenses).²
2. The amounts sought by the Receivers are substantial, particularly given the relatively short period to which they relate. If approved, those amounts are to be paid out of the property of the Defendants (at least in the first instance).³
3. ASIC is concerned to ensure that those amounts are reasonable, and therefore properly claimed. That is because the sole source of the Defendants' property appears to be funds paid to the Defendants by investors. Those investors face the prospect of significant unrecoverable losses.

¹ ASIC notes, however, that the Receivers' submissions dated 4 May 2026 (**Receivers' submissions**) define the 'Remuneration Period' as ending on 17 April 2026 (at [21]), and the Receivers appear to seek legal costs incurred up to 1 May 2026 (see [9] below).

² These amounts are inclusive of GST.

³ Orders of her Honour Justice Button dated 15 December 2025, paragraph 7.

4. Consistent with that concern, ASIC has requested further information and/or explanations from the Receivers on four topics.⁴ The Receivers' response to that request does not resolve ASIC's concerns. Each of those topics is addressed below.

The 'voluntary reduction'

5. In support of their contention that the quantum of remuneration claimed is reasonable, the Receivers point to a "*voluntary reduction in the amount of remuneration claimed of approximately 20%*".⁵ While reference to that reduction is made in Mr Woods' supporting affidavit,⁶ a record or calculation of it is not included in the material filed by the Receivers.
6. In response to ASIC's request for further information, the Receivers merely said that "*reductions were applied to time recorded by various staff members across the relevant period*" and that their "*total remuneration incurred*" to 24 April 2026 was in fact \$716,917 (which appears to be exclusive of GST), such that the remuneration claimed reflects a reduction of approximately 19%.⁷
7. In *Templeton v ASIC*, the Full Court held that, before any discount is applied, it is first necessary to identify the "*real or actual claim as distinct from a notional arithmetic ambit claim*."⁸ The Receivers do not appear to have done so here. While they have (belatedly) identified a larger figure that might be said to be "*a notional arithmetic ambit claim*", there is no explanation as to why that amount is also the "*real or actual claim*" that has then been discounted.
8. The consequence is that the "*voluntary reduction*" referred to by the Receivers is not a matter that is probative of the reasonableness of the amount claimed.

Legal fees

9. ASIC sought further information from the Receivers about legal costs and disbursements incurred in the period 15 February 2026 to 1 May 2026, the quantum of which exceeds \$100,000 (exclusive of GST).⁹ The Receivers' response did not provide a meaningful explanation as to why such significant costs were incurred.¹⁰

⁴ Affidavit of Ashvin Sandra Segaran affirmed 5 June 2026 (**Segaran Affidavit**), [6].

⁵ Receivers' submissions, [23]-[24].

⁶ Affidavit of Robert Woods dated 1 May 2026 (**Woods affidavit**), [31].

⁷ Segaran Affidavit, Tab 2 of Annexure AS-2.

⁸ (2015) 108 ACSR 545; [2015] FCAFC 137, [77]-[81] (Besanko, Middleton and Beach JJ).

⁹ Segaran Affidavit, Tab 1 of Annexure AS-2, [6]-[9]. As noted in fn 1 above, the period that is the subject of the Receivers' application is not entirely clear.

¹⁰ Segaran Affidavit, Tab 2 of Annexure AS-2.

10. The Receivers carry the onus of justifying the reasonableness of the legal costs claimed. They have not done so.

The ‘internal disbursement’ for dTrace costs

11. The costs and expenses claimed by the Receivers include \$12,274.41 (plus GST) in respect of an “*internal disbursement*” for a tool known as ‘dTrace’, which was utilised by the Receivers during their appointment.¹¹
12. ASIC sought an explanation as to why those costs (which, if they are payable, appear to be payable to Deloitte) are properly characterised as a disbursement, as opposed to an internal operating cost of the Receivers.¹² The Receivers’ response was limited to a bald assertion that the cost is properly characterised as a disbursement.¹³
13. The Receivers have not established that it is reasonable to claim this amount.

GST on disbursements

14. The Receivers also claim \$17,804.77 in respect of GST that is payable on their costs and disbursements.¹⁴
15. ASIC has conveyed to the Receivers its view that, in circumstances where the Receivers will be entitled to claim an input tax credit for the GST on their disbursements, there is no apparent basis for GST to also be paid from the Defendants’ property.¹⁵ That position is consistent with authority.¹⁶
16. The Receivers have not identified any basis upon which to depart from that position.

Date: 5 June 2026

Jarrad Mathie

¹¹ Woods affidavit, exhibit RW-4, p.16.

¹² Segaran Affidavit, Tab 1 of Annexure AS-2, [10]-[12].

¹³ Segaran Affidavit, Tab 2 of Annexure AS-2.

¹⁴ That amount represents the difference between the GST-exclusive figure at p.16 of exhibit RW-4 to the Woods affidavit, and the GST-inclusive figure in paragraph 2 of the Receivers’ interlocutory process.

¹⁵ Segaran Affidavit, Tab 1 of Annexure AS-2, [13]-[15].

¹⁶ *Re F. Basile & Associates Pty Ltd (in liq)* [2016] VSC 690, [88]-[93] (Hetyey JR, as his Honour then was).