

Micheal P Nugent

29 Park Lane Terrace, Sovereign Island

QLD 4216

19th September 2009

Mr Iain Thompson

Chairman Dolamatrix Limited

Re; Jon McArthur, CFO



Dear Mr Thompson,

From one public company director to another, you should be aware of the following. Your CFO Jon McArthur (McArthur) was CFO for my company Roadships Logistics Limited from 2002 until late 2008.

In March of 2006 McArthur and fellow director Douglas staged a takeover when we had a high degree of success with capital commitments coming from banks in New York. They did this by virtue of a 2 to 1 board vote and transferring my shares to themselves (ask Computershare). McArthur then proceeded to cook the books and claim that I had misappropriated company funds which has since been proven as false. The following three years were simply a nightmare with McArthur hijacking our websites and publishing defamatory material including commentary and pictures of my wife and children.

From the attached material you can see that on the 11th September 2009 Justice Lloyd-Jones of the Federal Magistrates Court of Australia found that McArthur and Douglas have breached the Corporations Act. The matter is now going to escalate into criminal charges.

As you can see McArthur stripped the company of all of the funds in the bank, paying his wife who did not work for the company over \$80,000.00 in 19 days when in fact McArthur was paid in advance several months over. He then sold the company as a shell to Kevin Lynne who has since lost his money and the end result is placing the company into liquidation to cover his tracks.

Referring to your own Code Of Ethics, "***Ethical conduct relates to standards of behaviour characterised not only by complying with the law, but also by acting honestly and fairly***", are you confident that you have an honest man as your CFO. A reasonable person would think not.

I have survived the bombastic behaviour of your CFO and will continue to bring him to justice. I now have 3 USA public companies; one listed and have begun the task of rebuilding my Australian public company. I once heard, "*evil will prosper if good men do nothing*".

Sincerely



Micheal Nugent

(A) Code Of Ethics, (B) Court Finding, (C) Proof

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(C)

Form 20

AFFIDAVIT**IN THE FEDERAL MAGISTRATES' COURT OF AUSTRALIA
SYDNEY REGISTRY**

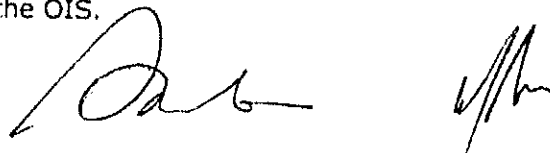
No: SYG2770 of 2008

IN THE MATTER OF:

BRIAN TREE AS TRUSTEE FOR THE TREE SUPERANNUATION FUND**Brian Tree**
Applicant**Roadships Logistics
Limited**
ACN 094 640 712
Respondent**AFFIDAVIT**

I, Micheal Nugent, company director of 29 Park Lane Terrace, Sovereign Island 4216 in the State of Queensland say on oath:

1. I refer to my affidavit in this matter sworn on 9 April 2009.
2. I confirm that I was appointed a director of the Respondent on 2 April 2000 and that I have never resigned my position as director of the Respondent.
3. In the period from at least January 2003 to at least June 2006, the Respondent maintained a bank Account at Westpac Bank at Arundel in the State of Queensland ("**Bank**"). The Account was in the name "Roadships Logistics Limited" and had the Account number 034159 102643 ("**Account**"). I was a signatory on the Account during that period, and I regularly caused transactions to be processed using this Account.
4. As director of the Respondent, bank statements for the Account were sent to me at my post office box on a monthly basis from about January 2003 to about March 2006. Annexed and marked "**A**" is a copy of bank statement number 35 for the Account for the period from 3 April 2006 to 7 April 2006.
5. In the period from April 2006 to June of 2006, in my capacity as a director, I was concerned about how funds were being distributed by management of the Respondent. In particular, I was concerned about the use of funds raised under the Offer Information Statement ("**OIS**") dated 6 December 2005 issue by the Respondent on about 6 December 2005. Annexed and marked "**B**" is a copy of the OIS.



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6. On about June 1, 2006, I attended the Bank and spoke with the branch manager, Cheryl Power. During that conversation I said words to the following effect:
- "I'm a director of Roadships Logistics, and a signatory to the Account, could I please have the latest transaction list?"*
7. Annexed and marked "C" is a copy of a transaction listing for the Account for the period 17 March 2006 to 1 June 2006 which she handed to me ('Statement').
8. After I reviewed the Statement I asked her about the transaction recorded as a withdrawal of \$200,000 on 1 May 2006 which is shown on the Statement as:
- "Withdrawal -- Internet online banking 147 7637 payment term deposit 01 May."*
9. Whilst still at the Bank, I noticed the words "term deposit" on the Statement.
10. I then said to Ms Power words to the following effect:
- "Are you able to tell where the \$200,000 withdrawal has gone?"*
11. Ms Power replied in words to the following effect:
- "It has been transferred to a National Australia Bank Account BSB 086-334 with Account number 4952-09649. The owner of the Account is Aussie Cash."*
12. On about 2 June 2006, I attended at the National Australia Bank at Harbour Town, in the State of Queensland and met the branch manager, Cheryl Taylor.
13. I showed Ms Taylor a copy of the Statement. We then had a conversation where we said words to the following effect:
- Me: *"I have just been told by the branch manager at Westpac at Arundle, that the \$200,000 withdrawal recorded on this statement, has been transferred to a National Australia bank account customer with the number 4952-09649 at BSB 086-334."*
- Taylor: *"The money was transferred to an account in the name of Interim Advance Corporation Pty Limited trading as Aussie Cash. It is an operating account and not a term deposit. I cannot tell you the account balance but that amount is not in the account anymore."*
14. Oliver Douglas has been a director of the Interim Advance Corporation Pty Limited since 12 October 2000. Oliver Douglas and his wife Stephanie Douglas have been shareholders of Interim Advance Corporation Pty Limited since 27 January 2004. Annexed and marked "D" is a copy of an Australian Securities and Investments Commission Extract recording that information.
15. After reviewing the above information, I formed the view that the \$200,000 withdrawal on 1 May 2006 was paid to a company owned or controlled By Mr Douglas.
16. Further, on reviewing the other transactions on the Statement I also ascertained :



CL: CRIME WA COMPANIES BANKRUPTCY INVESTMENTS LAW CASES

BI: OLIVER DOUGLAS < > ABDUL AZIZ BAKRI

ED: METRO

HD: "Debtor" broker freed after midnight arrest

BY: NEALE PRIOR

PC: Oliver Douglas: If the money's spent, why detain him, said the judge.

PICTURE: ROBERT DUNCAN

A SUPREME Court judge has ordered that controversial finance broker Oliver George Douglas be released from custody after he was arrested by police late Friday night on an absconding debtor's warrant.

Duty judge Geoffrey Miller was called into court on Saturday afternoon by Mr Douglas' lawyer, David Eley, who asked the judge to overturn an arrest warrant that was granted by a justice of the peace on Friday afternoon to Malaysian businessman Abdul Aziz Bakri.

Justice Miller decided to release Mr Douglas after finding that \$152,000 being claimed by Mr Bakri had probably already been dissipated by the broker and there was little point stopping him going to the US on a three-week business trip.

In March last year, Mr Douglas was banned by the Finance Brokers' Supervisory Board after it found he had brokered a loan before holding the required practice certificate.

He was suspended for six months but this was deferred after Mr Douglas appealed to the District Court. That appeal is yet to be heard.

Mr Douglas was arrested by police at his Mt Hawthorn home about midnight on Friday night.

The dispute in the Supreme Court between Mr Bakri and Mr Douglas relates to a \$250,000 second mortgage that Mr Douglas' broking business Equity Alliance gained over the Karrinyup home of businessman Peter Eley in April last year.

In documents filed last week, Mr Bakri claims Mr Douglas approached him in about March last year and said he required an advance for a second mortgage over Mr Eley's property.

Peter Eley's property was sold earlier this month by first-ranking secured creditor, the Uniting Church. The church's lawyers Kott Gunning gave David Eley a cheque for about \$152,000 pursuant to a second mortgage held by Equity Alliance.

Mr Bakri gained an injunction on Thursday preventing Mr Douglas disposing of the proceeds after presenting Justice Miller with a letter signed by Mr Douglas in January this year in which the broker says he held the mortgage on trust.

The broker also wrote that the proceeds of the mortgage should be used to reimburse Mr Bakri's expenses and then the Malaysian businessman should be paid \$166,000, comprising a \$123,500 principal, \$25,000 interest and \$17,500 penalty interest.

Mr Douglas denied in court on Saturday the mortgage was held on trust for Mr Bakri and said it was on trust for his wife. He said Mr Bakri was supposed to have lent money to Mrs Douglas last year but did not. Instead money was lent to her by another Malaysian person.

When Mr Bakri's solicitor Andrew Thorpe asked who that person was, Mr Douglas said: "'I can't recall because I don't have the documents in front of me.'"

Mr Douglas said that after David Eley received the cheque for the sale of Peter Eley's house, he instructed the lawyer to take about \$30,000 for outstanding legal fees and give him the balance in cash.

Mr Douglas said he used about \$3000 to pay off his credit card and gave the rest to his wife. He said he believed she had banked the money and she intended to pay back her Malaysian lender.

Justice Miller said the absconding debtor's warrant was validly issued but the dispute over the money would have to be resolved by normal court processes.

SZ: MEDIUM

CL: PROPERTY SALES INVESTMENTS WA CABINET COMPANIES BANKRUPTCY TRADE PRACTICES
KE: DOUG SHAVE
BI: DOMENIC CASELLA
ED: METRO

PC: Backfire: Fair Trading Minister Doug Shave was criticised about borrower allegations. PICTURE: NIC ELLIS
ID: Shave "salting" claim attacked
BY: MICHAEL SOUTHWELL

Only one finance broker disciplined since January 1998

Fair Trading Minister Doug Shave has been criticised for making inaccurate statements in Parliament about a borrower connected to WA's finance broking industry.

Mr Shave told the Legislative Assembly on Tuesday that he had been told a big borrower from finance broker Blackburne and Dixon was selling a substantial property asset and suggested the borrower may be salting away money which would then be unavailable for investors.

Mr Shave tabled a letter he said he had sent to Police Commissioner Barry Matthews which identified developer Domenic Casella as the borrower.

The letter said Mr Casella had placed his residence on the market.

"There is an obvious concern that persons who are, or are at risk of becoming, the subject of inquiry may dispose of assets in an attempt to avoid those assets either being confiscated by the crown or being made available to meet civil recovery action," the letter says.

Mr Shave said he had written to inform the Australian Securities and Investments Commission and the liquidators and supervisors of Grubb Finance and Global Finance.

But property agent Tony Goudas, who is selling Mr Casella's former home in South Perth said yesterday it was being sold on behalf of the Commonwealth Bank, which seized the asset under a court order in February.

Mr Goudas said it was unlikely there would be any proceeds which would go to Mr Casella after the mortgagees and the bank had been paid out.

Mr Casella said the two mortgages on the property secured loans totalling 2.8 million which would have to be satisfied before the Commonwealth Bank recovered its debt, which was more than \$2 million.

Real estate industry sources say the property is likely to fetch between \$3 million and \$4 million when it is auctioned on April 29.

Mr Casella said he was stunned that Mr Shave had raised the matter in Parliament, calling it a gutless attack. "I did not have anything to do with the selling of the home and I am not going anywhere," Mr Casella said.

He said he had no intention of hiding assets and was attempting to refinance loans he had obtained from finance brokers so that development projects could be completed and investors repaid.

~~During a question period in Parliament on Tuesday, Mr Shave said that in January 1998, only one finance broker had been subject to disciplinary action by the Finance Brokers' Supervisory Board. Finance broker Oliver Douglas has had his licence suspended.~~

~~Mr Shave said that a hearing about the liquidation of Global Finance, which was headed by John Margaria of Global Finance, had been adjourned and a hearing into a third broker was proceeding.~~

Others were under investigation.

3: MEDIUM

CL: INVESTMENTS COMPANIES LAW CASES WA PROPERTY SALES RELIGION
BI: ABDUL AZIZ BAKRI <> OLIVER DOUGLAS
ED: METRO
HD: Injunction won against broker
BY: NEALE PRIOR

A MALAYSIAN businessman has gained a Supreme Court injunction against controversial finance broker Oliver Douglas.

Abdul Aziz Bakri's injunction prevents Mr Douglas from dispersing money he received after the settlement earlier this month of a mortgage dispute with the Uniting Church.

Mr Bakri gained the injunction after claiming that Mr Douglas held on trust more than \$150,000 after the sale of a Karrinyup property on August 10.

The sale had been delayed while Mr Douglas, the Uniting Church and other parties who claimed to be owed money by the property's former owner, Peter Eley, fought over the validity of various mortgages and caveats.

Mr Douglas took possession of the property in June on the strength of a \$250,000 mortgage his finance broking business Equity Alliance has held over the property since April last year.

Uniting Church, which has held a first mortgage over the property since 1991, launched a Supreme Court action last month action to gain possession of the property from Mr Douglas so it could complete a \$425,000 sale agreement. The possession dispute was settled earlier this month.

Mr Bakri lodged a writ in the WA Supreme Court on Thursday and his lawyer Andrew Thorpe was before Justice Geoffrey Miller at 6pm.

In an affidavit, Mr Thorpe said he had been told by Uniting Church lawyer David Miller, of Kott Gunning, that \$152,000 was paid to Mr Douglas after the August 10 settlement.

Mr Thorpe's affidavit included a letter allegedly signed by Mr Douglas in January advising an East Perth law firm Hunt and Humphry that he held the mortgage over the Karrinyup property on trust.

The letter told the firm to distribute the first \$20,000 of any proceeds of the mortgage to Mr Bakri to reimburse payments made to McLernon Investigations, then pay \$166,000 to Mr Bakri in the form of \$123,500 principal, \$25,000 interest and \$23,000 penalty interest.

Mr Douglas then allegedly told Hunt and Humphry to pay another \$20,000 to the firm of private detective Terry McLernon.

Justice Miller granted an injunction restraining Mr Douglas from dealing with the settlement proceeds and adjourned the case to next Thursday.

Neither Mr Douglas nor a legal representative was in court. Mr Douglas could not be contacted yesterday. His lawyer David Eley said he could not comment because he was not aware of the material before Justice Miller.

Mr McLernon said last night he was engaged by Mr Bakri in November last year to negotiate a settlement with Mr Douglas over money the Malaysian businessman had lent earlier in the year to the finance broker.

Mr McLernon said he had hoped the dispute would be resolved amicably.

SZ: MEDIUM

Publication WA Section FINANCE
Page 29 Pub Date 22aug00

CL: CRIME WA JUDGES
BI: OLIVER DOUGLAS
ED: METRO
HD: Douglas flies after weekend of arrests
BY: NEALE PRIOR

CONTROVERSIAL finance broker Oliver Douglas flew out of Australia yesterday after being arrested and released for a second time at the weekend on absconding debtors warrants.

Supreme Court judge Geoffrey Miller made his kitchen a courtroom late on Sunday night after Mr Douglas' lawyer, David Eley, asked for an urgent hearing to overturn an absconding debtors warrant that was issued against Mr Douglas earlier that night.

Police had arrested Mr Douglas at his Mt Hawthorn home, the second time he had been arrested in two days on absconding debtors warrants gained by Malaysian businessman Abdul Aziz Bakrie.

Mr Douglas was first arrested about midnight on Friday night but was released about 3.30pm on Saturday afternoon after Justice Miller discharged the first warrant, issued by JP Brian Tennant on Friday evening.

Mr Tennant issued a second warrant on Sunday after Mr Bakri's lawyer, Andrew Thorpe, presented new affidavits. But that warrant was discharged by Justice Miller after the hearing in his kitchen and Mr Douglas was released from police custody.

The weekend's events were recounted by Justice John McKechnie in yet another court hearing yesterday afternoon, this time on an application by Mr Thorpe for an injunction restraining Mr Douglas from using an air ticket.

Mr Bakri also applied for an injunction restraining Mr Douglas's wife, Stephanie, from dealing with any money that she received from the discharge of a \$150,000 mortgage that is in dispute.

The dispute relates to a second mortgage that Mr Douglas' broking business, Equity Alliance Finance, gained over the Karrinyup home of businessman Peter Eley in April last year.

Mr Bakri claims he advanced the money for the mortgage deal. But Mr Douglas claims another Malaysian had lent the money to his wife and that he held the mortgage in trust for her.

Peter Eley's property was sold earlier this month by first-ranking secured creditor the Uniting Church, and a cheque for about \$152,000 was given to David Eley.

Mr Douglas told the court on Saturday he instructed the lawyer to use about \$30,000 to pay legal fees and give him the balance.

Mr Douglas said he gave the cash to Mrs Douglas, who had banked it and intended to pay back her Malaysian lender.

Mr Thorpe claimed yesterday Mr Douglas had effectively stolen Mr Bakri's money.

He said Mr Douglas had flown out of Australia via Sydney yesterday morning but he should be restrained from further using his air ticket so it could be cashed in and the proceeds returned to Mr Bakri if the ticket was bought using the Malaysian businessman's money.

David Eley said there was no evidence that money is owed to Mr Bakri.

Justice McKechnie refused to prevent Mr Douglas from further using his air ticket.

But he granted the injunction restraining Mrs Douglas dealing with money from the mortgage.

SZ: MEDIUM