

Hi Callum,

Thank you for your patience.

Please see our response below. You can attribute these to a Shine Lawyers' spokesperson.

**Shine Lawyers is seeking over \$36 million from the settlement funds in the Gill proceedings to pay for a disbursement funding facility provided by Western Funds Management (WFM).**

**This sum is broken down into just over \$10 million in principal and just over \$26 million in interest.**

**Past financial accounts reveal that an existing funding facility with Access Medical Group (AMG) which had roughly \$10 million, \$4.5 million in principle which accrued \$5.5 million in interest, was used for the Gill proceedings before WFM. The AMG facility was repaid from drawdowns of the WFM facility.**

**This \$10 million has been represented by Shine Lawyers as the principal for the Gill proceedings.**

- **1. Why has Shine presented this amount as a principle when it consists of \$5.5 million in accrued interest under the AMG facility?**

The amount originally financed by AMG in May 2017 was:

- \$19,056k of disbursement third party invoices
- \$4,269k of "uplift" (being interest)

A year later, the above two amounts plus other previously non-funded disbursements of \$2,558k were re-financed by Moelis around June 2018. (Total of \$25,828k principal financed through Moelis (WFM entity)). After this date, Shine funded all other further disbursements from its own resources.

- **In November 2020, Shine Lawyers was awarded roughly \$40 million in costs. \$16.9 million which was held in a trust account until it was withdrawn to pay down the principal on the WFM facility a year later. However, in this year the amount decreased from \$16.9 million to \$15.6 million.**

Approximately two and a half years later, in November 2020, Shine received \$16.9m, pursuant to a court order. A principal repayment to Moelis was made in November 2021 of \$15.6m. The difference in sum covered Shine's disbursement fees, which was money the firm had paid at its own risk and from its own pocket, for the success of this class action.

- **2. Could you please provide reasons for why the monies in the trust account decreased by \$1.3 million? Was it due to financial management or fees taken by either Shine Lawyers or a third party?**

(per above difference being Shine funded disbursements repaid back to Shine) .

**The financing costs for the Gill proceedings will be in excess of \$30 million on \$19 million in billed disbursements.**

Approximately \$19.056m of billed disbursements was financed in 2017 by AMF, which rose to \$21.6m in 2018 when refinanced with Moelis. Circa \$30m of interest is approximately \$2,500 - \$3000 per group member.

**3. Does Shine Lawyers believe that this represented the best interests of its clients, were other financing arrangements which were less onerous on your clients considered?**

The Gill proceedings commenced around 2012, and is still going in 2023. In the early years, Shine carried both disbursements and its own costs (fees) in its balance-sheet. The need for disbursement funding was crystallised when it became apparent that a lengthy drawn out trial and potentially, appeals, was likely. Disbursement funding is common practice in the legal industry, and Shine sought proposals from approximately four disbursement funders at the time.

The firm would not have been able to proceed with the case to its conclusion without disbursement funding for the group members. This was the most cost-effective means to administer justice to a large cohort of deserving clients.

AMG was selected initially as it proposed the lowest market interest rate at the time and also the best terms. At all times, the firm made decisions which we believed would best serve our clients.

By way of comparison, if the Gill proceedings had been funded under a more traditional third party litigation funding arrangement, the typical terms of such an arrangement (at the time) would likely have involved repayment of all funded costs to the litigation funder together with a funding commission of anywhere from 30%-40%. This would have resulted in a far greater amount being deducted from clients' returns for funding costs than is the case under the arrangements entered into by Shine.

Running a claim all the way to the High Court for 11 years is a costly exercise. Class actions remain a cost-effective vehicle for thousands of people who have suffered wrongdoing. Without this action, many clients would not have had the means to prosecute their claims particularly with such a litigious defendant.

Kind Regards,  
Miriam

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Shine Lawyers acknowledges the Traditional Owners of the land and waters on which we live and work and pay our respects to elders, past, present and emerging.

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