

**SUPREME COURT OF QUEENSLAND**

**REGISTRY: Brisbane**  
**NUMBER: 3383 of 2013**

**Applicants: RAYMOND EDWARD BRUCE AND  
VICKI PATRICIA BRUCE**

**AND**

**First Respondent: LM INVESTMENT MANAGEMENT LIMITED  
(ADMINISTRATORS APPOINTED)  
ACN 077 208 461 IN ITS CAPACITY AS  
RESPONSIBLE ENTITY OF THE LM FIRST  
MORTGAGE INCOME FUND**

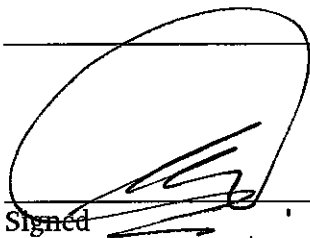
**AND**

**Second Respondents: THE MEMBERS OF THE LM FIRST  
MORTGAGE INCOME FUND  
ARSN 089 343 288**

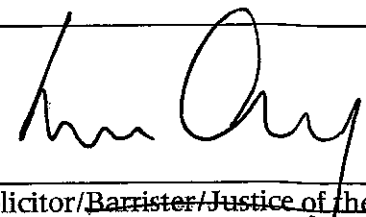
**Intervener: AUSTRALIAN SECURITIES & INVESTMENTS  
COMMISSION**

**STEPHEN CHARLES RUSSELL** of Level 21, 300 Queen Street, Brisbane in the State  
of Queensland, solicitor, states on oath:

1. I am a solicitor of this Honourable Court and Managing Partner of Russells,  
the Solicitors for the First Respondent ("LMIM").
2. Over the course of the last two days, I and my clients have had  
conversations with officers of, and the solicitors for Deutsche Bank AG, the secured  
creditor of the LM First Mortgage Income Fund, in relation to the application by ASIC,

  
Signed

PAGE 1

  
Solicitor/~~Barrister~~/Justice of the Peace

**AFFIDAVIT OF STEPHEN CHARLES RUSSELL**

Filed on behalf of the First Respondent

Form 46 Rule 431

**RUSSELLS**  
Level 21  
300 Queen Street  
**BRISBANE 4000**  
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and the proposed application by the Applicants for the appointment of receivers of assets of the Fund.

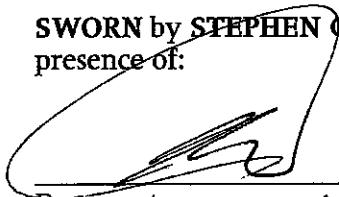
3. I was informed by Mr Park and Ms Muller this morning, and I believe, that those officers and solicitors have informed them that:-

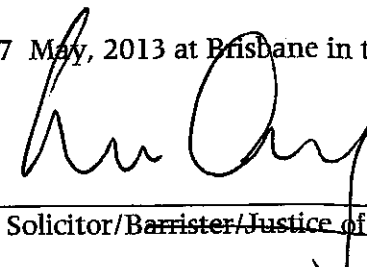
- (a) Deutsche Bank is dismayed that such applications have been made without any notice to, or discussions with it;
- (b) It is considering its position, but, if the applications for the appointment of receivers remain on foot, Deutsche Bank will likely appoint receivers before any such orders are made.

4. Those instructions accord my understanding of that bank's position, following a conversation with Mr Poole of Clayton Utz, the solicitors for the bank, yesterday afternoon.

5. All the facts and circumstances deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my Affidavit.

SWORN by STEPHEN CHARLES RUSSELL on 7 May, 2013 at Brisbane in the presence of:

  
Deponent

  
Solicitor/Barrister/Justice of the Peace