

# **PROMOTER'S DISCLOSURE STATEMENT AND OWNERSHIP AGREEMENT**

## **1. Definitions**

“Horse” means the horse registered with the Registrar of Racehorses

“Co-owners” means the parties to this agreement, who own the Horse as tenants in common

“The Stewards” means the Steward of Racing Victoria Limited

## **2. General**

### **2.1 Name and Registered Office of the Promoter, and where the Promoter is incorporated:**

Clanbrooke Pty Ltd, 21 Miniata Walk, Vermont South, 3133

Incorporated in Victoria, ACN 005 894 413

AFS Licence No. 260214

### **2.2 Names and addresses of all Directors:**

Dean Humphries, 21 Miniata Walk, Vermont South, 3133

Jan Humphries, 21 Miniata Walk, Vermont South, 3133

### **2.3 The undersigned parties agree that they purchase the Horse as co-owners with a view to sharing enjoyment of the Horse as a racehorse**

### **2.4 The number of shares in the Horse: 10**

### **2.5 The purchase price of each share: N/A – ingoing management fee of \$750 per 10% share applicable.**

### **2.6 Partnership commenced on:**

1<sup>st</sup> February, 2010

## **3. The Horse**

### **3.1 A description of the Horse:**

Foaled 28.09.2007, Bay Filly by Bianconi from Magic Blue.

### **3.2 A statement as to whether the horse is registered, if registered the Registration number:**

AUS00947405

### **3.3 If not, has an Application to Register or Transfer been submitted to a Principal Club?**

No

**3.4 Details of the racing performance(s) of the horse (if raced):**

Unraced

**3.5 Details of the performances of the Sire:**

American-bred **BIANCONI** is by Super-sire **DANZIG** from famed matriarch **FALL ASPEN**, a **G1** winner herself and the dam of 12 winners incl. 9 **SW**'s, 5 **G1** winners among them. From a limited 12 start career, **BIANCONI** won three races including the Ascot Diadem S. [**G2**] and was subsequently named Irish Champion 3YO Sprinter in 1998.

Entering stud in 2000, **BIANCONI** enjoyed immediate stud success, crowned Champion 1st Season sire in Victoria. With an outstanding career winners-runners ratio of 64.2%, **BIANCONI** is the Sire of 13 **SW**'s including recent Lightning S. [**G1**] winner **NICCONI**, now a dual **G1** winner. Other **SW**'s include retired son, **ABOVE DECK** (BTC Doomben Cup [**G1**]), **MR MARTINI** (MVRC Bill Stutt S. [**G2**]), NZ mare **LEIGH VALLEY** (WRC Cuddle S. [**G3**]) and **SCHILLING** (Sand. Gns [**G2**]). Ten years after commencing stud duties, **BIANCONI** remains firmly esconsed within the General Sires' Top 10 by winners.

**3.6 Details of the performances of the Dam:**

**MAGIC BLUE** is the winning dam of this filly. She has a near perfect record at stud, boasting 4 winners from 5 to race, her 5<sup>th</sup> foal the Clanbrooke stable horse 'This Cat's Magic' with only 2 starts under her belt. Her first foal, Sally (by Prized), is the dam of **HARRIS TWEED**, the 2009 Tulloch S. [**G2**] winner who went on to run a close second to **ROMAN EMPEROR** in the AJC Derby [**G1**] and a gallant 5<sup>th</sup> in the Emirates Melbourne Cup [**G1**].

**3.7 Name of the proposed Trainer and where the horse is to be stabled:**

To be trained by Brian Cox at Wodonga.

**3.8 How did the Promoter obtain the horse?**

Leased from owners

**3.9 Date of Purchase:**

N/A - Lease

**3.10 A Valuation by a qualified bloodstock valuer approved by the Federation of Australian Bloodstock Agents - Aust., who is independent of the Promoter:**

N/A

**3.11 A Veterinary Certificate prepared by a qualified Veterinary Surgeon, including a statement of opinion as to whether the horse is fit for the purpose for which the Syndicate/Partnership is being formed:**

Veterinary Certificate on request.

**3.12 A statement disclosing the full particulars of any lease agreement that will affect the Syndicate/Partnership:**

Lease is for 3 years. Lessees receive 75% net prizemoney.

**3.13 Clanbrooke has Registered the following colours for Racing:**

- 1 - Royal Blue and Gold Vertical Stripes, Hooped Sleeves and Quartered Cap
- 2 – Royal Blue, Gold Sash, Quartered Cap

#### 4. **Ongoing Expenses**

- 4.1 The co-owners agree that they will share all costs related and incidental to the racing, training, agistment, treatment, maintenance, welfare and keep of the Horse in proportion to the shareholding.
- 4.2 When an applicant pays his/her money, that money will be held in trust by Clanbrooke Racing until Racing Victoria Ltd has registered or refused to register the Syndicate/Partnership.
- 4.3 Where the Syndicate/Partnership has not been fully subscribed within six months from the date on which invitations were first made to the public, OR where the relevant racing or breeding authority has refused to register the Syndicate/Partnership, ALL monies held in trust will be returned to investors within ten (10) business days.
- 4.4 **Ongoing expenses to be incurred by the members:**  
Monthly expenses of approximately \$250 per month per 10% share from 01.02.2010. Clanbrooke will do a full reconciliation at the end of each preparation and an adjustment either way if necessary.
- 4.5 Monthly fees are non-negotiable and payable by 15<sup>th</sup> of every month by either Direct Debit or Credit Card. Direct Debit and Credit Card payments are processed on this day or as close as is practicable. Monthly fees are payable from the date the paperwork is received by Clanbrooke Racing.
- 4.6 Monthly fees are costed on a per annum basis and are therefore payable 12 months of the year, even when the horse is spelling.
- 4.7 Clanbrooke reserves the right to vary monthly fees every six months in accordance with actual costs.
- 4.8 For administration purposes, Members are invoiced quarterly.

#### 5. **Insurance**

- 5.1 The Horse will be insured (**Leased horses excepted**) against death or destruction from the moment of purchase (as stated in clause 3.9) for a period of twelve months with a reputable Equine Insurance Company.
- 5.2 At the end of the twelve month period, Members may elect to;
  - a) continue to insure their share with Clanbrooke's existing insurance company, *or*
  - b) choose an independant insurance company, *or*

c) cease insurance cover.

## **6. Share of profits**

- 6.1** The co-owners agree that they will share all prizemoney or other moneys earned by the Horse in proportion to their shareholding.
- 6.2** All prizemoney is accumulated in the Syndicate/Partnership Bank Account and distributed when the Horse goes for a spell, provided the total distribution exceeds \$200 per co-owner and subsequent to the receipt of payment from race clubs.
- 6.3** Prizemoney will not be distributed to a co-owner who is in arrears for ongoing expenses.
- 6.4** All Partnerships commence on a particular date (specified in clause **2.6**). Shareholders who purchase at a later date will become responsible for training fees from that date of commencement to the date of their share purchase and this amount will become payable from future prizemoney.
- 6.5** The co-owners agree that any trophy won by the Horse shall be allocated by ballot to an individual owner. All previous winners are exempt from the ballot until all co-owners are in receipt of a trophy.
- 6.6** Clause **6.5** excludes trophies for Stakes Races. Clanbrooke reserves the right to retain such trophies.

## **7. Managing Owner**

- 7.1** The co-owners appoint Dean Humphries of Clanbrooke Racing to be the managing owner of the horse.
- 7.2** The managing owner's duties shall include:
- a) acting for the co-owners in accordance with the Rules of Racing;
  - b) doing all things on behalf of the co-owners as authorized by the co-owners to do;
  - c) receiving notice of any matter on behalf of the co-owners and informing them of said notice;
  - d) keeping the accounts of the co-owners;
  - e) ensuring that all co-owners are aware of the date on which any amount payable by them under clause 4.5 falls due;
  - f) keeping all owners regularly informed of the progress and welfare of the Horse
- 7.3** Updates and Information:

- a) Clanbrooke Racing's main communication vehicle is the Telephone Hotline. Members are given the Hotline number when they join the Partnership.
- b) Clanbrooke has a website at [www.clanbrooke.com](http://www.clanbrooke.com), incorporating a Member's web. Members are provided with a User I.D. and Password when they join the Partnership. Updates are posted weekly or on a needs basis.

7.4 The Manager will be paid for his services (of an amount not to exceed \$400 per month) from fees paid by co-owners.

## **8. Disputes relating to management of the Horse**

- 8.1 Any dispute relating to the management, handling, or racing career of the Horse shall be settled by a vote of the co-owners, each party having a number of votes in proportion to their shareholding.
- 8.2 For the avoidance of doubt, and without limiting the operation of clause 8.1, where there is a dispute, the following matters may be settled by a confirming vote of a minimum of 70%:
  - a) the trainer of the Horse;
  - b) whether the Horse is to be gelded
  - c) whether the Horse is to undergo elective surgery
  - d) whether the Horse is to be retired
  - e) following retirement, whether the Horse is to be used for breeding purposes, or any other purpose;
- 8.3 Where any vote referred to in clause 8.1 is split, the managing owner at the time of the vote shall have the deciding vote.
- 8.4 Where a dispute arises between a co-owner and the managing owner they should, in the first instance be addressed to the managing owner (Dean Humphries). If the complaint has not been resolved within a reasonable time, the owner should then contact Racing Victoria. If a solution is not forthcoming, complaints should then be referred to the Financial Industry Complaints Service Limited: [www.fics.asn.au](http://www.fics.asn.au) or 1300 780 808. Clanbrooke Pty Ltd is happy to abide by any mediated result.

## **9. Sale of shareholding**

- 9.1 Where any co-owner wishes to sell their shareholding, they shall give notice of their intention to the managing owner and co-owners who, for a period of 7 days, shall have first option to purchase the share at the greater of:
  - a) valuation received from an independent bloodstock agent recommended by Federation of Independent Bloodstock Agents; or

b) the price of a bona fide offer received in writing from any person for the share.

- 9.2** The co-owner selling the share in the Horse remains liable for his/her share in the costs referred to in clause 4.2 until such time as any sale is executed.
- 9.3** The cost of any valuation will be borne by the vendor.

## **10 Default in Payments**

- 10.1** Any debts incurred by co-owners arising from costs incurred under clause 4.4 shall be made by the due date as advised by the managing owner.
- 10.2** If a co-owner has not paid any amount so payable 30 days after the due date, then the managing owner may serve upon them written notice demanding payment be made.
- 10.3** If 7 days after notice is given, the amount due remains unpaid, then the managing owner may offer the share of the defaulting co-owner for sale to the other co-owners.
- 10.4** The offer price shall be a valuation procured by the managing owner from an independent bloodstock agent.
- 10.5** If none of the co-owners accept the offer, the managing owner may offer the share for sale to the public.
- 10.6** The co-owners irrevocably appoint the managing owner as their attorney for the purposes of the exercise of the power of sale under this clause 9 and agree to do all such acts as may be required to ensure that the managing owner may exercise the power of sale under this clause.

## **11 Termination**

- 11.1 This agreement terminates when:**
- a) all of the co-owners by vote decide to terminate the agreement;
  - b) when the Horse dies
  - c) when the total interest of all co-owners are sold.
- (In the case of a Lease, the agreement terminates at the expiration of the Lease period OR where scenario a) or b) above occur).**
- 11.2** The co-owners acknowledge their responsibility for the welfare of the Horse at all times while they remain co-owners.

**ACKNOWLEDGMENT FORM**  
**RE: 'MAGICCONI PARTNERSHIP'**  
Bay Filly – Bianconi / Magic Blue

I/We

.....

acknowledge that being the purchaser of ..... % in the Clanbrooke Racing 'Magicconi Partnership,' that I am over the age of eighteen years, that I am not an undischarged bankrupt, or a disqualified person under the Rules of Racing, and that exempt for traffic convictions involving a fine, I have not been convicted of any criminal offence.

I/We authorise my cheque to be deposited in the 'Clanbrooke Pty Ltd Magicconi Partnership' Bank Account with the Bendigo Bank pending the completion of the Partnership after which the funds may be used to meet Partnership commitments.

NAME \_\_\_\_\_

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_

ADDRESS \_\_\_\_\_

\_\_\_\_\_ P/C \_\_\_\_\_

TEL. NO. \_\_\_\_\_ FAX NO. \_\_\_\_\_

MOBILE NO. \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_

OCCUPATION \_\_\_\_\_

OWNERS ID NO. \_\_\_\_\_

I acknowledge that I have read and agreed to all Terms and Conditions in this Ownership Agreement (please tick)

### **HOW TO SECURE YOUR SHARE**

Once you have read the Ownership Agreement and understood their contents, the following steps need to be put in motion:

1. Read, **SIGN** and **DATE** the Acknowledgment Form (p.7).
2. Complete the Authorisation Form (p.9) which allows us to sign the Registration papers on your behalf. **Please note:** Lessees are required to sign in *every* box. People purchasing shares are required to sign in all boxes *except* those that refer to leases.
3. Decide whether you are paying by Direct Debit *or* Credit Card (forms included at the end of this document). Complete appropriate forms and return to:

**CLANBROOKE RACING  
BOX 6024  
VERMONT SOUTH, 3133**

The first payment for monthly fees will be deducted from your nominated account on the 15<sup>th</sup> of the month including any part month fees applicable.

Payment for Share Purchases will be processed as soon as practical after receipt of documentation.

**Promoter's Declaration:**

I confirm that:

- (a) The statements contained in the Ownership Agreement in relation to the Syndicate/Partnership are true;
- (b) The Ownership Agreement contains all information which the investors and their advisers would require and reasonably expect to find in an Ownership Agreement for the purpose of making an informed assessment about investment in the Syndicate/Partnership.

Name of Promoter \_\_\_\_\_ **Dean Humphries** \_\_\_\_\_

Signature of Promoter \_\_\_\_\_

Date \_\_\_\_\_

**REGISTRAR OF RACEHORSES****AUTHORITY TO SIGN**

(Bianconi – Magic Blue Bay F. 28.09.2007)

I (name in full) \_\_\_\_\_ Date of

Birth \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_(ph) \_\_\_\_\_

**Authorise the person hereunder:**DEAN HUMPHRIES Ph: 95400317**To sign on my behalf, the Document/s listed hereunder relating to this racehorse in which I have an interest/shareholding.**Horse Name  Magicconi **THESE DOCUMENTS ARE NOT LIMITED TO BUT INCLUDE**

<b>DOCUMENT</b>	<b>SIGNATURE REQUIRED OF OWNER/SHAREHOLDER</b>
<b>APPLICATION TO REGISTER A RACEHORSE</b>	
<b>TRANSFER OWNERSHIP OF A RACEHORSE</b>	
<b>LEASE OF A RACEHORSE</b>	
<b>CANCELLATION OF LEASE</b>	
<b>STANDARD SYNDICATE AGREEMENT</b> (relating to members of a registered syndicate)	
<b>STANDARD PARTNERSHIP AGREEMENT</b> (relating to a shareholder in a partnership to be registered)	
<b>DISCLAIMER CONTAINED IN PROMOTER'S DISCLOSURE STATEMENT</b> (relating to a shareholder in a partnership to be registered)	
<b>OTHER FORM</b> (please specify)	

**NOTE: BY SIGNING NEXT TO THE NAME OF A DOCUMENT LISTED ABOVE, YOU ARE ACKNOWLEDGING THAT YOU HAVE READ AND UNDERSTOOD THE**

**DOCUMENTS AND ITS CONTENTS.**

**DIRECT  
DEBIT REQUEST**  
Request to establish Debit Authority within the  
Direct Debit System

Institution Name:  
Institution Address:  
City, State and Postcode:

I/We \_\_\_\_\_ ,  
Customer Name(s) giving Direct Debit Request

\_\_\_\_\_  
Customer Residential Address

\_\_\_\_\_  
Postcode \_\_\_\_\_

Authorise **Clanbrooke Pty Ltd – A.B.N. 43009949593** with User ID Number **203074**

to arrange for funds to be debited from my/our account, held with the Financial Institution identified above, as described in The Schedule below.

**Payment Details:**

The payment is for:

Identified by Reference Information :  
(Loan Number / Policy Number /Membership Number etc.)

**The Schedule**

**Details of account to be debited:**

Account held in the name(s) of: \_\_\_\_\_

Financial Institution's BSB :

Account Number: \_\_\_\_\_  
(Please check with your Financial Institution to ensure the account nominated will facilitate direct debiting. See attached Service Agreement Clause 5.)

**Direct Debit Request  
Authorisation**

I/We have read and understood the "Service Agreement" overleaf and acknowledge and agree to it.

I/We request this Arrangement remain in force in accordance with The Schedule described above and in compliance with the "Service Agreement" overleaf.

Customer(s) Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 \_\_\_\_\_ Date: \_\_\_\_\_

## DIRECT DEBIT REQUEST

Request to establish Debit Authority within the Direct Debit System

### Service Agreement

1. **Clanbrooke Pty Ltd** (the "Debit User") will debit the BSB/Account nominated in The Schedule of this Direct Debit Request as specified.
2. The Debit User will give not less than 14 days written notice to the customer should it propose to vary the arrangements of this Direct Debit Request.
3. The customer(s) may request the Debit User to defer or alter the payment amount specified in the Schedule of this Direct Debit Request. Requests authorising these changes may be made by phoning or visiting any branch of the **Clanbrooke Pty Ltd**. Customer(s) may change the:
  - Due Date of Payment
  - Payment Amount
  - Frequency of Payment

Customer(s) wishing to vary the drawing account details specified in The Schedule of this Direct Debit Request must provide signed authority for  
 Such changes to be effected.

4. In compliance with the Industry's Direct Debit Claims Process, the Debit User will assist customer(s) disputing any payment amount drawn on the nominated BSB/Account in The Schedule of this Direct Debit Request. The Debit User will endeavor to resolve this matter within the Industry agreed timeframes. Customer(s) may visit any branch of their bank and complete a "Direct Debit System Claim Request" form to initiate the process.
5. The Debit User advises that some Financial Institution accounts do not facilitate direct debits and as such the customer(s) must check with their Financial Institution (Ledger FI) to ensure the account nominated in The Schedule of this Direct Debit Request enables direct debiting.
6. It is the customer(s) responsibility to ensure at all times there is sufficient cleared funds available, at the due date of the debit drawing, to enable payment from the BSB/Account as nominated in The Schedule of this Direct Debit Request.
7. The Debit User advises the debit drawing will be made on the agreed due date as nominated in The Schedule of this Direct Debit Request. When the due date is a closed business day the Debit User will initiate the debit drawing on the next open business date. Customer(s) may direct processing inquiries to their Ledger FI.

A closed business day is defined as any calendar day on which the customer(s) Ledger FI is not open for direct debit processing. That is

- Weekends
- Public Holiday – State

- Public Holiday – National

8. Where an unpaid debit item is returned by the customer(s) Ledger FI, the Debit User will, in accordance with The Schedule of **Clanbrooke Pty Ltd** Fees & Charges, apply an Outward Dishonor Fee to the customer(s) recipient account.
9. Customer(s) who wish to cancel this Direct Debit Request must notify the Debit User in writing not less than 7 days before the next scheduled debit drawing. This request may be directed to the Debit User or to their Ledger FI for actioning.
10. The Debit User requests the customer(s) to direct all inquires, disputes requests for payment changes or cancellation directly to the Debit User.
11. The Debit User agrees to keep confidential all customer(s) records and account details contained in The Schedule of this Direct Debit Request unless authorised to release such information pursuant to a debit item dispute or similar event where the customer(s) has provided prior consent to do so.

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**CREDIT CARD  
PAYMENT REQUEST**  
Request to make a credit card transaction

Institution Name: **Clanbrooke Racing**  
 Institution Address: **6 Industrial Avenue**  
 City, State and Postcode: **Notting Hill, Vic, 3168**

I \_\_\_\_\_ ,  
 Customer Name(s) giving Credit Card Payment Request

\_\_\_\_\_  
 Customer Residential Address

\_\_\_\_\_ Postcode \_\_\_\_\_

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\_\_\_\_\_ *Customer contact phone number/s*

Authorise : **Clanbrooke Racing**  
 to arrange for the card detailed below to be charged for the share / training fees as outlined below.

**Payment Details:**  
 The payment is for: (purchase of share / training fees) :  
 For Syndicate / Partnership:

**Card Details**

**Details of the card to be charged:**  
 Account held in the name of: \_\_\_\_\_

Card Type : (Visa / Mastercard / Bankcard)  
 \_\_\_\_\_

Card Number : \_\_\_\_\_

Expiry Date : \_\_\_\_\_

## Credit Card Agreement

I have read and understood Clanbrooke's "Terms and Conditions" and "Standard Syndicate Agreement" pertaining to the above mentioned Syndicate / Partnership and acknowledge and agree to all conditions specified.

Please cross out the scenario that is not applicable:

This is a one off payment only and I do not wish my credit card to be charged on more than one occasion.

I request the above specified Arrangement does / does not remain in force on a monthly basis or until I advise a Clanbrooke Racing representative otherwise.

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_