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**Subject:** sell-out of Whitton to Grenfell - Conomos and conflict

I have not seen a more pronounced and corrupt example of conflict than that of Conomos, all the more galling when we ensured he had the job for Grenfell to compensate for David Ainsworth giving the Montague Road, South Brisbane Land Court job to Graham Skelly of Purcell Chadwick & Skelly following the objection to Conomos by Peter Gallagher QC.

This manoeuvre by Conomos/McQuade for Grenfell – essentially and simply the deep-pocketing of an insolvency practitioner, who Conomos **intimately knows through his prosecution of VID1183/10 on his behalf to be abjectly unfunded by the abuse of process which VID1183/10 represents** - plays to the tune of and into the hands of BMD who have been active in achieving this outcome and dog-whistling others to prevent funds going to the original shareholders of KHD, Rob Whitton for Perovich and Mio Art.

The manoeuvre has resulted in the liquidators of Grenfell obtaining at least \$1.4m which they are not entitled to, having already been paid out, or having at most \$200k owing to them. Perhaps now we will need to bring an action for account against the Grenfell liquidators, McGrath Nicol of Sydney.

Perhaps now James Conomos will work out a way to assist the parties he opines have right on their side.....

Conomos has conflict arising from:

- Acting for Neolido, Spencer & Perovich in the 3 Point Finance matter
- Acting for Spencer & Perovich in the actions outlined by BMD in the particulars of para [3.5B(c)] of their SFASOC dated 23 August 2013 including various Federal Magistrates Court actions and appeals viz. BRG532/07, BRG534/07, QUD167/07, QUD168/07 and QUD264/07
- Acting for Perovich in BS1999/06
- Acting for Mio Art, Spencer & Perovich before PD Sweeney following bankruptcies
- Acting for Mio Art, Spencer & Perovich at the creditors meetings held 5 August 2008
- Acting for Whitton at the creditors meetings held 29 October 2010 and 5 November 2010
- Acting for Whitton in the Federal Magistrates Court proceeding before Jarrett FM
- Acting for Whitton in VID1183/10, through to trial **while at the same time acting for Grenfell in the same Federal Court jurisdiction in NSD1682/13**
- Acting for Grenfell Securities in BS716/08 as against Neolido and in collecting funds from Wellington Capital
- Acting for Grenfell Securities in NSD1682/13 as against Whitton, Mio Art and Neolido

The matter is dealt with in clauses 10 and 11 of the Australian Solicitors Conduct Rules commenced on 1 June 2012 and promulgated to Qld solicitors by the QLS:

## 10. Conflicts concerning former clients

- 10.1 A solicitor and law practice must avoid conflicts between the duties owed to current and former clients, except as permitted by Rule 10.2.
- 10.2 A solicitor or law practice who or which is in possession of confidential information of a former client where that information might reasonably be concluded to be material to the matter of another client and detrimental to the interests of the former client if disclosed, must not act for the current client in that matter UNLESS:
  - 10.2.1 the former client has given informed written consent to the solicitor or law practice so acting; or
  - 10.2.2 an effective information barrier has been established.

## 11. Conflict of duties concerning current clients

- 11.1 A solicitor and a law practice must avoid conflicts between the duties owed to two or more current clients, except where permitted by this Rule.
- 11.2 If a solicitor or a law practice seeks to act for two or more clients in the same or related matters where the clients' interests are adverse and there is a conflict or potential conflict of the duties to act in the best interests of each client, the solicitor or law practice must not act, except where permitted by Rule 11.3.
- 11.3 Where a solicitor or law practice seeks to act in the circumstances specified in Rule 11.2, the solicitor may, subject always to each solicitor discharging their duty to act in the best interests of their client, only act if each client:
  - 11.3.1 is aware that the solicitor or law practice is also acting for another client; and
  - 11.3.2 has given informed consent to the solicitor or law practice so acting.
- 11.4 In addition to the requirements of Rule 11.3, where a solicitor or law practice is in possession of confidential information of a client (the first client) which might reasonably be concluded to be material to another client's current matter and detrimental to the interests of the first client if disclosed, there is a conflict of duties and the solicitor and the solicitor's law practice must not act for the other client, except as follows:
  - 11.4.1 a solicitor may act where there is a conflict of duties arising from the possession of confidential information, where each client has given informed consent to the solicitor acting for another client;
  - 11.4.2 a law practice (and the solicitors concerned) may act where there is a conflict of duties arising from the possession of confidential information where an effective information barrier has been established.
- 11.5 If a solicitor or a law practice acts for more than one client in a matter and, during the course of the conduct of that matter, an actual conflict arises between the duties owed to two or more of those clients, the solicitor or law practice may only continue to act for one of the clients (or a group of clients between whom there is no conflict) provided that the duty of confidentiality to other client(s) is not put at risk and the parties have given informed consent.