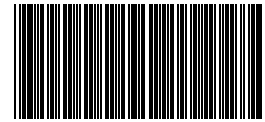




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Written Submissions

COURT DETAILS

Court	Supreme Court of New South Wales, Court of Appeal
List	Court of Appeal
Registry	Supreme Court Sydney
Case number	2025/00076545

TITLE OF PROCEEDINGS

First Appellant	Grapple Pay Pty Ltd ACN 655721618
First Respondent	Ingrid Doris Conroy in her capacity as trustee of The Bungabbee Frist Light Trust
Second Respondent	Manuel Hanna as the Trustee of the bankrupt Estate of Jarrod Arthur Conroy

FILING DETAILS

Filed for	Grapple Pay Pty Ltd, Appellant 1
Legal representative	DANIELLE FUNSTON
Legal representative reference	
Telephone	02 9291 6102

ATTACHMENT DETAILS

In accordance with Part 3 of the UCPR, this coversheet confirms that both the Lodge Document, along with any other documents listed below, were filed by the Court.

Written Submissions (25.07.16 Appellant's Outline of Submissions in reply.pdf)

[attach.]

SUPREME COURT OF NEW SOUTH WALES

No. 2025/00076545

COURT OF APPEAL

REGISTRY: SYDNEY

Grapple Pay Pty Ltd

Appellant

Ingrid Doris Conroy & Anor

Respondents

APPELLANT'S OUTLINE OF SUBMISSIONS IN REPLY

1. The outline of submissions filed for Ms Conroy served on 15 July 2025 (**RS**) make various broad challenges to the Appellant's submissions, but in effect only by repeating the analysis of the primary judge that is challenged in this appeal. Those challenges are dealt with in order below.

Amended Notice of Appeal

2. An Amended Notice of Appeal has been prepared and served following the preparation of the Appellant's written outline of submissions. That Amended Notice of Appeal has been drafted in conformity with the Appellant's written outline of submissions and will be placed in the Orange Book. The Appellant seeks leave to rely upon it and says that it causes no prejudice to Ms Conroy.

Ingrid was never a creditor of the Trust

3. Between RS[12] – [14], Ms Conroy asserts that the allegation that Ms Conroy was never a creditor of the Trust was never raised at trial or otherwise lacks substance. There are several problems with these contentions. It was never pleaded as part of Ms Conroy's defence that she was a creditor of the Trust, but rather the "creditor" in question was said to be Ms Lucas.¹ Specifically, the only creditor-debtor relationship was in the form of the alleged loan account said to have existed between Ms Lucas and the Trust.²
4. It was not conceded during the hearing below that Ms Conroy was a creditor of the Trust. So much is clear, as Ms Conroy points out at R[31], that the Appellant's opening and closing submissions contended that Ms Conroy did not provide consideration in

¹ Red, 25, in particular, 28, [26C].

² Ibid, [26C]b.

exchange for the Property. If the money advanced by Ms Conroy was not in connection with the Property, which the Appellant maintains, she therefore could not be considered a creditor of the Trust.

Error in finding that Ms Conroy was in part motivated to assist Mr Conroy

5. In response to RS[15], the Appellant says that the error in the Court's findings at J[186] is borne out by the error identified at paragraph 26 of the Appellant's writing submissions in chief concerning Mr Conroy's motivation in relation to Ms Lucas being paid in full. Further, the absence of contemporaneous evidence as to Ms Conroy's motivation to assist Mr Conroy further supports the conclusion that the Court below made further incorrect and impermissible inferences from the primary facts before the Court.

Mere preference and undervalue of transfer

6. At RS[16] – [19], [30] – [35], Ms Conroy addresses the issue of value for the purposes of rebuffing the contention that the mere preference exception had been satisfied on the evidence before the Court. Although the Appellant's submissions in chief have extensively addressed this point, two points need to be re-emphasised:
 - a. on any assessment of the evidence, Ms Conroy did not advance any sum that was *equal* to the value of the Property. That point seems to be conceded by Ms Conroy at RS[35];
 - b. further, it is no answer to the mere preference exception by asserting that Ms Conroy provided "valuable consideration" according to the authorities listed at RS[34]. Those authorities are relevant only to the question of whether Ms Conroy was a purchaser for the purposes of section 37A(3). They do not impact upon the question of the intent for the purposes of section 37A(1) and the preference exception under that section where an asset is transferred for full value to one creditor and the overall asset pool available to creditors is thereby not diminished.

The submission at RS[18] that it suffices to defeat a claim under section 37A(1) if a preference is given to a genuine creditor is not sound. A debtor transferring an asset for an undervalue (or even no consideration) to one creditor in order to defeat the interests of another cannot escape the operation of section 37A(1).

- c. Further, for present purposes, the benefit of the compromise on the facts before the Court could not be regarded as value flowing from Ms Conroy. Firstly, because there was no evidence that she was involved in the compromise in any way. Secondly, “value” within the meaning of the intent to defraud creditors means what the transferee conveyed to the transferor, not what benefit the transferor received that was unrelated or unconnected to the transferee.

Notice of the intention to defeat creditors

7. In her submissions, Ms Conroy states at RS[23] that the lack of evidence of Ms Conroy’s awareness of the personal guarantee given by Mr Conroy is dispositive of the appeal. First, that is not correct as a matter of law since it is only notice of the fraudulent intent (generally rather than by reference to a specific creditor) that is relevant; and the Court may well infer such notice where, for instance, property is transferred at an undervalue.
8. Secondly, it appears that this contention is wrapped up with the argument that the Court would accept Ms Conroy’s denial of same. These submissions commit the same error as identified by the Appellant in its submissions in chief, namely that that exercise fails to consider the evidence as a whole on the question of notice or knowledge of the intention to defraud.
9. At RS[26], Ms Conroy contends that the transfer document does not say what is alleged contrary to his Honour’s findings at J[135]. On the evidence, it is clear that this document was sent to Ms Conroy to her email. The email was addressed to her and contained the transfer document before the transfer to her. She was clearly aware of that fact.
10. At RS[27], Ms Conroy seeks to downplay the Appellant’s reliance upon evidence of Mr Conroy on the question of Prana’s solvency. It is unclear why it is said that reliance upon Mr Conroy’s evidence on this topic is “misplaced” given that the quoted passage from the Appellant’s submissions makes clear that reliance on Mr Conroy was in circumstances where his evidence was adverse to Ms Conroy’s position. Ms Conroy’s knowledge of Prana’s financial state was evidence of that kind.
11. At RS[28], Ms Conroy’s seeks to impugn the knowledge of Prana’s liability to the Appellant. Considering the evidence that the Appellant’s facility agreement with Prana was signed in May 2022 and the company was placed in voluntary administration some

four months later, there can be no doubt in the value of this evidence, particularly given the role of Ms Conroy within Prana, which she wholly embraced during the relevant cross-examination.

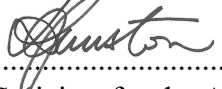
Miscellaneous factual errors in the First Respondent's submissions and chronology

12. A review of Ms Conroy's outline of submissions and chronology highlight a range of factual errors:
 - a. in relation to R[2], there was no evidence that Ms Lucas had agreed to receipt of the payment of \$470,000 in full and final settlement of her claims against the Trust;
 - b. in relation to R[2], Ms Conroy says that "the trust used the money Ingrid had made available to rid itself of \$746,866.31 in liabilities", however no such monies were paid as at the date of the transfer on 1 September 2022. Any supposed forgiveness of the alleged debt did not occur any earlier than the date of the email authored by Mr Chislett on 12 July 2023;
 - c. at RS[9]d, it is incorrect to contend as Ms Conroy does to say that the "only financial connection [Ms Lucas] had on the evidence was with Jarrod *as trustee*" given the wording of the email of 12 July 2023 that states that "[o]nce Jarrod and Isab[e]l separated, Isab[e]l wanted to finalise the financial connection between her and Jarrod";
 - d. at RS[9]e, there was no evidence before the Court that Ms Conroy's availability of funds was integral to the reaching of the settlement between Mr Conroy and Ms Lucas. Further, the evidence was not that Ms Conroy made the sum of \$479,827 available to the Trust. Rather, she paid directly to Ms Lucas the sum of \$400,000 prior to the transfer. The amount of \$70,000 was thereafter paid to Mr Conroy after the transfer in December 2022;
 - e. at RS[10], the evidence was that Ms Conroy had only paid \$400,000 to Ms Lucas at the date of the transfer rather than what is submitted, namely that she had paid Ms Lucas "the compromised amount in full and *received the Property*" (emphasis added);
 - f. in relation to RS[13] and [14], it is incorrect to submit that Ms Conroy had paid the sum of \$551,790 by 1 September 2022, being the date of the transfer;

- g. at RS[30], it is incorrect for Ms Conroy to argue that she either contended at the trial that she had paid \$665,076.31 or that she had in fact paid that amount. The only amounts paid to Ms Lucas totalled \$400,000. The only amount paid to Sempre totalled \$195,076.31;
- h. at item 19 of Ms Conroy's chronology, she records that Mr Conroy was bankrupted by Prana on 4 May 2023. That is not accurate as Mr Conroy submitted his own debtor's petition;
- i. at item 7 of Ms Conroy's chronology, she records that prior to July 2022 Ms Lucas agreed to compromise her claim to the Property. There was no evidence before the Court of this save for the email of 12 July 2023, which is not fixed to any date.

Dated: 16 July 2025

I certify that this document is suitable publication

Signed: 
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