

21 June 2010

**Great Southern Securities Pty Limited
(In Liquidation)
ACN 009 283 621**

CIRCULAR TO CREDITORS

I refer to the appointment of Martin Jones, Darren Weaver, James Stewart and I as joint and several liquidators of the Company on 19 November 2009.

I advise that I am convening a meeting of the Company's creditors for Wednesday, 7 July 2010 at the offices of Ferrier Hodgson, Level 26, 108 St Georges Terrace, Perth, Western Australia at 3.00pm WST.

I enclose the following regarding the meeting of creditors.

1. **A report to creditors** dated 21 June 2010 providing an update on the conduct of liquidation to date;
2. **Notice of Meeting** to be held at the offices of Ferrier Hodgson, Level 26, Bankwest Tower, 108 St Georges Terrace, Perth, Western Australia on Wednesday, 7 July 2010 at 3.00pm WST;
3. **Informal Proof of Debt Form for voting purposes.** Any Informal Proof of Debt Forms submitted for the purposes of the first meeting of creditors and accepted by the Chairperson of that meeting for voting purposes will be valid for this meeting; and
4. **Instrument of Proxy.**
5. **Remuneration Report** dated 21 June 2010

Should you have any questions in relation to this matter, please contact Dario Musulin of this office.

Great Southern Securities Pty Ltd



Andrew Saker
Joint and Several Liquidator

Encl.

PERTH

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21 June 2010

TO CREDITORS

Dear Sir/Madam

**Great Southern Securities Pty Limited
(In Liquidation) (GSSPL)
ACN 009 283 621**

I refer to GSSPL's second meeting of creditors held pursuant to Section 439A of the Corporations Act 2001 (the Act) whereby creditors resolved to appoint Martin Jones, Darren Weaver, James Stewart and I as the joint and several Liquidators on 19 November 2009.

I take this opportunity to report to you under the following headings:

1. Work completed to date
2. The current position regarding the realisation of assets
3. The results of my investigations into the Company's affairs
4. Overpaid Commission and Marketing Fees
5. Statement of Position
6. Receipts and Payments
7. Liquidators' Remuneration
8. Meeting of Creditors.

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1. WORK COMPLETED TO DATE

As you are aware, GSSPL holds an AFS License and used authorised representatives (AR's) to provide advice on managed investment schemes issued by the Great Southern Group. For further information on the background and history of GSSPL, I refer you to the Administrators' 439A Report dated 9 November 2009 (439A Report).

Upon our appointment as voluntary administrators we attended to the following:

- 1.1 Corresponded with the ARs in relation to the appointment of Administrators.
- 1.2 Reviewed correspondence and documentation in relation to numerous complaints made by investors against GSSPL's AR and liaised with the Financial Ombudsman Service and Australian Securities and Investments Commission (ASIC) in respect of the same.



- 1.3 Obtained from the ARs funding to extend the period of the Professional Indemnity insurance.
- 1.4 Applied to ASIC seeking the deregistration of GSSPL Australian Financial Services License (AFS License). I note, I have yet to receive confirmation from the ASIC in this regard;
- 1.5 Investigated the options for the recovery of commission and marketing fees that had been overpaid by GSSPL to authorised representatives and/or dealer groups;
- 1.6 Pursued a number of debtors for overpaid commission and marketing fees;
- 1.7 Completed our investigations required and have lodged our Liquidators' investigative report pursuant to Section 533 of the Act on 22 April 2010.

2. ASSET REALISATIONS

Set out below is a summary of the Report as to Affairs (RATA) as prepared by the directors of the Company and presented in the 439A Report showing estimated realisable values of assets together, with realisations to date:

	Note	Cost or Book Value \$ '000	Estimated Realisable Value \$ '000	Realisations to Date \$ '000
Report as to Affairs				
Sundry Debtors	2.1	2,663	360	84
Cash at Bank		570	570	573
Other	2.2	25	20	Nil
Cash on hand		3	3	Nil
Total RATA Realisations		3,261	953	657
Non Report as to Affairs				
Overpaid Commission & Marketing Fees	2.1	1,131	770	Nil
Total Realisations		4,392	1,723	657

I make the following comments in relation to the realisations to date:

2.1 Sundry Debtors

I refer you to my earlier comments at Annexure 29 of the 439A Report. I advise that, \$2.3 million of this amount relates to the intercompany loan to Great Southern Limited (Receivers' and Managers' Appointed) (In Liquidation) (GSL). At this stage of the liquidation of GSL, I am unable to ascertain whether there will be any dividend payable to unsecured creditors of GSL.

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I advise the remaining \$360,839 relates to overpaid commission and marketing fees paid to authorised representatives and/or dealer groups. I note that I have identified a further \$769,975 that may also be recovered under this category and these are represented in the table as 'non RATA' realisations. To date, I have collected \$78,791 in overpaid commission and marketing fees and am currently receiving legal advice regarding the collectability of a further \$1,028,273. This is discussed further at Section 4 of this report.

2.2 Other

I advise that the other assets relates to a \$20,000 term deposit held with ASIC for the purposes of GSSPL's AFS license. As noted above, we have recently applied to the ASIC to deregister the AFS license which should result in the term deposit maturing and the funds being remitted to GSSPL.

3. INVESTIGATION INTO THE COMPANY'S AFFAIRS

Pursuant to Section 533 of the Act, a Liquidator is required to report on the affairs of the company. I advise that I lodged the Section 533 Report with the ASIC on 22 April 2010. This report is confidential between the Liquidator and the ASIC and I am therefore unable to disclose any information in this regard.

I further advise that I was subsequently notified by the ASIC that a supplementary report pursuant to Section 533(2) of the Act is not required.

4. OVERPAID COMMISSION AND MARKETING FEES

My investigations into the affairs of GSSPL revealed that there are potentially \$1.1 million in overpaid commission and marketing fees resulting from payments GSSPL made to authorised representatives and/or dealer groups. These amounts are owed to GSSPL as a result of either commission and marketing fees paid in error or commission and marketing fees paid in relation to Great Southern 2009 High Value Timber Project (the Project) which did not eventuate.

I am currently assessing the collectability of the remaining \$1,028,273 with my legal advisors. The legal advice I have received to date recommends conducting examinations pursuant to 596A or 596B of the Act to assess the collectability. This avenue is likely to be costly and we are currently ascertaining whether there is any benefit in pursuing these.

I intend to discuss this matter further at the upcoming creditors meeting and consider any issues which creditors may like to raise as to whether these claims should be pursued. Of course, inherent in any matter of litigation, is a degree of uncertainty in the outcome from this approach.



I table below a summary of overpaid commissions and marketing fees in monetary terms and the estimated costs to pursue:

	Liquidators' Estimated Realisable Value	
	High (\$)	Low (\$)
Total Overpaid Commission and Marketing Fees	1,130,814	332,441
Less: Collected to Date	(78,791)	(78,791)
Outstanding Commission and Marketing Fees	1,052,023	253,650
Less: To be collected on already agreed terms	(23,750)	(23,750)
Less: Estimated legal fees to pursue	(20,000)	(40,000)
Estimated recoverable commission and marketing fees	1,008,273	189,900

5. STATEMENT OF POSITION

I have summarised in the table below GSSPL's current statement of position as at 7 June 2010 as follows:

	Liquidators Estimated Realisable Value	
	High (\$)	Low (\$)
Fixed and Floating Charge Assets		
Cash at bank	563,273	563,273
Overpaid Commission and Marketing Fees	1,052,023	253,650
Total Fixed and Floating Charge Assets	1,615,296	816,923
Less Priority Costs		
Administrators' Disbursements	413	413
Liquidators Fees' Incurred to Date	60,026	60,027
Estimated Future Liquidators Fees	50,000	165,000
Liquidators' Disbursements Incurred to Date	1,329	1,329
Estimated Liquidators Future Disbursements	2,500	2,500
Estimated Legal Costs	20,000	40,000
Total Priority Costs	134,268	269,268
Total Assets Available for Unsecured Creditors	1,481,029	547,656
Unsecured Creditors	493,617	493,617
Estimated Surplus/(Deficiency)	987,412	54,039

I note that the amount of unsecured creditors' claim disclosed in the above table is an estimate only and is subject to the formal adjudication of unsecured creditor claims. Should there be any creditor that has not yet submitted a proof of debt form, I recommend you complete the enclosed informal proof of debt form to register your claim against GSSPL as soon as possible.



6. RECEIPTS AND PAYMENTS

I have summarised in the table below GSSPL's receipt and payments since the period of my appointment as administrator, 16 May 2009 to 7 June 2010 as follows:

	\$
Receipts	
Bank Interest	120
Contingent Assets	97
GST Received	11,657
Insurance Proceeds from Authorised Representatives	36,380
Other Income	597
Pre-Appointment Cash at Bank	573,444
Pre-Appointment Debtors (Other)	5,400
Pre-Appointment Debtors (Overpaid Commissions & Marketing Fees)	78,791
Total Receipts	706,485
Payments	
Administrator Fees	(64,123)
Hire & Leasing	(56)
Insurance	(35,960)
Legal Fees	(28,053)
Professional Fees	(5,534)
Stamp Duty	(2,885)
Subcontractors	(6,600)
Total Payments	(143,211)
Cash at Bank as at 7 June 2010	563,273

Creditors are advised that pursuant to Section 539(5) of the Act that the Liquidators' accounts of receipts and payments can be inspected at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St George's Terrace, Perth WA 6000 during business hours. In this regard, please contact Dario Musulin should you wish to inspect the receipts and payments.

7. LIQUIDATORS' REMUNERATION

I have enclosed with this report, my Remuneration Report pursuant to Section 476 of the Corporations Act 2001. The Report details the tasks and personnel regarding the remuneration I will be seeking approval for at the upcoming meeting.

Should you have any queries in relation to the remuneration report, you should contact Dario Musulin in the first instance.

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8. MEETING OF CREDITORS

The purpose of the meeting is for creditors to receive a report from the liquidator on the conduct of the liquidation, to provide an opportunity for creditors and to raise any queries with the liquidator and should creditors see fit, approve the Liquidators' remuneration.

In this regard, a meeting of the company's creditors has been convened for 3:00pm WST on, 7 July 2010, at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St Georges Terrace, Perth, Western Australia.

Please find enclosed the following additional documents:

- i. Notice of meeting; and*
- ii. Proxy form.*

Should you be unable to attend the meeting, but you would like someone to attend on your behalf and vote on any resolutions that may arise, please ensure you complete and return the enclosed proxy form to this office by no later than 4.00pm WST on 5 July 2010.

Creditors will be able to participate in the meeting by telephone. All requests to attend the meeting by telephone must be made to Dario Musulin on +61 8 9214 1444 respectively by no later than 4.00pm WST on 5 July 2010. The telephone number and access code has been provided to creditors in the notice of meeting enclosed with this report.

Should you have any queries in relation to this circular or the administration in general, please do not hesitate to contact Dario Musulin of this office on +61 8 9214 1444

Great Southern Securities Pty Limited

A handwritten signature in blue ink, appearing to read 'A Saker', written over a horizontal line.

Andrew Saker
Joint and Several Liquidator

CORPORATE ADVISORY 

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**FORM 529
CORPORATIONS ACT 2001**

Section 497(1)
Subregulation 5.6.12(2)

**Great Southern Securities Pty Limited
(In Liquidation) (the Company)
ACN 009 283 621**

NOTICE OF MEETING OF CREDITORS

NOTICE IS GIVEN that a meeting of the committee of creditors will be held at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St George's Terrace, Perth WA 6000 on 7 July 2010 at 3.00pm WST.

AGENDA

1. The Liquidators to provide an update on the winding up conducted to date.
2. To consider and if thought fit, to fix the remuneration of the Liquidators.
3. Any other business that may be considered.

DATED this 21st day of June 2010



Andrew Saker
Joint and Several Liquidator

Note 1: A person is not entitled to vote as a creditor at the meeting unless he has lodged with the Chairman of the meeting, particulars of the debt or claim which he claims to be due to him from the company. Alternatively, particulars of the debt may be forwarded to Ferrier Hodgson, GPO Box 2537, Perth WA 6001 before the date of the meeting. An informal claim form is attached.

Note 2: A proxy form is attached. Proxies must be made available to the Chairman.



CORPORATIONS ACT 2001

Section 499(7)

**Great Southern Securities Pty Ltd
(In Liquidation) (GSS)
ACN 009 283 621**

REMUNERATION REPORT

The Liquidators' Remuneration Report, prepared pursuant to Section 499(7) of the Corporations Act 2001, takes the following format:

Part A

- A1 Schedule of hourly rates and general guide to staff experience
- A2 Tasks undertaken by the Liquidators and remuneration claimed for the period 19 November 2009 to 31 May 2010
- A3 A schedule of the Liquidators' anticipated tasks and estimated remuneration for the period 1 June 2010 to 30 June 2010
- A4 Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and estimated remuneration from 1 July 2010 to the conclusion of the liquidation
- A5 Remuneration approved and drawn to date
- A6 Resolutions regarding remuneration to be put to creditors at the third creditors meeting to be held on 7 July 2010

Part B

- B1 Liquidators Disbursements for the period 19 November 2009 to 31 May 2010
- B2 Summary of Receipts and Payments for the period 16 May 2009 to 7 June 2010
- B3 Other creditor information on remuneration
- B4 Initial advice to creditors

The Remuneration Report should be read in conjunction with the report to creditors dated 21 June 2010



PART A

A1 Schedule of Hourly Rates and General Guide to Staff Experience

Title	Rate (\$)	Experience
Partner	595	The Partner/Appointee is a registered liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Principal / Director	540 / 500	Generally, minimum of 12 years experience at least two years of which is to be at Manager level. University degree; member of the ICAA and IPAA with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	445	Generally, more than seven years experience with at least two years as a Manager. University degree; member of the ICAA and IPAA; very strong knowledge of relevant insolvency legislation and issues.
Manager	370	Generally, five - seven years chartered accounting or insolvency management experience. University degree; member of the ICAA and IPAA; sound knowledge of relevant insolvency legislation and issues.
Supervisor	315	Generally, four - six years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior 1	280	Generally, two - four years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA, program. Good knowledge of basic insolvency legislation and issues.
Senior 2	250	Generally, two - three years chartered accounting or insolvency management experience. University degree, commenced ICAA's CA program.
Intermediate 1	220	Zero - two years experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing more complex administrative tasks.
Intermediate 2	185	Zero - one year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing more detailed administrative tasks.
Professional Staff Junior	145	Zero - one year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Senior Secretary	180	Appropriate skills including machine usage.
Clerk	145	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time.



A2 Tasks Undertaken by the Liquidators and Remuneration Claimed for the Period 19 November 2009 to 31 May 2010

Liquidators fees, based on the tasks detailed below and covering the period 19 November 2009 to 31 May 2010 are **\$60,025.67** (excluding GST).

Task Area	General Description	Includes
Assets		
75.60 hours \$22,352.50	Debtors	<ul style="list-style-type: none"> Issuing correspondence to debtors regarding outstanding accounts
4.20 hours \$2,059.50	Creditors	<ul style="list-style-type: none"> Received and followed up creditor enquiries via telephone and email Reviewed and prepared correspondence to creditors and their representatives via facsimile, email and post
	Dealing with proofs of debt	<ul style="list-style-type: none"> Received, photocopied and filed POD's Input POD's into the POD register
131.40 hours \$34,382.17	Administration	<ul style="list-style-type: none"> General correspondence via email, telephone and fax with stakeholders Responded to creditor enquiries via email and telephone Reviewed correspondence to various parties
	Document maintenance/file review/ checklist	<ul style="list-style-type: none"> Filed documents
	Bank account administration	<ul style="list-style-type: none"> Prepared bank reconciliations at month's end Prepared receipts and payments listing
	Insurance	<ul style="list-style-type: none"> Internal discussions regarding various insurance issues Liaised with insurers
4.50 hours \$1,231.50	Trade On	<ul style="list-style-type: none"> Reviewed various invoices and corresponded with GSL staff Prepared and authorised purchase orders Prepared and maintained purchase order register Entered receipts and payments into Insol accounting system Corresponded with creditors regarding payment of post-appointment invoices
	Processing receipts and payments	



A2 Tasks Undertaken by the Liquidators and Remuneration Claimed for the Period 19 November 2009 to 31 May 2010

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Administration		Trade On	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	595.00	6.6	3,927.00	4.6	2,737.00	0.3	178.50	1.4	833.00	0.3	178.50
Darren Weaver	Partner	595.00	5.2	3,094.00	0.1	59.50	2.4	1,428.00	2.7	1,606.50	nil	nil
Wayne Rushton	Senior Manager	445.00	6.0	2,670.00	3.9	1,735.50	0.2	89.00	1.9	845.50	nil	nil
Andrew Smith	Senior Manager	445.00	3.4	1,513.00	nil	nil	nil	nil	3.4	1,513.00	nil	nil
Ben Johnson	Manager	370.00	0.4	48.00	nil	nil	nil	nil	0.4	148.00	nil	nil
Kieran Chu	Supervisor	315.00	0.5	157.50	0.5	157.50	nil	nil	nil	nil	nil	nil
Shannon Coleman	Senior 1	280.00	73.4	20,552.00	34.6	9,688.00	1.3	364.00	36.6	10,248.00	0.9	252.00
Erlyn Dale	Senior 1	280.00	2.7	756.00	nil	nil	nil	nil	2.7	756.00	nil	nil
Geoff Webb	Senior 2	250.00	0.6	150.00	nil	nil	nil	nil	0.6	150.00	nil	nil
Sean Holmes	Senior 2	250.00	32.5	8,125.00	nil	nil	nil	nil	32.2	8,050.00	0.3	75.00
Vijay Iswariah	Senior 2	250.00	1.0	250.00	nil	nil	nil	nil	1.0	250.00	nil	nil
Derek Kier	Senior 2	250.00	5.3	1,325.00	nil	nil	nil	nil	4.8	1,200.00	0.5	125.00
Jamie Gunnis	Senior 2	250.00	40.5	10,125.00	31.9	7,975.00	nil	nil	6.9	1,725.00	1.7	425.00
Dario Musulin	Senior 2	250.00	1.1	275.00	nil	nil	nil	nil	1.1	275.00	nil	nil
Adrian Di Menna	Intermediate 1	220.00	14.1	3,102.00	nil	nil	nil	nil	13.3	2,926.00	0.8	176.00
Penny Vetten	Intermediate 2	185.00	4.3	795.50	nil	nil	nil	nil	4.3	795.50	nil	nil
Melissa Kroon	Secretary	180.00	8.0	1,440.00	nil	nil	nil	nil	8.0	1,440.00	nil	nil
Jacqui Westwood	Secretary	180.00	1.0	180.00	nil	nil	nil	nil	1.0	180.00	nil	nil
Genevieve Caldera	Secretary	180.00	0.4	72.00	nil	nil	nil	nil	0.4	72.00	nil	nil
Emma Coyne	Secretary	180.00	1.5	270.00	nil	nil	nil	nil	1.5	270.00	nil	nil
Carly McDougall	Secretary	180.00	1.7	306.00	nil	nil	nil	nil	1.7	306.00	nil	nil
Melissa Ross	Clerk	145.00	1.3	183.67	nil	nil	nil	nil	1.3	183.67	nil	nil
Kate Martin	Clerk	145.00	0.9	130.50	nil	nil	nil	nil	0.9	130.50	nil	nil
Dorothy Radisich	Clerk	145.00	3.3	478.50	nil	nil	nil	nil	3.3	478.50	nil	nil
Evelyn Gray	Clerk	145.00	1.9	275.50	nil	nil	nil	nil	1.9	275.50	nil	nil
Total			217.6	60,025.67	75.6	22,352.50	4.2	2,059.50	31.4	34,382.17	4.5	1,231.50
GST				6,002.57		2,235.25		205.95		3,438.22		123.15
TOTAL (including GST)				66,028.23		24,587.75		2,265.45		37,820.38		1,354.65
Average hourly rate			275.90		295.67		490.36		261.73		273.67	



A3 A Schedule of the Liquidators' Anticipated Tasks and Estimated Remuneration for the period 1 June 2010 to 30 June 2010

Based upon the following anticipated tasks of the Liquidators', we estimate fees for the period 1 June 2010 to 30 June 2010 to be **\$15,000.00** (excluding GST).

Task Area	General Description	Includes
Administration	Correspondence	<ul style="list-style-type: none"> General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Updating checklists Filing of documents File reviews
	Bank account administration	<ul style="list-style-type: none"> Bank account reconciliations Corresponding with bank regarding specific transfers
	\$7,573.00	<ul style="list-style-type: none"> ASIC Form 524 and other forms Preparing and lodging ASIC forms including 524 and 911 etc Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> BAS and taxation reporting
	Planning and review	<ul style="list-style-type: none"> Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage
Assets		
\$3,997.50	Debtors	<ul style="list-style-type: none"> Liaising with debtors Preparing correspondence to debtors
Creditors	Creditor enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Attendance of creditors meeting
	\$3,013.50	Creditor reports/circulars
Trade On		
\$416.00	Processing receipts & payments	<ul style="list-style-type: none"> Entering and processing invoices, receipts & payments into Insol and various databases



A3 A Schedule of the Liquidators' Anticipated Tasks and Estimated Remuneration for the period 1 June 2010 to 30 June 2010

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Administration		Trade On	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	595.00	2.5	1,487.50	1.0	595.00	0.3	178.50	1.0	595.00	0.2	119.00
Darren Weaver	Partner	595.00	3.0	1,785.00	nil	nil	1.0	595.00	2.0	1,190.00	nil	nil
Wayne Rushton	Senior Manager	445.00	1.5	667.50	0.5	222.50	nil	nil	1.0	445.00	nil	nil
Shannon Coleman	Senior 1	280.00	19.4	5,432.00	6.0	1,680.00	8.0	2,240.00	5.0	1,400.00	0.4	112.00
Sean Holmes	Senior 2	250.00	5.3	1,325.00	nil	nil	nil	nil	5.0	1,250.00	0.3	75.00
Jamie Gunnis	Senior 2	250.00	8.0	2,000.00	6.0	1,500.00	nil	nil	2.0	500.00	nil	nil
Adrian Di Menna	Intermediate 1	220.00	6.5	1,430.00	nil	nil	nil	nil	6.0	1,320.00	0.5	110.00
Melissa Kroon	Secretary	180.00	4.0	720.00	nil	nil	nil	nil	4.0	720.00	nil	nil
Kate Martin	Clerk	145.00	0.5	72.50	nil	nil	nil	nil	0.5	72.50	nil	nil
Dorothy Radisich	Clerk	145.00	0.6	80.50	nil	nil	nil	nil	0.6	80.50	nil	nil
Total			51.3	15,000.00	13.5	3,997.50	9.3	3,013.50	27.1	7,573.00	1.4	416.00
GST				1,500.00		399.75		301.35		757.30		41.60
TOTAL (including GST)				16,500.00		4,397.25		3,314.85		8,330.30		457.60
Average hourly rate			292.65		296.11		324.03		279.91		297.14	

If costs exceed the estimates made above, we will advise creditors accordingly and seek further approval at future meetings of creditors.



A3 A Schedule of the Liquidators' Anticipated Tasks and Estimated Remuneration for the period 1 July 2010 to the finalisation of the Liquidation

Based upon the following anticipated tasks of the Liquidators', we estimate fees for the period 1 July 2010 to the finalisation of the Liquidation to be **\$150,000.00** (excluding GST).

Task Area	General Description	Includes
Administration \$80,585.00	Correspondence	<ul style="list-style-type: none"> General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Updating checklists Filing of documents File reviews
	Bank account administration	<ul style="list-style-type: none"> Bank account reconciliations Corresponding with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 524 and 911 etc Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> BAS and taxation reporting
	Planning and review	<ul style="list-style-type: none"> Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage
Assets \$38,060.00	Debtors	<ul style="list-style-type: none"> Liaising with debtors Preparing correspondence to debtors
Creditors \$19,735.00	Creditor enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Attendance of creditors meeting
	Creditor reports/circulars	<ul style="list-style-type: none"> Preparing circular to creditors following resolution of liquidation General reporting to creditors
Trade On \$11,620.00	Processing receipts & payments	<ul style="list-style-type: none"> Entering and processing invoices, receipts & payments into Insol and various databases



A4 A Schedule of the Liquidators' Anticipated Tasks and Estimated Remuneration for the period 1 July 2010 to the conclusion of the Liquidation

Employee	Position	Charge Rate \$	Total		Assets		Creditors		Administration		Trade On	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Saker	Partner	595.00	45.0	26,775.00	10.0	5,950.00	7.0	4,165.00	25.0	14,875.00	3.0	1,785.00
Darren Weaver	Partner	595.00	22.0	13,090.00	3.0	1,785.00	2.0	1,190.00	15.0	8,925.00	2.0	1,190.00
Wayne Rushton	Senior Manager	445.00	50.0	22,250.00	5.0	2,225.00	10.0	4,450.00	30.0	13,350.00	5.0	2,225.00
Shannon Coleman	Senior 1	280.00	109.0	30,520.00	40.0	11,200.00	15.0	4,200.00	50.0	14,000.00	4.0	1,120.00
Sean Holmes	Senior 2	250.00	41.0	10,250.00	10.0	2,500.00	5.0	1,250.00	20.0	5,000.00	6.0	1,500.00
Jamie Gunnis	Senior 2	250.00	102.0	25,500.00	40.0	10,000.00	10.0	2,500.00	50.0	12,500.00	2.0	500.00
Adrian Di Menna	Intermediate 1	220.00	84.0	18,480.00	20.0	4,400.00	9.0	1,980.00	40.0	8,800.00	15.0	3,300.00
Melissa Kroon	Secretary	180.00	10.0	1,800.00	nil	nil	nil	nil	10.0	1,800.00	nil	nil
Kate Martin	Clerk	145.00	4.2	610.00	nil	nil	nil	nil	4.2	610.00	nil	nil
Dorothy Radisich	Clerk	145.00	5.0	725.00	nil	nil	nil	nil	5.0	725.00	nil	nil
Total			472.2	150,000.00	128.0	38,060.00	58.0	19,735.00	249.2	80,585.00	37.0	11,620.00
GST				15,000.00		3,806.00		1,973.50		8,058.50		1,162.00
TOTAL (including GST)				165,000.00		41,866.00		21,708.50		88,643.50		12,782.00
Average hourly rate			317.66		297.34		340.26		323.37		314.05	



A5 Remuneration Approved and Drawn to Date

Set out below is a summary of remuneration approved and drawn to date for GSS:

Period	Amount Approved \$	Amount Drawn \$
16 May 2009 to 18 October 2009	59,866.65	58,293.65
19 October 2009 to 19 November 2009	15,000.00	nil
Total	74,866.65	58,293.65

Please note that in respect of the period 19 October 2009 to 19 November 2009 a provision in the amount of \$15,000.00 was previously approved by creditors at the second creditors meeting however actual fees incurred for this period were only \$6,873.39.

A6 Resolutions Regarding Remuneration to be put to Creditors at the Third Creditors Meeting to be Held on 7 July 2010

"That the Liquidators' remuneration for the period 19 November 2009 to 31 May 2010 in the amount of \$60,025.67 exclusive of GST be approved by creditors."

"That a provision for the Liquidators' remuneration for the period 1 June 2010 to 30 June 2010 in the amount of \$15,000.00 exclusive of GST be approved but subject to upwards or downward adjustment by resolution of creditors"

"That a provision for the Liquidators' future remuneration for the period 1 July 2010 to the conclusion of the liquidation in the amount of \$150,000.00 exclusive of GST be approved but subject to upward or downward adjustment by resolution of creditors and that the Liquidators be authorised to draw their fees monthly in arrears."



PART B

B1 Liquidators' Disbursements

Disbursements are divided into three types **D1**, **D2** and **D3**.

- D1 Disbursements are all externally provided professional services and are recovered at cost. An example of a D1 disbursement is legal fees.
- D2 Disbursements are externally provided non-professional costs such as travel, accommodation and search fees. D2 disbursements are recovered at cost.
- D3 Disbursements are internally provided non-professional costs such as photocopying and document storage. This type of disbursement is charged at cost except for photocopying and printing which are charged at a rate which is intended to recoup both variable and fixed costs.

The relevant rates at which disbursements are charged are set out below:

Disbursement	Charges (Excluding GST)
Postage	At cost
Telephone	At cost
Document Production and Photocopying	35 cents per page
Facsimile	At cost
Company Search	At cost
Advertising	At cost
Storage – Per Box	At cost
Storage – Per File	At cost
Couriers	At cost

Disbursements incurred by the Liquidators for the period 19 November 2009 to 31 May 2010 are set out below:

Disbursement	Amount \$
Consultancy Fees	220
Postage	74
Search	140
Storage	40
Taxis & Parking	16
Telephone	42
Photocopying	175
Printing	544
Fax	78
Total	1,329



B2 Summary of Receipts and Payments for the Period 16 May 2009 to 7 June 2010

Please refer to my creditors report dated 21 June 2010 for a summary of the Liquidators receipts and payments for the period 16 May 2009 to 7 June 2010.

B3 Other Creditor Information on Remuneration

The partners of Ferrier Hodgson are members of the Insolvency Practitioners Association of Australia and follow the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at www.ipaa.com.au.

An information sheet concerning approval of remuneration in external administrations can also be obtained from the IPA website.

B4 Initial Advice to Creditors

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency Practitioner. They are:

1. Time based/hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

2. Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.

3. Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

4. Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method Chosen

Given the nature of this administration we propose that our remuneration be calculated on time based/hourly rates.

This method was selected as it is the most practical method, and provides the most transparency to creditors given the nature of this administration.

Dated this 21st day of June 2010

Great Southern Securities Pty Ltd

Andrew Saker

Joint and Several Liquidator of

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

**Great Southern Securities Pty Limited
(In Liquidation) (the Company)
ACN 009 283 621**

Name of creditor:

Amount of debt claimed:
(see Note)

Consideration for debt:

Whether debt is secured or

unsecured:

If secured, give details of security including dates, etc:

.....
.....
.....

Balance, if any, after deducting value of security:

.....
(see Note)

.....
Signature of creditor
(or person authorised by creditor)

Note:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his claim has been admitted, wholly or in part, by the Liquidators; or
- b. he has lodged with the Liquidators particulars of the debt or claim, or if required, a formal proof of debt.

A secured creditor may vote (Regulation 5.6.24):

- a. for the whole of his debt provided that he surrenders his security;
- b. for the deficiency if the value of the security is less than the amount of the debt.

Proxies must be made available to the Liquidators.

