

Allocation of Ferrier Hodgson fees up to and including 30 September 2010.

Action Area	Fees	Administration Account	Fees	Segregated Account
Assets	47,637	The company held a number of assets which sat outside of the segregated bank account, including but not limited to the general bank account, lease agreements, the business, plant and equipment and the web-trader platform. Time spent by the Administrators and their staff in dealing with these assets was allocated to the administration code.	15,632	The Administrators spent time dealing with assets relating to the segregated account including but not limited to recovery of investor debtors, foreign exchange bank accounts (containing segregated account funds) and shares and property purchased with segregated funds. The Administrators and their staff's time in dealing with these issues were allocated to the segregated account code.
Creditors/Investors	161,371	Pursuant to the Corporations Act the Administrators of the company are required to call and hold meetings of creditors of the company to (a) confirm their appointment and (b) decide on the future of the company. This involves various activities including preparation of a report pursuant to section 439A of the Corporations Act, attending to creditor enquiries, preparing minutes for the meetings and in the case of the company, coordinating multiple venues for the meetings to be held. Time spent by the Administrators and their staff related to these tasks were allocated to the administration code as this time would have been incurred regardless of the existence of the segregated account.	220,070	Throughout the duration of the administration the Administrators and their staff received thousands of telephone calls, emails and letters from investors relating to their individual accounts and the funds held in the segregated account. This level of correspondence with investors was specifically in relation to the segregated account issues. Accordingly, the time spent by the Administrators and their staff was allocated to the segregated account code. In addition to the aforementioned correspondence, the time spent dealing with investor queries regarding their proof of debts forms, proxy forms and other general meeting enquiries from investors was allocated to the segregated account code.
Employees	33,445	The majority of the tasks relating to the employees of the company were allocated to the administration account, as addressing the employees and dealing with employee entitlements and queries is a necessary part of the administration process which did not change as a result of the existence of the segregated account.	1,000	As part of dealing with investor enquiries and investigations into the segregated account, the Administrators sought the assistance of key employees of the company to obtain information that was not readily available. As this time specifically related to the investigations into the segregated account and dealing with the investor enquiries, it was allocated to the segregated account code.

Trade On	147,445	At the commencement of the administration, the Administrators were advised that it would be likely that there would be considerable value in the business of the company and/or the intellectual property. In this regard, the Administrators maintained a level of staffing and utilities to enable them to fully understand the value if any of the business and/or intellectual property. As these activities would have occurred regardless of the existence of the segregated account, the time spent maintaining the business was allocated to the administration account code.	7,807	<p>A number of investors continued to deposit funds into the company's segregated bank account after the appointment of the Administrators. The Administrators and their staff were required to investigate the origins of the funds, whether or not the investor was an investor debtor and where required return the funds to the investor.</p> <p>In order to assess the financial position of the company, the Administrators were required to extract from the company's system the investor lists and the most recent investor statements.</p> <p>As these tasks were specifically dealing with the segregated account and or investors, the time spent on these tasks was allocated to the segregated account code.</p>
Investigations	19,139	As part of the preparation for the 439A report, the Administrators of the company are required to conduct preliminary investigations into the affairs of the company so that they can provide sufficient information to the creditors of the company to enable them to make an informed decision on the future of the company at the second meeting of creditors. In this regard the Administrators conducted investigations into the company's general bank account and its financial performance.	675,155	The Administrators of the company are required to maximise the return to creditors. As part of their initial investigations the Administrators identified that the segregated account was a quasi trust account and as such the pool of creditors who would have access to a distribution from the segregated account would be restricted to those investors that had deposited funds or shares into same. In this regard, the Administrators conducted detailed forensic analysis of the transactions which occurred in the segregated account and relevant investor accounts. The Administrators also made enquiries into the entitlement to the segregated account funds and the priority of same.
Administration	217,147	As part of the general administration of the Company the Administrators and their staff undertook a number of tasks involving insurance issues, bank account administration, statutory reporting and dealing with the considerable books and records of the Company. Time that was spent by the Administrators on these general tasks was allocated to the general account code.	94,690	Administration tasks which specifically related to the segregation accounts, including but not limited to the segregated account administration, general correspondence regarding the segregated account and planning and strategy meetings regarding the segregated account was allocated to the segregation account code.