

26 November 2018

To Creditors

Dear Sir/Madam

**Halifax Investment Services Pty Ltd (Administrators Appointed) (the Company)
ACN 096 980 522**

Phil Quinlan, Stewart McCallum and I were appointed Administrators of the Company on 23 November 2018 pursuant to Section 436A of the Corporations Act 2001 (**the Act**).

The Administrators have taken control of the operations of the Company and have commenced an urgent assessment of the Company's financial position, including a full identification and reconciliation of client entitlements.

The purpose of this letter is to provide you with information about the administration of the Company and your rights as a creditor, and contains the following sections.

- 1 First meeting of creditors
- 2 Declaration by the Administrators
- 3 Client accounts
- 4 Trading
- 5 Legal proceedings
- 6 Employees
- 7 Report to creditors and second meeting of creditors
- 8 Creditor rights
- 9 Administrators' remuneration
- 10 Further information

Attachments to this letter are described in the table below:

Annexure	Document	Description
A	Notice of first meeting of creditors	– Refer to section 1 of this letter
B	Formal proof of debt (form 535)	– Refer to section 1 of this letter
C	Appointment of proxy (form 532)	– Refer to section 1 of this letter
D	Nomination Form – Committee of Inspection	– Refer to section 1.2 of this letter
E	Declaration of independence, relevant relationships and indemnities	– Refer to section 2 of this letter
F	Short guide to the Personal Property Securities Act	– Refer to section 4.3 of this letter
G	Information sheet - creditor rights in voluntary administration	– Refer to section 8 of this letter
H	Initial remuneration notice	– Refer to section 9 of this letter

1 First meeting of creditors

We are required to call a first meeting of creditors within eight business days of our appointment pursuant to Section 436E of the Act. The purpose of this meeting is to provide creditors with an opportunity to:

- Appoint a Committee of Inspection (**COI**); and
- Appoint an alternative Administrator, if they so desire.

The notice of meeting is attached as **Annexure A**. Details of the meeting are as follows:

Date: Wednesday 5 December 2018
Time: 11.00am (AEDT), registration from 10.00am (AEDT)
Location: Wesley Conference Centre, 220 Pitt Street, SYDNEY NSW 2000

The attached formal proof of debt form (**Annexure B**) and proxy form (**Annexure C**).

1.1 Attendance in person / teleconference

Creditors who wish to attend and / or vote at the meeting are required to lodge the proof of debt and/or proxy with Link Market Services before the meeting and, in any event, no later than **11.00am (AEDT) on Tuesday 4 December 2018**. The proof of debt and/or proxy forms should be sent by email to halifax@linkmarketservices.com.au.

There will also be access to teleconference details for those creditors that cannot attend the meeting in person. To request access to the teleconference facilities, please contact Link Market Services on 1300 910 051 (within Australia), +61 1300 910 051 (from overseas) or halifax@linkmarketservices.com.au not later than **11.00am (AEDT) on Tuesday 4 December 2018**.

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are the property of the Company.

All clients will receive a proof of debt for each of their log in IDs. Please complete each proof of debt having regard to the correct log in ID. Should you have any questions in relation to the completion of your proof of debt please contact Link Market Services on 1300 910 051 (within Australia), +61 1300 910 051 (from overseas) or halifax@linkmarketservices.com.au not later than **11.00am (AEDT) on Tuesday 4 December 2018**.

1.2 Committee of Inspection

A COI is a small working group of creditors appointed to assist the Administrators. Section 80-55 of Schedule 2 to the Act imposes certain limitations on the ability of members of a COI to trade with the Company and/or purchase assets.

Those creditors wishing to nominate a member for appointment to a COI (if one is appointed) must complete the attached Nomination Form – COI (**Annexure D**) and return it to Ferrier Hodgson no later than **11.00am (AEDT) on Tuesday 4 December 2018** by email to HalifaxCOI@fh.com.au.

2 Declaration by Administrators

Pursuant to Sections 436DA(2) and (3) of the Act and the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**), we attach our 'Declaration of Independence, Relevant Relationships and Indemnities' (**DIRRI**) as **Annexure E**.

3 Client accounts

All clients' accounts have been switched to 'Close Only' mode – i.e. it is not possible to enter into new positions, nor is it possible to withdraw money from client accounts, however it is possible to close out current positions.

The Administrators have commenced a full identification and reconciliation of client entitlements.

We will write to all clients to advise of their position with the Company as soon as we are able to do so. It may take time for the Administrators to conduct this reconciliation, given the Company's large number of clients.

4 Trading

4.1 Status of trading

Please note that the Administrators do not accept liability for the supply of any goods and services from the date of appointment without an approved purchase order.

You may be aware that payment of unsecured creditors' accounts as at 23 November 2018 is postponed pending the outcome of a second meeting of creditors (see section 7 below).

4.2 Contracts / agreements

The Administrators expressly refrain from personally adopting any of the Company's contracts existing at the date of their appointment. All contracts are currently under review. The Administrators will advise the status of contracts as soon as practicable.

4.3 Consignment stock, goods subject to purchase money security interests and liens / pledges

If you supplied consignment stock to the Company, or believe you provided stock subject to a purchase money security interest (formerly a retention of title clause), or claim a lien / pledge over any of the Company's assets, please contact Link Market Services on 1300 910 051 (within Australia), +61 1300 910 051 (from overseas) or halifax@linkmarketservices.com.au as a matter of urgency. See further information at **Annexure F**.

4.4 Property used but not owned by the Company

In accordance with Section 443B of the Act, the Administrators' liability under hire purchase or lease agreements does not commence until seven days after the Administrators' appointment. Further, pursuant to Section 440B of the Act, the lessor or owner of property in the Company's control is not entitled to take possession of such property without leave of the Court or the Administrators' written consent.

We will write separately to known lease and hire purchase creditors regarding such assets. Please contact this office if you do not receive our letter.

5 Legal proceedings

The appointment of Administrators stays a proceeding in a court against the Company. You cannot commence or continue a proceeding against the Company without our written consent or the leave of the Court.

6 Employees

We have written separately to employees regarding the appointment of the Administrators.

7 Report to creditors and second meeting of creditors

The Administrators will prepare a report to creditors under Section 438A of the Act and Insolvency Practice Rules (Corporations) 2016 (IPR) 75-225 which will include details on the Company's business, property, affairs and financial circumstances.

A second meeting of creditors will be held on or before **2 January 2019** unless the Court extends this date. It is at this meeting that creditors will consider the Administrators' report and consider resolutions regarding the Company's future.

8 Creditor rights

Enclosed at **Annexure G** is an information sheet setting out your rights as a creditor in the administration of the Company, including:

- Making reasonable requests for a meeting or information
- Giving directions to the Administrator
- Appointing a reviewing Liquidator or replacing the Administrator

9 Administrators' remuneration

For the purposes of the Company's administration, the Administrators' remuneration will be fixed on the basis of time spent by the Administrators and the Administrators' staff of an appropriate level having regard to the nature and complexity of the work, and calculated by reference to hourly rates.

Enclosed at **Annexure H** for your information is the Administrators' Initial Remuneration Notice which sets out the four basic methods of calculating remuneration together with an explanation as to why the time based (hourly rates) method is appropriate in this administration.

An information sheet concerning approval of remuneration in external administrations can be obtained from the ASIC at www.asic.gov.au.

10 Further information

Questions regarding the administration should be directed to Link Market Services on 1300 910 051 (within Australia), +61 1300 910 051 (from overseas) or halifax@linkmarketservices.com.au.

Yours faithfully
Halifax Investment Services Pty Ltd



Morgan Kelly
Administrator

Encl.

Annexure A

Notice of first meeting of creditors of company under administration

Insolvency Practice Rules (Corporations) 2016, Section 75-15

Halifax Investment Services Pty Ltd (Administrators Appointed) (the Company) ACN 096 980 522

1. Notice is given that on 23 November 2018, the Company, under Section 436A, appointed Morgan Kelly, Phil Quinlan and Stewart McCallum of Ferrier Hodgson, GPO Box 4114, SYDNEY NSW 2001 as the Administrators of the Company.
2. Notice also is given that a meeting of the creditors of the Company will be held at the Wesley Conference Centre, 220 Pitt Street SYDNEY NSW 2000 on Wednesday 5 December 2018 at 11.00am (AEDT).
3. The purpose of the meeting is to determine:
 - 3.1 Whether to appoint a committee of inspection; and
 - 3.2 If so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - 4.1 Remove the Administrators from office; and
 - 4.2 Appoint someone else as Administrator of the Company.

There will be access to teleconference details for those creditors that cannot attend the meeting in person. To request access to the teleconference facilities please contact Link Market Services on 1300 910 051 (within Australia), +61 1300 910 051 (from overseas) or by email to halifax@linkmarketservices.com.au **no later than 11.00am (AEDT) on Tuesday 4 December 2018.**

Dated this 26th day of November 2018



Morgan Kelly
Administrator

c/- Link Market Services
Tel: 1300 910 051
Email: halifax@linkmarketservices.com.au

Annexure B

Form 535 Formal Proof of Debt or Claim Form

Corporations Act 2001, Regulation 5.6.49(2)

The Form 535 Formal Proof of Debt or Claim Form for each User ID will be circulated to you by Link Market Services

Annexure C

Form 532 - Appointment of Proxy

Insolvency Practice Rules (Corporations) 2016, Section 75-25

The Form 532 – Appointment of Proxy form for each User ID will be circulated to you by Link Market Services

Creditor Assistance Sheet: Completing a Committee of Inspection Nomination Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or Company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Company that the debt is owed to.

Section B – Nomination of Person as Member of Committee of Inspection, if one is appointed

1. Insert the name of the person who is being nominated by the creditor as the member of the Committee of Inspection.
2. Insert the address of the person nominated at (1).
3. Insert the email address of the person nominated at (1).

Section C – Declaration in relation to Transactions with the Indebted Company

1. Indicate the type of transactions contemplated between the person/entity named in Section A and the Indebted Company during the course of the external administration.

Section D – Signature Instructions

1. Insert the date that the nomination form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a Company, then a duly authorised office of the Company (normally a director or secretary of the Company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a Company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the Company named in Section A above”]

Annexure E - DIRRI

**Halifax Investment Services Pty Ltd (Administrators Appointed) (the Company)
ACN 096 980 522**

Declaration of Independence, Relevant Relationships and Indemnities

This document requires the practitioner(s) appointed to an insolvent entity to make declarations as to:

- A. Their independence generally;
- B. Relationships, including
 - (i) The circumstances of the appointment;
 - (ii) Any relationships with the Company and others within the previous two years;
 - (iii) Any prior professional services for the Company within the previous two years;
 - (iv) That there are no other relationships to declare; and
- C. Any indemnities given or upfront payments made to the practitioner(s).

This declaration is made in respect of ourselves, our partners, and the related entities of Ferrier Hodgson (including Azurium, DealDocs, Ferrier Hodgson Corporate Advisory, Ferrier Hodgson Forensics, Ferrier Hodgson Management Consulting, National Consulting Group, SecuriSearch and Shield Docs) (collectively **Ferrier Hodgson**).

A. Declaration of independence

We, Morgan Kelly, Phil Quinlan, Stewart McCallum and Ferrier Hodgson, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of the Company in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

If any conflict arises, we will seek independent legal advice or court directions if appropriate.

If this declaration needs to be updated we will issue written notice to all known creditors as set out in the records of the Company or as otherwise known to us.

B. Declaration of relationships

- (i) Circumstances of appointment

This appointment was referred to us by Johnson Winter & Slattery acting on behalf of the Company. That firm is known to us on a professional basis.

We believe that this relationship does not result in a conflict of interest or duty because:

- Referrals from solicitors, business advisors and accountants are commonplace and do not impact on our independence in carrying out our duties as administrator.
- Ferrier Hodgson has never undertaken any work for Johnson Winter & Slattery in respect of the Company.

- The work that we, or Ferrier Hodgson, undertake for Johnson Winter & Slattery will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the Company's administration in an objective and impartial manner.

On Wednesday 21 November 2018, Morgan Kelly, Phil Quinlan and Martie Livanos (Ferrier Hodgson) met with Marcus Clarke (Johnson Winter & Slattery) and Jeffrey Worboys (the Director).

On Thursday 22 November 2018, Morgan Kelly (Ferrier Hodgson) conducted a telephone conversation with Marcus Clarke (Johnson Winter & Slattery) and Jeffrey Worboys (the Director).

We received no remuneration for any of the meeting or telephone conversations outlined above. The purpose of these meetings was as follows:

- To explain the various options available to the Company and the nature and consequences of an insolvency appointment.
- To discuss various issues which may impact the appointment.
- To obtain sufficient information about the financial position of the Company to advise the Company, its officers and its advisors on the Company's solvency.
- To provide a consent to act.

This meeting does not affect our independence for the following reasons:

- Ferrier Hodgson's advice was limited to assessing the Company's financial position, the consequences of insolvency and restructuring options.
- Advice was given to the Company only. We did not advise the directors personally or others.
- The Courts and the Code specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or an impediment to accepting the appointment.
- The nature of the advice is such that it would not be subject to review and challenge during the administration.
- The pre-appointment advice will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have provided no other information or advice to the Company, its directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

(ii) Relevant relationships (excluding professional services to the Company)

Neither we, nor Ferrier Hodgson have, or have had within the preceding two years, any relationships with:

- The Company;
- An associate of the Company;
- A former insolvency practitioner appointed to the Company; or
- A person or entity that has a security interest on the whole of or substantially the whole of the Company's property.

(iii) Prior professional services to the Company

Ferrier Hodgson Forensics, have undertaken the following engagements for the Company prior to the acceptance of this appointment outside the preceding two years.

Name	Nature of relationship	Reasons why no impediment or conflict of interest or duty
Halifax Investment Services Pty Ltd	<p>On 23 November 2012, Ferrier Hodgson Forensics were engaged to review the brokerage accounts and interest calculations of an associated entity.</p> <p>The engagement was finalised in April 2013</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> - The previous role undertaken by Ferrier Hodgson Forensics will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Company in an objective and impartial manner. - Is not material to the insolvency; - Does not create a potential litigation claim against the practitioner; and - Is not related to structuring of financial affairs of the Company in order to avoid the consequences of insolvency.
Halifax Investment Services Pty Ltd	<p>On 21 March 2016, Ferrier Hodgson Forensics were engaged to undertake the following:</p> <ul style="list-style-type: none"> - Review and testing of Halifax Pro trading platform through demo account details; and - Inspection of debit and credit balances reflected in the trading platform and bank account deposits as performed by the Company. 	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> - The previous role undertaken by Ferrier Hodgson Forensics will not influence our ability to be able to fully comply with the statutory and fiduciary

	This engagement was finalised in October 2016.	<p>obligations associated with the voluntary administration of the Company in an objective and impartial manner.;</p> <ul style="list-style-type: none"> - Is not material to the insolvency; - Does not create a potential litigation claim against the practitioner; and - Is not related to structuring of financial affairs of the Company in order to avoid the consequences of insolvency.
Halifax Investment Services Pty Ltd	<p>In May 2016, Ferrier Hodgson Forensics were engaged to provide assistance to the Company in their dealings with the liquidators of BBY.</p> <p>This engagement was finalised in October 2016.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> - The previous role undertaken by Ferrier Hodgson Forensics will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Company in an objective and impartial manner; - Is not material to the insolvency; - Does not create a potential litigation claim against the practitioner; and - Is not related to structuring of financial affairs of the Company in order to avoid the consequences of insolvency.
Halifax Investment Services Pty Ltd	<p>In July 2016, Ferrier Hodgson Forensics were engaged to review contingent liabilities.</p> <p>This engagement was finalised in October 2016.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> - The previous role undertaken by Ferrier Hodgson Forensics will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Company in an objective and impartial manner; - Is not material to the insolvency;

		<ul style="list-style-type: none">- Does not create a potential litigation claim against the practitioner; and- Is not related to structuring of financial affairs of the Company in order to avoid the consequences of insolvency.
Halifax Investment Services Pty Ltd	<p>On 20 July 2016, Ferrier Hodgson Forensics were engaged to preserve an external register of the notifications forwarded to the Company's clients in respect to transferring clients.</p> <p>This engagement was finalised in October 2016.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none">- The previous role undertaken by Ferrier Hodgson Forensics will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Company in an objective and impartial manner.;- Is not material to the insolvency;- Does not create a potential litigation claim against the practitioner; and- Is not related to structuring of financial affairs of the Company in order to avoid the consequences of insolvency.

(iv) No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, within the previous two years with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a security interest over the whole or substantially the whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute. We have not received any upfront payments in respect of our remuneration or disbursements.

Dated this 23rd day of November 2018


Morgan Kelly
Administrator


Phil Quinlan
Administrator


Stewart McCallum
Administrator

Note:

If circumstances change, or new information is identified, we are required under Subsection 436DA(5) and 449CA(5) of the Act and the Code to update this declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors.

Any relationships, indemnities or up-front payments disclosed in the declaration must not be such that the practitioner is no longer independent. The purpose of components B and C of the declaration is to disclose relationships that, while they do not result in the practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the practitioner nevertheless remains independent.

Short guide to the Personal Property Securities Act

What is the Personal Property Securities Act?

The Personal Property Securities Act 2009 (PPSA) established national legislation governing security interests in personal property. It replaced a large number of existing Commonwealth, State and Territory laws. "Personal Property" is any property that is not "Real Property" (i.e. land and buildings and fixtures). Personal Property generally includes all property (tangible and intangible) other than land and buildings, fixtures, most water rights and some statutory licences. It includes goods or inventory, intellectual property, shares, debts and contractual rights.

There is a single national Register for parties to record their interests in personal property, called the Personal Property Securities Register (PPSR), on which all security interests in personal property can be registered. The PPSR replaced a number of State and Commonwealth registers, including the ASIC Register of Company Charges and all State Registers of Encumbered Vehicles (REVs). Any holder of a security interest in personal property must register to ensure they have a priority claim over that property.

The PPSA has changed the way security interests are dealt with across Australia. Legal title to personal property in some situations is no longer enough to protect owners, as this legislation overturns fundamental personal property law concepts.

What is a 'Security Interest'?

A security interest is an interest in personal property, created by a transaction that secures payment or performance of an obligation.

Security interests can include:

- Interests of owners in assets leased to other parties;
- Interests of sellers of goods subject to hire purchase agreements;
- Interests of suppliers in stock delivered but subject to retention of title arrangements.

The PPSA states that a security interest exists regardless of the form of the transaction, or the identity of the person who has title to the property. The concept of a security interest under the PPSA covers a broader range of interests than traditional security concepts.

If you have a security interest, it must be perfected. If you have not perfected your security interest, usually by registration on the PPSR, you may lose the ability to enforce your claim.

How does the PPSA impact your business?

There are some significant implications for businesses arising from the PPSA, for example:

Retention of title arrangements

Some transactions that were not previously security interests are now registerable on the PPSR. For example, if you sell goods on retention of title terms, you may need to review your terms of trade and register an interest on the PPSR to protect your interest in goods delivered but not paid for.

Leases

Under the PPSA, 'title' or 'ownership' of goods can have a lower status than possession or control of goods if the owner of the goods has not registered their interest on the PPSR. You should register your security interest to 'perfect' your rights. If you do not register, then you may not be able to recover your goods or receive payment if the customer becomes insolvent. You may also lose your rights to another creditor of the customer who has 'perfected' their security interest over the property.

You should seek legal advice about the implications of the PPSA to your individual circumstances.

For more information regarding how the PPSA may impact your business, including detailed examples and case studies, visit our website at:

SecuriSearch is an Android, iOS and Windows application allowing users to search and review the PPSA quickly and easily from a mobile device.

Visit [Ferrier Hodgson](#) website to find out more or scan this QR Code



To download this application for an **Android device**, please scan this QR Code



To download this application for **iOS device**, please scan this QR Code



To download this application for an **Windows device**, please scan this QR Code



Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the Company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

- complying with the request would prejudice the interests of one or more creditors or a third party
- the information requested would be privileged from production in legal proceedings
- disclosure would found an action for breach of confidence
- there is not sufficient available property to comply with the request
- the information has already been provided
- the information is required to be provided under law within 20 business days of the request
- the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request. Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions. If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims. An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the Company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator. These additional costs of appointing another registered liquidator are paid from the assets of the deed of company arrangement or liquidation, in priority to creditor claims.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

Annexure H

Halifax Investment Services Pty Ltd (Administrators Appointed) (the Company) ACN 096 980 522

Initial Remuneration Notice

The purpose of the Initial Remuneration Notice is to provide you with information about how the Administrators' remuneration for undertaking the administration will be set.

1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner as follows:

1.1 Time based (hourly rates)

This is the most common method. The total fee charged is calculated by reference to the hourly or time unit rate charged for each person who carries out the work multiplied by the number of hours spent by each person on necessary work properly performed.

1.2 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 a administration for a fixed fee.

1.3 Percentage

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

1.4 Contingency

The insolvency practitioner's fee is contingent on achieving a particular outcome.

2 Remuneration method chosen

Given the nature of this administration, we propose that the remuneration of the Administrators be calculated using the time based method. Time based remuneration is appropriate in this administration given:

- It ensures actual time is billed at an hourly rate applicable to staff experience;
- It ensures that remuneration claimed is only for necessary work properly performed in the administration;
and
- It covers tasks required to be undertaken in the administration which not only relate to asset realisations but also to reporting requirements and other tasks of an administrative or statutory nature.

3 Explanation of hourly rates

The hourly rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Rate \$/hour	Experience
Partner / Appointee	\$695	The Partner / Appointee is a registered liquidator and member of CAANZ and, generally, ARITA, 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 .
Executive Director	\$650	The Executive Director is a registered liquidator and member of CAANZ and, generally, ARITA, bringing specialist skills to the administration or insolvency task.
Director	\$625	Generally, minimum of 12 years' experience at least 2 years of which is to be at Manager level. University degree; member of CAANZ and, generally, ARITA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	\$575	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of CAANZ and, generally, ARITA; very strong knowledge of relevant insolvency legislation and issues.
Manager	\$525	Generally, 5 to 7 years' chartered accounting or insolvency management experience. University degree; member of CAANZ and, generally, ARITA; sound knowledge of relevant insolvency legislation and issues.
Assistant Manager	\$475	Generally, 4 to 6 years' chartered accounting or insolvency management experience. University degree; member of CAANZ; completing ARITA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior Analyst	\$425	Generally, 2 to 4 years' chartered accounting or insolvency management experience. University degree; completing CAANZ's CA program. Good knowledge of basic insolvency legislation and issues.
Analyst	\$375	Generally, 2 to 3 years' chartered accounting or insolvency management experience. University degree, CAANZ's CA program commenced.
Accountant	\$325	0 to 2 years' experience. Has completed or substantially completed, on a part-time basis, a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Junior Accountant	\$225	0 to 1 years' experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Personal / Team Assistant	\$250	Appropriate skills including machine usage.
Accounts Supervisor / Assistant	\$225	Generally non-qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.

Title	Rate \$/hour	Experience
Administration Supervisor / Assistant	\$175	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the administration. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.
- Creditor approval will be sought prior to the application of any new rates to this administration.

4 Estimated remuneration

We estimate fees for the administration of the Company affairs at \$250,000 (excluding GST and disbursements).

It should be noted that if, during the course of the administration, any unanticipated issues arise, it may be necessary to revisit the fee estimate. In the event that we become aware that our costs will exceed this amount we will advise you accordingly.

5 Disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by Ferrier Hodgson may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting).

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be justified that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates

Disbursement type	Charges (excl GST)
Couriers	At cost
Data room set-up	\$450.00
Data room hosting – Option A	Variable – see separate table below
Data room hosting – Option B (incl 100GB of data)	\$84.95 per user per month
eDiscovery services	Variable
Photocopying / printing (colour)	\$0.50 per page
Photocopying / printing (mono)	\$0.20 per page
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel reimbursement	Up to \$100/day
Staff vehicle use	At prescribed ATO rates
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2019. Disbursements charged at cost do not require creditor approval.

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

Dated this 26th day of November 2018



Morgan Kelly
Administrator