

## FREQUENTLY ASKED QUESTIONS – INVESTORS OF HALIFAX INVESTMENT SERVICES PTY LTD (ADMINISTRATORS APPOINTED)

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What happened to Halifax and why?

Morgan Kelly, Phil Quinlan and Stewart McCallum were appointed Voluntary Administrators (**the Administrators**) of Halifax Investment Services Pty Ltd (**Halifax**) on 23 November 2018.

The Administrators have been appointed because Halifax is having difficulties in meeting its financial commitments.

What is the Administrator's role?

Voluntary Administration is a statutory regime that involves the appointment of an independent party to:

- Take control of Halifax, displacing the powers of Halifax's directors;
- Secure Halifax's assets and investigate the circumstances surrounding financial difficulty; and
- Report to creditors on the outcome of their investigations.

### **The Administrators are:**

- Now in control of Halifax, its assets, operations and undertakings; and
- Conducting an urgent assessment of the financial position of Halifax, including a full reconciliation of client entitlements.

### **What is the status of my trading position?**

As a result of the appointment of the Administrators, all investor accounts have been frozen (although investors may close out open positions if they choose to) pending a full reconciliation of assets and client entitlements.

This will involve an investigation into what investors are owed and how much is available to repay investors. The Administrators have commenced this work and will continue to keep investors updated on the estimated timeframe for this process.

**All investors' 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. Please note, as all investor accounts have been frozen, any funds resulting from this transaction will be frozen.**

### **Will I get my money back?**

At this stage it is not known whether investors will be repaid in full. The Administrators are undertaking an urgent review of the financial position of Halifax including a full reconciliation of assets and client entitlements. The Administrators will continue to keep investors updated on the estimated timeframe for this process.

The bank accounts were frozen upon our appointment except for receipts of counter party funds. They remain segregated for the purposes of subsequent adjudications on client entitlements and distributions pending any court directions.

### **How do I "close out" my position?**

Should you wish to close out your position, then you can do so by logging into the platform and completing the process to close out your account as you have done in the past.

The platform is still operating however you don't have permission to enter into new trades. You will be able to close out your account, however as all investor accounts have been frozen, any funds resulting from this transaction will be frozen.

### **How long will the process take?**

Unfortunately, due to the complexity of the issues and the necessary investigations, we are not able to say with any certainty when we will be in a position to release funds to investors. However, given the legal complexities, this process is likely to take some months and may require directions and orders from the Court.

### **Why can't I just sell or transfer my shares and investments?**

Immediately on our appointment we notified all counterparties that Administrators had been appointed. We have requested counterparties to cease trading while we undertake our reconciliation of assets and client entitlements.

As a result of the appointment of the Administrators, all investor accounts have been frozen (although investors may close out open positions if they choose to) pending a full reconciliation of assets and client entitlements. You will be able to close out your account, however as all investor accounts have been frozen, any funds resulting from this transaction will be frozen. Please refer to the question "How do I close out my position" for further details on closing out your shares and investments.

All share transactions are suspended whilst we undertake our investigations to understand better how those shares were held, including who the legal owner and beneficial owner of the shares are and the relationship between the various parties.

### **What if I have invested through a Self-Managed Super Fund (SMSF)?**

SMSF investors will participate in the Voluntary Administration in the same way as individual and corporate investors and will not be awarded priority of payment on the basis that they operate as a SMSF. SMSF's will be required to submit a POD and proxy form.

### **How long will the Voluntary Administrators operate the business?**

At this stage, it is too early to give you a definitive timeframe but we will provide you with regular updates on the progress of the Administration when available.

### **What communications should I expect to receive?**

On 27 November 2018, Link Market Services issued proofs of debt (**POD**) and proxy forms relating to each individual account via email to Australian investors. If you hold more than one account, you will have received a separate POD and proxy for each account. These forms will contain your user ID number.

**It is important that you complete a separate POD and proxy form for each account. Proxies and POD's which have not been completed on this basis will not be accepted.**

## **What if I have not received email communication regarding the Administration?**

If you are an investor and have not received correspondence regarding the first meeting of creditors and providing a POD and proxy form, please contact Link Market Services on the details below:

Email: [halifax@linkmarketservices.com.au](mailto:halifax@linkmarketservices.com.au)

Australian callers: 1300 910 051

Overseas callers: + 61 1300 910 051

## **What will happen at the first meeting of creditors?**

The Administrators must hold a first meeting of creditors within 8 business days of appointment. **The first meeting of creditors will be held on Wednesday 5 December 2018 at 11:00 am at the Wesley Centre, 220 Pitt Street, Sydney NSW 2000.** Registration will commence from 10:00 am.

The meeting is procedural in nature and its purpose is to confirm the Administrator's appointment and decide whether to appoint a committee of inspection.

## **How do I know if am a creditor of the Australian entity or a creditor of the New Zealand entity?**

The POD and proxy correspondence issued by Link Market Services will confirm which entity you are a creditor of.

## **Do I have to attend the creditors meeting?**

As you may be a creditor of Halifax you are entitled to attend and vote at creditor meetings. However, you are not obliged to attend the meetings. If you wish to attend you may do so in person or nominate someone to attend on your behalf using a proxy form.

## **Will a video link to the meeting be available?**

Yes, there will be a live webcast link so that creditors can view the meeting remotely, if they wish. Subject to providing the relevant proof of debt and proxy documents no later than **11.00am (AEDT) on Tuesday 4 December 2018** to Link Market Services at [halifax@linkmarketservices.com.au](mailto:halifax@linkmarketservices.com.au), creditors will be able to access the webcast via the following link:

<https://webcast.openbriefing.com/4908/>

Creditors will be able to ask questions via the webcast, however, creditors will not be able to vote via the webcast. Creditors may view the meeting by webcast and participate in voting by nominating a proxy to vote on their behalf.

**Your claim against Halifax is not prejudiced by your attendance or absence from the meeting of creditors.**

### **If I have questions who should I call?**

Please direct any queries to Link Market Services at [halifax@linkmarketservices.com.au](mailto:halifax@linkmarketservices.com.au) or 1300 910 051 (or +61 1300 910 051 outside of Australia).

### **What is ASIC doing?**

The Administrators are working closely with ASIC to assist with their enquiries.

### **I have lost my user ID or account number. How do I obtain these details?**

Your user ID or account number will be on the POD and proxy forms provide by Link Market Services.

**It is important that you complete a separate POD and proxy form for each account. Proxies and POD's which have not been completed on this basis will not be accepted.**

Please contact Link Market Services ([halifax@linkmarketservices.com.au](mailto:halifax@linkmarketservices.com.au) or 1300 910 051 (Australia). + 61 1300 910 051 (overseas)) if you have not received these forms.