



**CFS Private Wealth Pty Ltd (In Liquidation) ACN 141 584 885 (CFS)
Combined Financial Solutions Pty Ltd (In Liquidation) ACN 003 152 378 (Combined)
BDM Asia Pacific Pty Ltd (In Liquidation) ACN 127 643 529 (BDM)
(Collectively, CFS Group)**

General Report to Creditors

We refer to our previous correspondence to creditors for the CFS Group.

The purpose of this report is to:

- provide the creditors of the CFS Group with an update on the liquidations; and
- request the creditors to lodge a proof of debt form in the liquidation of the company to which they are a creditor.

1 General update

1.1 Graeme Miller Bankruptcy

Graeme Miller, the director of CFS and Combined and former director of BDM, was declared bankrupt on 10 May 2021, and the Official Trustee in Bankruptcy is Mr Miller's bankruptcy trustee. A report issued by Mr Miller's bankruptcy trustee advises that no dividend is expected to the creditors of Mr Miller's estate.

1.2 Recovery actions

We have identified individuals who have received funds from BDM and Combined to which they may not have been entitled. We have issued instructions to our solicitors to pursue recovery of these amounts. At this time, we are unable to advise on the likelihood of a recovery.

2 Creditor claims

2.1 Creditor claims

We consider that Investors who transferred fund to the CFS Group, on the basis these funds would be invested on their behalf, may be creditors of a CFS Group company. It is likely that the Investors claim is against the company to which their funds were transferred.

As noted in our prior reports to creditors, there are limited books and records of the CFS Group. The limited books and records creates difficulty for the Liquidators to determine which CFS Group company each investor may be a creditor. Accordingly, investors will need to provide sufficient evidence with their claim to support the company to which they claim to be a creditor. Key to this will be evidencing the account to which the Investor's funds were transferred.

See section 2.2 below for further details on lodging a claim as a creditor.

2.2 Proof of debts

In order for your claim to be considered, you must submit a proof of debt form and supporting information to substantiate your claim. A blank proof of debt form for each CFS Group company, and guidance notes to assist you when you complete the form are available via the creditors' portals (CFS and Combined:

<https://www.mcgrathnicol.com/creditors/cfs-group/> and BDM: <https://www.mcgrathnicol.com/creditors/bdm-asia-pacific-pty-ltd/>).

When completing your proof of debt form and lodging your claim, please ensure:

- The claim is lodged against the correct company (CFS, Combined, or BDM);
- The claim is made by the correct company. If the funds were advanced by a self-managed superannuation fund (SMSF), the SMSF should lodge the claim not the beneficiary of the SMSF; and



- Appropriate and complete evidence to support your claim is attached to the proof of debt form. This may include remittance advices evidencing the transfer of funds, your Investment Account Acknowledgment form, and correspondence from the CFS Group providing the terms of your investment and bank account details for the CFS Group.

Please return your completed proof of debt form by email to mchauhary@mcgrathnicol.com.

3 Next steps

We will proceed with the liquidations, which will include:

- pursuing the recovery noted in section 1.2 of this report;
- assisting creditors to determine if they are a creditor of BDM, CFS, or Combined;
- adjudicating on proofs of debt lodged in the liquidations; and
- proceeding with a dividend distribution to creditors, where possible.

4 Queries

If you have any queries in relation to the above, please contact Mahin Chaudhary on (07) 3333 9832. For further information this engagement, please refer to the McGrathNicol website:

<https://www.mcgrathnicol.com/creditors/cfs-group/>

<https://www.mcgrathnicol.com/creditors/bdm-asia-pacific-pty-ltd/>

Dated: 30 June 2021

Jamie Harris
Liquidator

Enclosure:

- 1** Proof of Debt – Guidance notes



Proof of Debt Guidance Notes

(Please read carefully before filling in Form 535 or Form 536)

It is a creditor's responsibility to prove their claim to our satisfaction.

When lodging claims, creditors must ensure:

- the proof of debt form is properly completed in every particular; and
- evidence, as set out under "Information to support your claim", is attached to the Form 535 or Form 536.

Directions for completion of a Proof of Debt

1. Insert the full name and address of the creditor.
2. Under "Consideration" state how the debt arose, for example "goods sold to the company on _____".
3. Under "Remarks" include details of any documents that substantiate the debt (refer to the section "Information to support your claim" below for further information).
4. Where the space provided for a particular purpose is insufficient to contain all the information required for a particular item, please attach additional information.

Information to support your claim

Please note that unless you provide evidence to support the existence of the debt, your debt is not likely to be accepted. Detailed below are some examples of debts creditors may claim and a suggested list of documents that should accompany a proof of debt to substantiate the debt.

Trade Creditors

- Invoice(s) and statement(s) showing the amount of the debt; and
- Advice(s) to pay outstanding invoice(s) (optional).

Guarantees/Indemnities

- Executed guarantee/indemnity;
- Notice of Demand served on the guarantor; and
- Calculation of the amount outstanding under the guarantee.

Judgment Debt

- Copy of the judgment; and
- Documents/details to support the underlying debt as per other categories.

Deficiencies on Secured Debt

- Security Documents (eg. mortgage);
- Independent valuation of the secured portion of the debt (if not yet realised) or the basis of the creditor's estimated value of the security;
- Calculation of the deficiency on the security; and
- Details of income earned and expenses incurred by the secured creditor in respect of the secured asset since the date of appointment.

Loans (Bank and Personal)

- Executed loan agreement; and



- Loan statements showing payments made, interest accruing and the amount outstanding as at the date of appointment.

Tax Debts

- Documentation that shows the assessment of debts, whether it is an actual debt or an estimate, and separate amounts for the primary debt and any penalties.

Employee Debts

- Basis of calculation of the debt;
- Type of Claim (eg. wages, holiday pay, etc);
- Correspondence relating to the debt being claimed; and
- Contract of Employment (if any).

Leases

- Copy of the lease; and
- Statement showing amounts outstanding under the lease, differentiating between amounts outstanding at the date of the appointment and any future monies.