



**Double Bay Property Management Pty Ltd (In Liquidation)**  
**ACN 124 733 008**  
**(DBPM)**

**Initial Information for Creditors**

Kathy Sozou and I were appointed Liquidators of DBPM on 5 February 2020.

We have been appointed to represent the interests of all creditors. We are responsible for locating DBPM's assets, investigating its affairs, reporting to the Australian Securities and Investments Commission (**ASIC**) and, if funds become available, paying money owed to creditors.

According to DBPM's records, you may be a creditor of DBPM.

The purpose of this document is to provide you with information about the liquidation and your rights as a creditor.

**Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)**

We enclose our DIRRI. Our independent status and who appointed us is outlined in our DIRRI.

**What do you need to know?**

Question	Answer
<b>What is a creditors' voluntary liquidation?</b>	A creditors' voluntary liquidation, or CVL, is a liquidation initiated by a company where it cannot pay all of its creditors in full. This means that the company is insolvent.
<b>What are your rights as a creditor?</b>	<p>We enclose a copy of the information sheet "Creditor Rights in Liquidations" issued by the Australian Restructuring Insolvency &amp; Turnaround Association (<b>ARITA</b>). It includes information on your rights to:</p> <ul style="list-style-type: none"><li>▪ make reasonable requests for a meeting;</li><li>▪ make reasonable requests for information;</li><li>▪ give directions to the Liquidators;</li><li>▪ appoint a reviewing liquidator; and</li><li>▪ replace us as Liquidators.</li></ul> <p>In addition, creditors have the right to request a meeting in the first 20 business days of a creditors' voluntary liquidation. If we receive a request for a meeting in writing from at least 5% of known creditors, unrelated to DBPM, we are required to hold a meeting, as long as the request is reasonable. Details of the considerations that are relevant to determine whether a request is reasonable are set out in the information sheet "Creditor Rights in Liquidations".</p>



Question	Answer
<p><b>What happens to your debt?</b></p>	<p>All creditors of DBPM are now creditors in the liquidation and will now be dealt with in the liquidation.</p> <p>The amount of money you receive depends on the amount we recover, including from locating, securing and selling DBPM's assets. After paying our fees, creditors share in any remaining money proportionally. If funds are available, the amount paid is called a dividend.</p> <p>A dividend can vary between creditors because the law entitles different types of creditors to be paid before other types of creditors. In addition, a dividend will only be paid where there are sufficient recoveries in the liquidation, which will not always be the case.</p> <p>If you have leased property to DBPM, have a retention of title claim or have a registered personal property securities interest in relation to DBPM, please contact Paddy Hayes on 02 9338 2656 as soon as possible.</p> <p>We are continuing to trade the business of DBPM. If you are a supplier or employee, you should have received a separate communication on how this appointment affects your ongoing dealings with DBPM.</p>
<p><b>Do you have to do anything?</b></p>	<p>You should read this information. You can choose to participate in the liquidation process, but you don't have to.</p> <p>If we need you to take action, we will write and ask you. For example, we may ask you to provide proof of your debt before we can pay you a dividend.</p> <p>If you do not think you are a creditor, please let us know.</p>
<p><b>Summary of affairs</b></p>	<p>We received a Report on Company Activities and Property (<b>ROCAP</b>) from the Director on 11 February 2020. A summary of DBPM's affairs from the information in the ROCAP and the books and records of the company is enclosed.</p>
<p><b>Listing of creditors</b></p>	<p>As required by section 497(1) of the <i>Corporations Act</i>, we enclose a list of creditors, including their addresses and the estimated amounts of their claims that are shown in the records of DBPM. Any creditors related to DBPM are identified. If you do not agree with the estimated amount of your claim, please contact us to obtain a Proof of Debt Form (Form 535) to provide details and evidence of your claim.</p>
<p><b>What has happened in the liquidation so far?</b></p>	<p>DBPM continues to trade in a limited capacity while we run a sale process to sell the key secured asset of the company, the rent roll.</p>
<p><b>What is the cost of the liquidation?</b></p>	<p>We get paid out of DBPM's money, including realisations from assets or from money paid to us by others, such as DBPM's directors. If there is not enough money in the liquidation, we do not get paid in full.</p> <p>We enclose our Initial Remuneration Notice, which provides you with information about how we propose to be paid for undertaking the liquidation.</p> <p>We may write and ask that you approve our remuneration for the work that we do in completing the liquidation. If we do, we will provide you with detailed information about what tasks we have undertaken and the costs of those tasks.</p>



Question	Answer
<b>What further communication will you receive?</b>	<p>We will write to you within three months of our appointment advising whether a dividend is likely and update you on the progress of our investigations.</p> <p>We may also send you updates on the progress of the liquidation, or proposals to approve certain matters in the liquidation, at any time.</p> <p>If we consider it to be in the interests of creditors, we will hold a meeting to communicate with creditors. Further, if we receive a request for a meeting that complies with the guidelines set out in the creditor rights information sheet, we will also hold a meeting of creditors.</p>
<b>What happens next?</b>	<p>We will proceed with the liquidation, which will include:</p> <ul style="list-style-type: none"><li>▪ recovering and selling any available property;</li><li>▪ investigating DBPM's affairs;</li><li>▪ reporting to the corporate regulator, ASIC; and</li><li>▪ distributing any available funds to creditors in accordance with their priority.</li></ul>
<b>Where can you get more information?</b>	<p>ARITA provides information to assist creditors to understand liquidations and insolvency. This information is available from ARITA's website at <a href="http://www.arita.com.au/creditors">www.arita.com.au/creditors</a>.</p> <p>A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by ASIC is also enclosed for your information.</p>

If you have any queries, please contact Paddy Hayes via email at [phayes@mcgrathnicol.com](mailto:phayes@mcgrathnicol.com). For further information about this engagement, please refer to the website [www.mcgrathnicol.com/creditors](http://www.mcgrathnicol.com/creditors).

Dated: 19 February 2020

Jonathan Henry  
*Liquidator*

Enclosures:

- 1 ARITA Information Sheet - Creditor Rights in Liquidations
- 2 Declaration of Independence, Relevant Relationships and Indemnities
- 3 Form 535 (Formal Proof of Debt or Claim) and instructions for completion
- 4 Summary of affairs (Form 509)
- 5 List of creditors identifying related parties
- 6 Initial Remuneration Notice
- 7 ASIC Information Sheet - Insolvency information for directors, employees, creditors and shareholders

# Creditor Rights in Liquidations

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



## Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by  $\geq 5\%$  of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$  but  $< 25\%$  of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$  of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

## Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

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

A liquidator 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 liquidator 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:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

## Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

## Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. 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.

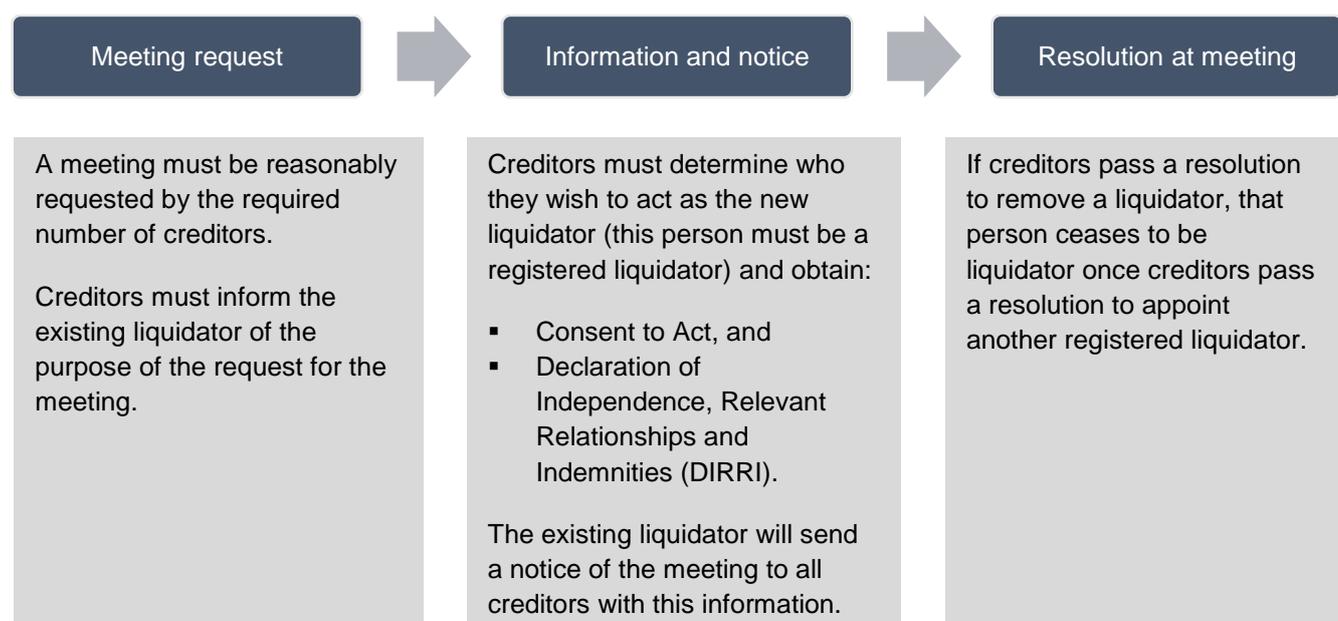
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

## Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors)**



## **Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)**

**Double Bay Property Management Pty Ltd (In Liquidation)**

**ACN 124 733 008**

**(DBPM or the Company)**

The purpose of this document is to assist creditors with understanding any relationships that the Liquidators have and any indemnities or upfront payments that have been provided to the Liquidators. None of the relationships disclosed in this document are such that the independence of the Liquidators is affected.

This information is provided to you to enable you to make an informed assessment on any independence concerns, so you have trust and confidence in our independence and, if not, can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our partners, the firm McGrathNicol, which for the purpose of this declaration includes the McGrathNicol Partnership, the McGrathNicol Advisory Partnership and McGrathNicol Services Pty Ltd.

### **A. Independence**

We, Jonathan Henry and Katherine Sozou, of the firm McGrathNicol have undertaken an assessment of the risks to our independence prior to accepting the appointment as Liquidators of DBPM in accordance with the law 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.

### **B. Declaration of Relationships**

#### **B1. *Circumstances of appointment***

This appointment was referred to us by Hugh Somerville, the Barrister acting for the Company's Director, Albert Sassoon.

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

- McGrathNicol has not undertaken any prior engagement for Mr Somerville or the Company.
- This engagement was only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.

Rajiv Goyal (a senior staff member of McGrathNicol), was contacted by Mr Somerville on 24 January 2020 about a potential appointment as external administrators of DBPM.

On the same day, Mr Goyal and Mr Somerville held a telephone call with Mr Sassoon, in order to discuss the insolvency options available.

On 29 January 2020, a meeting was held between Mr Somerville, Mr Sassoon, Mr Goyal and Mr Kogan (a Partner from McGrathNicol who attended via telephone) for the purpose of:

- gaining a high level understanding of the corporate structure and financial position of DBPM; and
- providing an overview of the various insolvency processes and general procedures required to initiate a Liquidation.

On 3 February 2020, Mr Goyal and Mr Henry (Appointee, McGrathNicol) met with Mr Sassoon and Matt Ciallella (a residential rent roll broker) for the purposes of better understanding the company's main asset, a rent roll book.

On 4 February 2020, Mr Goyal and Mr Henry met with the secured creditor of DBPM, the National Australia Bank, for the purpose of:



- advising that McGrathNicol had been requested to act as Liquidators of DBPM; and
- discussing the intended realisation strategy and the estimated cost to realise the Company's assets.

McGrathNicol did not receive any remuneration for our attendance at the meetings set out above.

In our opinion, these meetings do not affect our independence for the following reasons:

- It is recognised by the Courts and the CoPP that pre-appointment advice on the insolvency process and available options is necessary and does not amount to an impediment to accepting an appointment; and
- The nature of the advice provided was such that it would not be subject to review and challenge during the course of the Liquidation. Nor would the advice influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the Liquidation in an objective and impartial manner.

We have provided no other information or advice to DBPM, Mr Sassoon and his advisor prior to our appointment beyond what is outlined in this DIRRI.

**B2. *Prior professional services to the Insolvent***

Neither we, nor our firm, have provided any professional services to, or in relation to, DBPM, in the previous 24 months.

**B3. *Relevant Relationships (excluding professional services to the Insolvent)***

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
<b>National Australia Bank (NAB)</b>	NAB holds a charge on the whole or substantially the whole of the property of the company,  McGrathNicol undertakes restructuring and advisory work from time to time on instructions from NAB.	We believe this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none"><li>▪ Each professional engagement undertaken for NAB in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment.</li><li>▪ These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.</li><li>▪ McGrathNicol has not undertaken an engagement for NAB in respect of the Company. Given these factors, our independence in acting as Liquidator of the company has not been affected.</li></ul>

**B5. *No other relevant relationships to disclose***

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with DBPM, an associate of DBPM, a former insolvency practitioner appointed to DBPM or any person or entity that is entitled to enforce a security interest in the whole or substantially the whole of DBPM's property that should be disclosed.



**C. Indemnities and up-front payments**

NAB have agreed to provide for the Liquidators' reasonable costs associated with the realisation of the Company's assets. No other indemnities or up-front payments have been received.

Dated:

A handwritten signature in black ink, appearing to read 'Jonathan Henry'.

.....  
**Jonathan Henry**

A handwritten signature in black ink, appearing to read 'Katherine Sozou'.

.....  
**Katherine Sozou**

Note:

If the circumstances change or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice 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 insolvent's creditors. For Creditors' Voluntary Liquidations and Voluntary Administrations, this document and any updated versions of this document are required to be lodged with ASIC.

Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.

**FORM 535**

Subregulation 5.6.49(2)

*Corporations Act (2001)*

**FORMAL PROOF OF DEBT OR CLAIM  
(GENERAL FORM)**

To the Liquidator of Double Bay Property Management Pty Ltd (In Liquidation)

1. This is to state that the company was on 5 February 2020 (*date of court order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up*), and still is, justly and truly indebted to:

\_\_\_\_\_ *(full name and address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor)*  
for \$ \_\_\_\_\_ and \_\_\_\_\_ cents.

Date	Consideration (state how the Debt arose)	Amount \$ c	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: (*insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form*).

Date	Drawer	Acceptor	Amount \$c	Due Date

- \*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- \*3. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

.....  
Signature  
Occupation:  
Address

Dated

**Proof of Debt Reference:**

\*Do not complete if this proof is made by the creditor personally.



## **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.



# Presentation of summary of affairs of a company

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

**Related forms:**

5604 Information about the company's affairs sent to creditors

## Company details

Company name

Double Bay Property Management Pty Ltd (In Liquidation)

ACN

124 733 008

## Lodgement details

An image of this form will be available as part of the public register.

**Who should ASIC contact if there is a query about this form?**

ASIC Registered agent number (if applicable)

Firm/organisation

McGrathNicol

Contact name/position description

Paddy Hayes

Telephone number (during business hours)

( 02 ) 9338 2656

Email address (optional)

phayes@mcgrathnicol.com

Postal address

GPO Box 9986

Suburb/City

Sydney

State/Territory

NSW

Postcode

2001

## Summary of assets and liabilities

Date to which summary is made up

0 5 / 0 2 / 2 0  
[D] [D] [M] [M] [Y] [Y]

Continued... Summary of assets and liabilities

	Valuation (for each entry show whether cost or net book amount)	Estimated Realisable Values
1 Assets not specifically subject to security interest	\$	\$
(a) interest in land	0	0
(b) sundry debtors	0	0
(c) cash on hand	0	0
(d) cash at bank	718.41	718.41
(e) stock	0	0
(f) work in progress	0	0
(g) plant and machinery	0	0
(h) other assets	Commercially sensitive	Commercially sensitive
<b>Sub-total</b>	<b>718.41</b>	<b>718.41</b>
2 Assets subject to specific security interests	0	0
Less amounts owing		
<b>Total Assets</b>	<b>(\$ 718.41 )</b>	
<b>Total Estimated Realisable Values</b>		<b>(\$ 718.41 )</b>
3 Less amounts payable in advance of secured creditor(s) including employee entitlements		0
4 Less amounts owing and secured by debenture or circulating security interests over assets		921,524.14
5 Less preferential claims ranking behind secured creditors		To be determined
6 Less balances owing to partly secured creditors		
<b>Total Claims</b>	<b>(\$ 0 )</b>	
<b>Security Held</b>	<b>(\$ 0 )</b>	
7 Less creditors (Unsecured) Amount claimed		1,126,922.33
8 Add contingent assets <b>Estimated to produce</b>		0
9 Less contingent liabilities <b>Estimated to rank</b>		0
<input checked="" type="checkbox"/> Estimated deficiency or <input type="checkbox"/> Estimated surplus		<b>\$ (2,077,728.06)</b>
<input type="checkbox"/> Subject to costs of administration or <input type="checkbox"/> Subject to costs of liquidation		
<b>Share capital</b>	<b>\$ 43.00</b>	
<b>Issued</b>	<b>\$ 43.00</b>	
<b>Paid Up</b>	<b>\$ 43.00</b>	

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## Signature

This form must be signed by a director, secretary or liquidator.

Name of person signing

Jonathan Henry

Capacity

Liquidator

Signature



Date signed

1 9 / 0 2 / 2 0  
[D] [D] [M] [M] [Y] [Y]

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## Lodgement

Send completed and signed forms to:  
Australian Securities and Investments Commission,  
PO Box 4000, Gippsland Mail Centre VIC 3841.

### For more information

Web [www.asic.gov.au](http://www.asic.gov.au)  
Need help? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

**Double Bay Property Management Pty Ltd (In Liquidation) - List of Creditors**

<b>Creditor name</b>	<b>Creditor address</b>	<b>Estimated amount of claim (\$)</b>	<b>Related Party (Y/N)</b>
Agentbox Pty Ltd	Suite 145 National Innovation Centre Australian Technology Park, 4 Cornwallis Street, Eveleigh NSW 2015	2,134	N
AGL	Locked Bag 1837, St Leonards NSW 2065	5,776	N
ATO	Australian Taxation Office GPO Box 9990 Sydney NSW 2000	29,484	N
Belle Property Australasia	2A Phoenix Street, Lane Cove NSW 2066	4,400	N
Care Park Pty Ltd (AMEX)	PO Box 3090, South Melbourne VIC 3205	976	N
Choc-A-Bloc Rubbish Removal	22 Lyon Street, Mascot NSW 2020	600	N
Digital Consulting & Solutions Pty Ltd	12 Kingsway Street, Mascot NSW 2020	13,756	N
Domain Group	100 Harris Street, Pyrmont NSW 2009	7,683	N
Equifax	PO Box 964 North Sydney NSW 2059	370	N
Forum Group Pty Ltd	Unit 20 39 Herbet Street, St Leonards NSW 2065	4,783	N
Immanuel Evergreen	U 36/2b Ashton St, Rockdale NSW 2216	2,434	N
J&D Locksmiths	10 Lennox St, Bellevue Hill NSW 2023	134	N
National Australia Bank	255 George Street, Sydney NSW 2000	921,524	N
NEWS CORP	2 Holt St, Surry Hills NSW 2010	1,919	N
Nexon Asia Pacific	60-70 Parramatta Rd, Summer Hill NSW 2130	366	N
Officeworks	GPO Box 1618, Melbourne VIC 3001	43	N
Printforce (AMEX)	PO Box 6386, East Perth WA 6892	371	N
PRS Partners	7, 99 York Street, Sydney NSW 2000	8,360	N
Ray White Commercial Eastern Suburbs	2/4-10 Bay St, Double Bay NSW 2028	37,937	N
Real Estate Employers Association	99 Bathurst St, Sydney NSW 2000	1,100	N
REALESTATE.COM.AU	Level 17 309 Kent Street, Sydney NSW 2000	570	N
SparkMaster	PO Box 86, Maroubra 2035	320	N
Tanya Sassoon	Withheld	1,000,000	Y
TPG	65 Waterloo Road, North Ryde NSW 2113	658	N
United Networks	Level 2/100 William St, Sydney NSW 2011	2,139	N
Waterlogic	42 Lucknow Cres, Thomastown VIC 3074	240	N
Woollahra Municipal Council	536 New South Head Road, Double Bay NSW 2028	499	N
Natalie Sassoon	Withheld	To be determined	Y
Jessica Langton	Withheld	To be determined	N
Theodore Phillips	Withheld	To be determined	N
Albert Sassoon	Withheld	To be determined	Y
<b>Total</b>		<b>2,048,576</b>	



**Initial Remuneration Notice**  
**Double Bay Property Management Pty Ltd (In Liquidation)**  
**ACN 124 733 008**  
**(DBPM)**

The purpose of the Initial Remuneration Notice is to provide you with information about how we propose our remuneration for undertaking the liquidation will be set.

**1 Remuneration methods**

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

- A. 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.
- B. Fixed Fee:** The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation.
- C. Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.
- D. Contingency:** The practitioners' fee is structured to be contingent on a particular outcome being achieved.

**2 Method chosen**

Given the nature of this external administration, we propose that our remuneration be calculated on a time basis which will be recorded and charged in six minute increments. Details of the hourly rates for different levels of staff are included below. The complexity and demands of the external administration will determine the staff to be utilised for this appointment

We have chosen the time based method because:

- This method is considered to be most suitable for this appointment as it ensures creditors are only charged for work that is performed in the liquidation, which can be difficult to accurately estimate at the date of appointment.
- Even later than the date of appointment, it can be difficult to estimate the time that may be required in advance of the substantive work being undertaken. The time based method in this case again ensures that creditors are only charged for work that is actually performed in the liquidation.
- We are required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC and distributing funds in accordance with the provisions of the *Corporations Act*.
- We have a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the liquidation.
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed.



### 3 Explanation of Hourly Rates

The 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 liquidation and the role they take in the liquidation. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

<b>Title</b>	<b>Description</b>	<b>Hourly rate (excl GST)</b>
Appointee/Partner	Registered liquidator, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$705
Director 1	Generally Chartered Accountant or comparable qualification and degree qualified with more than ten years of experience, including four years of Director or equivalent experience. Autonomously leads complex insolvency appointments reporting to Appointee/Partner.	\$650
Director	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than nine years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$610
Senior Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major workstreams in larger matters.	\$555
Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on workstreams in larger matters.	\$525
Assistant Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages workstream activity within appointments.	\$480
Senior Accountant	Generally degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within workstreams and appointments under supervision.	\$435
Accountant	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within workstreams and appointments under supervision.	\$335



<b>Title</b>	<b>Description</b>	<b>Hourly rate (excl GST)</b>
Undergraduate/Cadet	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	\$200
Practice Services Director	National Practice Service leaders, generally degree qualified with more than ten years of experience and reporting directly to partners. Technical experts in their specific areas and have team management responsibilities.	\$650
Senior Treasury staff	Appropriately experienced and undertakes senior Treasury activities such as oversight of the processing of payment of receipts and banking administration. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$425
Senior Client Administration and Treasury	Appropriately experienced and undertakes senior level administrative support activities or Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$335
Administration	Appropriately experienced and undertakes support activities such as meeting coordination and preparation of materials where it is efficient and appropriate to do so.	\$185

McGrathNicol reviews its hourly rates on either 31 December or 30 June. Creditors will be advised of any change to the hourly rates for this external administration.

#### 4 **Estimated remuneration**

We estimate that this liquidation will cost approximately \$100,000 to \$150,000 to complete, subject to the following variables may have a significant effect on this estimate and that we are unable to determine at this early stage:

- uncertainty around the timing and manner of sale (going concern or orderly shut-down basis) of DBPM's business and assets;
- for trading administrations, the unpredictable level of work required to stabilise the business and take control of all staffing and operational matters;
- the time that may be required to obtain books, records, funds and assets (if any) from the parties that hold them;
- the number and value of claims that may be received in the external administration and work that may be required to adjudicate on those claims for voting and/or dividend purposes;
- work that may be required to distribute funds to creditors;
- investigations that may be required to ascertain the existence and location of any other assets, including potential legal actions that may be available to the external administrator;
- where viable legal claims are identified, the timeframe to resolution becomes very significantly impacted by the conduct of the defendant and their willingness to resolve the claim by a negotiated settlement, as well as Court timeframes, both of which are difficult to predict; and



- any identified matters that are required to be reported to statutory authorities such as ASIC.

5 **Disbursements**

Disbursements are divided into two types:

- External disbursements** – these are recovered at cost. Examples are travel, accommodation, postage, advertising, couriers and search fees.
- Internal disbursements** – these disbursements are charged at a rate which recoups both fixed and variable costs and may include an element of profit or advantage to the External Administrator or a related party of the External Administrator. Examples are printing and data storage. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

We are not required to seek creditor approval for disbursements paid to third parties where I am recovering at cost what was incurred on behalf of the administration, but must account to creditors. We must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor’s consent for the payment of a disbursement where we, or a related entity of ours, may directly or indirectly obtain a profit. In these circumstances, creditors will be asked to approve our disbursements prior to these disbursements being paid from the liquidation.

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

For clarity, it is noted that any time costs of any employee of McGrathNicol or any associated entity will be reported as part of our remuneration, for which approval may be sought.

***Basis of disbursement claim***

<i>Disbursement type</i>	<i>Rate (GST exclusive)</i>
<b>External disbursements</b>	
Postage	At cost
Stationery and other incidental disbursements	At cost
Conference call phone charges	At cost
Searches	At cost
Advertising	At cost
Courier	At cost
Staff per diem travel allowance*	\$89.00 per day**
Staff vehicle use	\$0.68 per km**
ASIC user pays levy	At cost
<b>Internal disbursements (that may have an element of profit or advantage)</b>	
Data processing – data loading & processing fee	\$20-\$60 per gigabyte (GB)***, minimum \$3,000 for matters less than 50GB.



<i>Disbursement type</i>	<i>Rate (GST exclusive)</i>
Data hosting – monthly hosting fee	\$10 per GB, per month. Minimum \$1,000 for small matters. Large matters are priced on application.
Printing – black and white	\$0.09 per page
Printing – Colour	\$0.28 per page

\* Tiered pricing model depending on volume of data to be hosted

\*\* Payable when partners or staff are required for business purposes to stay away from their usual place of residence overnight

\*\*\* These rates are deemed reasonable by the Australian Taxation Office

***Further explanation of data hosting disbursements***

In the conduct of this liquidation, we may use McGrathNicol's Forensic Technology team to extract, aggregate, electronically process and/or host electronic data, which could be used for the:

- trade or sale of the business or assets; and/or
- investigations regarding transactions or potential recoveries available to creditors.

If data hosting is required and we choose not to use the services of McGrathNicol's Forensic Technology team, we will otherwise have to purchase those services from an alternative provider and/or use another method to achieve the same end, which will not be as efficient as using these available internal services.

We note that the data hosting rates above are no more than our standard commercial pricing available for the same services when they are provided to external parties.

Dated: 19 February 2020

Jonathan Henry

*Liquidator*



ASIC

Australian Securities & Investments Commission

## Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

### List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

### Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets). The information sheets are also available from the IPA website at [www.ipaa.com.au](http://www.ipaa.com.au). The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

**Important note:** The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.