

29 October 2019

FIRST REPORT TO CREDITORS

Dear Sir/Madam

Daniel David Langley Blanch ("the Bankrupt")
Administration No. QLD 3510/19/2

1 Introduction

I, Leon Lee was appointed Trustee of the above-named Bankrupt Estate ("the Bankrupt") on 30 September 2019 pursuant to a Debtor's Petition accepted by the Official Receiver.

This report is issued pursuant to Section 19(1)(a) and 10(1)(c) of the Bankruptcy Act 1966 ("the Act"), Section 70-50 of the Insolvency Practice Schedule (Bankruptcy) 2016 ("IPS") and Sections 70-30 and 70-35 of the Insolvency Practice Rules (Bankruptcy) 2016 ("IPR").

The purpose of this report is to:

- give notice to creditors of my appointment;
- provide creditors with information regarding their rights;
- summarise the Bankrupt's Statement of Affairs and advise creditors of my searches and investigations to date;
- advise creditors on the likelihood of a dividend being paid to creditors.

2 Administration details

Bankrupt's address: 230 Tallebudgera Connection Road, Tallebudgera QLD 4228
Previous address: 201 Chesterfield Drive, Bonogin QLD 4213
Date of birth: 4 December 1984
Occupation: Unemployed
Associated entities: Advanced Civil Solutions Pty Ltd (In Liquidation), ACN 150 029 084
DD & RL Holdings Pty Ltd ATF The Blanch Family Trust
Discharge date: 1 October 2022

The main cause of the Bankrupt's insolvency was business related.

3 Dividend Estimate

Dividend estimate (cents/\$):

Optimistic	Pessimistic
Unknown	Nil

Dividend declaration date estimate (month/year):

Optimistic	Pessimistic
Unknown	N/A

At this stage, based on the information available and my findings to date, I do not know if a dividend will be paid to creditors of the Bankrupt Estate.

As the administration progresses, I will advise creditors if a dividend can be paid.

4 Prior Involvement & Declaration of Independence, Relevant Relationships & Indemnities

I advise creditors the staff of Morton's Solvency Accountants and myself have had no prior involvement with the Bankrupt or any related party which would preclude myself from accepting the appointment.

To date, my involvement with the Bankrupt has been to prepare for the orderly administration of the Bankrupt Estate. Refer to the **attached** Declaration of Independence, Relevant Relationships and Indemnities for more information.

5 Statement of Affairs

A Statement of Affairs ("SOA") is a form completed by the Bankrupt which contains information regarding their personal affairs and financial position.

Please find as follows a summary of the Bankrupt's SOA, alongside our commentary and optimistic and pessimistic estimates of the likely return to creditors.

	Notes	Statement of Affairs \$	Optimistic \$	Pessimistic \$
Assets				
Cash at bank/on hand	A	Nil	Nil	Nil
Motor vehicles	B	Nil	Unknown	Nil
Real estate	C	Nil	Nil	Nil
Other assets	D	41,447	Unknown	Nil
Income contributions	E	N/A	Unknown	Nil
Other recoveries	F	N/A	Unknown	Nil
		41,447	Unknown	Nil
less Outlays				
Realisations charge	G	N/A	Nil	Nil
Trustee's disbursements	H	N/A	(500)	(1,000)
Trustee's remuneration	I	N/A	(15,000)	(25,450)
		N/A	(15,500)	(26,450)
Funds available		N/A	Unknown	Nil

Unsecured creditors	J	1,220,434	1,250,00	1,300,000
Dividend (cents/\$)	K	N/A	Unknown	Nil

Notes:

- A. Cash at bank/hand: The Bankrupt reported nil cash holdings in his Statement of Affairs.

Following my appointment, I issued notifications to various financial institutions to search for and freeze any accounts held by the Bankrupt.

To date, several bank accounts has been identified which held minimal funds at the date of bankruptcy. No recoveries are expected.

- B. Motor vehicles: Pursuant to Section 116(2)(ca) and Regulation 6.03B(3) & (4) of the Act, the Bankrupt is allowed to retain vehicles (including cars and motorcycles) as their primary means of transport to a total value of \$8,000.

The Bankrupt disclosed he does not own a vehicle and uses a 2018 Volkswagen Amarok which is owned by his mother.

I have conducted a Queensland vehicle registration database search which identified two vehicles (a Nissan Navara and a Ford Territory) and a Volvo excavator which were previously registered in the Bankrupt's name. I am making enquiries with the Bankrupt regarding the vehicles and their disposal.

For the purpose of this report, I have noted unknown as the optimistic recovery and nil as the pessimistic recovery.

- C. Real estate: The Bankrupt reported he previously owned a property located at 201 Chesterfield Drive, Bonogin, Queensland and it was sold in April 2019 for \$960,000.

I have obtained copies of the sale contract and settlement statement from the solicitor who acted for the Bankrupt and his wife.

The sale appears to be have been to an arms-length, unrelated third party, however, I am conducting further investigations to determine if the property was sold for market value and if the disbursement of the sale proceeds is appropriate.

According to the settlement statement, the following parties received funds:

- NAB, \$76,627.67
- Donna Marie Blanch, \$500,000.00
- Bekah Holdings Pty Ltd ATF The Bekah Family Trust, \$180,953.76
- Rebekah Blanch, \$149,594.75

I have been advised the monies paid to Donna Marie Blanch and Bekah Holdings Pty Ltd ATF The Bekah Family Trust were paid pursuant to valid mortgages and the monies paid to Rebekah Blanch are as a result of her being a co-owner of the property.

I am requesting further documents from the relevant parties and will be engaging a solicitor to review the documents and transactions to ensure they are valid.

Refer to section 6 of this report for further details.

- D. Other assets: Pursuant to Section 116(2) of the Act, the Bankrupt is allowed to retain household property as prescribed in Regulation 6.03(3) including kitchen equipment, bedding, sufficient furniture, television, and other typical household appliances.

The Bankrupt is also allowed to retain tools of trade to a value of \$3,800 pursuant to Section 116(2)(c)(i) and Regulation 6.03B(1) & (2) of the Act.

The Bankrupt disclosed he has a regulated superannuation fund with a balance of \$41,447. Regulated superannuation funds are exempt from realisation.

The Bankrupt reported he was a director of Advanced Civil Solutions Pty Ltd (In Liquidation), ACN 150 029 084, which was placed into liquidation on 12 April 2019 with Robson Cotter Insolvency Group. The failure of this company appears to be reason for the bankruptcy as the majority of the Bankrupt's creditors appear to have personal guarantees.

I have contacted the liquidator and obtained copies of his reports to creditors. The liquidator advised he expects to pay a dividend to creditors, however, at his stage, the timing and rate are not known.

The Bankrupt also reported he was previously involved with DD & RL Holdings Pty Ltd ATF The Blanch Family Trust. I have obtained copies of the Trust Deed and financial statements of the Trust and am conducting further investigations to identify if the Bankrupt Estate has an interest in same.

For the purpose of this report, I have noted unknown as the optimistic recovery and nil as the pessimistic recovery.

- E. Income contributions: The Act includes provisions which make the Bankrupt liable to contribute 50 cents/\$ of net income derived until their date of discharge. Income contribution assessments are conducted annually on the 12-month anniversary of the date of Bankruptcy.

The lowest net income threshold is \$58,331.00, which increases as the number of dependents of the Bankrupt increases (up to a maximum of more than 4 dependents).

The Bankrupt has advised me he is currently unemployed. At this stage, I anticipate he will not be liable to pay income contributions. I will however, reassess his liability for income contributions on the anniversary of his bankruptcy.

For the purpose of this report, I have noted unknown as the optimistic recovery and nil as the pessimistic recovery.

- F. Other recoveries: The Act includes a number of provisions which allow a trustee to seek to void particular transactions for the benefit of creditors. Refer section 6 of this report for further details.
- G. Realisations charge: A statutory realisations charge is payable by the Estate to the Australian Financial Security Authority. The fee is currently 7% of funds received by the Estate, pursuant to Inspect-General Practice Direction 2.
- H. Trustee's disbursements: For the administration of the Estate, I expect total outlays of \$500 to \$1,000 will be incurred. Refer section 8 of this report for further details.
- I. Trustee's remuneration: From the date of appointment to x2019, the Estate has incurred remuneration of \$5,450.00, excluding GST. For the administration of the Estate, I expect to incur total remuneration of \$15,000.00 to \$25,040.00 excluding GST. Refer section 8 of this report for further details.
- J. Unsecured creditors: The Bankrupt disclosed creditors totaling \$1,220,434 in his SOA. For the purpose of the report, I estimate creditors may range from \$1,250,000 to \$1,300,000.

I have **attached** a list of known creditors to this report. If you have not yet lodged a proof of debt, or wish to amend an existing proof of debt, please complete the **attached** form and return it to our office.

- K. Dividend: At this stage, based on the information available and my findings to date, I do not know if a dividend will be paid to creditors of the Bankrupt Estate.

As the administration progresses, I will advise creditors if a dividend can be paid.

6 Investigations

During the course of my administration of the Estate I shall investigate whether any recoveries are potentially available for the benefit of creditors. The Act includes a number of provisions regarding potential recovery actions, including:

Undervalued Transactions

Transfers of property by a bankrupt prior to their bankruptcy may be voided by a trustee if the consideration received was either nil or inadequate, pursuant to Section 120 of the Act. Transfers which occurred up to five years prior to the commencement of bankruptcy may be voided.

Transfers to Defeat Creditors

Transfers of property by a bankrupt prior to their bankruptcy may be voided by a trustee if it can be established the main purpose of the transfer was to prevent or delay the property being available for creditors of the bankrupt, pursuant to Section 121 of the Act. No time limit applies for such transfers. Section 128A of the Act specifically applies to superannuation contributions for the purpose defeating creditors.

Preferences

A trustee may seek to void payments made to creditors prior to bankruptcy in circumstances where the payer was insolvent and the recipient effectively obtained a priority over other creditors, pursuant to Section 122 of the Act. Payments which occurred within six months of the presentation of the creditor petition may be voided.

Findings

It is important to note defences are available for the types of claims outlined above. A trustee will also consider the commerciality of pursuing a claim, including taking into account an assessment as to the prospects of success and the likelihood of a defendant being able to satisfy a claim.

As mentioned earlier in Section 5 of this report, my preliminary investigations have identified significant payments made to the Bankrupt's family members from the sale of his jointly owned property. I am reviewing the payments to ensure they are appropriate.

If they are not, I will issue demands to the recipients to repay the funds to the Bankrupt Estate. Further action may be appropriate if an appropriate settlement cannot be reached.

At this stage, no further voidable transactions have been identified, however, I am obtaining further books and records to finalise my statutory investigations.

Any creditors who have information which will assist my investigations or wish to discuss assistance with funding my further investigations and/or recovery actions should contact my office as soon as possible.

7 Conduct of Bankrupt

At this stage, the Bankrupt has been reasonably co-operative with my enquiries and I have not referred any offences to AFSA.

8 Trustees' Disbursements & Remuneration

There are a number of methods by which Trustees may seek approval of their internal disbursements and remuneration when they administer a bankruptcy administration.

I have decided to seek approval of these costs by putting forward proposals to creditors in order to save time and costs rather than holding a meeting of creditors. The resolutions will be deemed to have passed if the majority of responding creditors are in favour, as well as the majority in value of the responding creditors, and no more than 25% in value of responding creditors object.

I have **attached** the following documents to provide you with information regarding how I propose to be paid in relation to those costs and how they are calculated:

- Initial Remuneration Notice
- Remuneration Approval Report
- Information sheet: Proposals without meetings
- Notices to Creditors of Proposed Resolution Without Meeting

Please review and consider the attached documents and contact my office if you have any questions.

Trustees are not permitted to draw certain internal disbursements and remuneration above the statutory maximum of \$5,272 (excluding GST) without the approval of creditors, the Inspector-General or the Court. Accordingly, to reduce the costs of the administration and as a result the potential return to creditors (if any), I propose to have our internal disbursements and remuneration approved by creditors via a proposal to a fixed amount of \$500 (excluding GST) and \$25,450 (excluding GST) respectively.

Voting forms are **attached** to this report for completion. Please ensure the forms are returned to this office by the deadline.

Please note whilst I seek approval for these amounts, my internal disbursements and remuneration will only be capable of being drawn in the event sufficient funds are held or realisations are made.

9 Rights of Creditors

The following list outlines some of the rights of creditors in respect of this Bankrupt Estate administration pursuant to various sections of the IPS:

- Section 70-40: Creditors may by resolution request a trustee give information, provide a report, or produce a document. The trustee must comply with the request unless:
 - The information, report or document is not relevant to the administration;
 - The trustee would breach his/her duties in relation to the administration if he/she complied; or
 - It is otherwise not reasonable for the trustee to comply with the request.
- Section 85-5: Creditors may, by resolution, give directions to the trustee in relation to the administration. The trustee must have regard to any direction, but the trustee is not required to comply with any such directions.

If the trustee does not comply with a direction, the trustee must make a written record of that fact, along with the trustee's reasons for not complying. If there is a conflict between directions given by creditors pursuant to this section and directions of a committee of inspection, directions given by creditors override any directions given by the committee.

- Section 90-21: Creditors may apply to the Inspector-General for a review to be carried out of the remuneration received by the trustee for services performed in relation to the administration.
- Section 90-35: Creditors may by resolution remove the trustee and, at the same or a subsequent meeting, appoint another person as trustee.

For further information on your rights as a creditor is provided in the **attached** information sheet "Creditor Rights in a Regulated Debtor Estate".

10 Meeting of Creditors

Pursuant to Section 75-15 of the IPS, I must convene a meeting of creditors if:

- The committee of inspection directs the trustee to do so (if there is a committee of inspection);
- Creditors direct the trustee to do so by resolution;
- At least 25% in value of creditors direct the trustee to do so in writing; or
- Less than 25% (but more than 10%) in value of creditors direct the trustee do so in writing, and security for the cost of holding the meeting is given to the trustee before the meeting is convened.

11 Future of the Bankrupt Estate

At this stage, I do not intend on issuing any further reports to creditors until either it is necessary to convene another meeting of creditors and/or I am in a position to declare a dividend.

I will continue to progress the administration of the Bankrupt Estate. Should you have any queries, please contact this office on 07 3832 7131 or info@mortonssolvency.com.au.

Dated this 29th day of October 2019.



Leon Lee
Trustee

Creditor Rights in a Regulated Debtor Estate

As a creditor, you have rights in a regulated debtor estate, including bankrupt estates, to request meetings and information or take certain actions:



Right to request a meeting

Meetings of creditors are not automatically held. Creditors with claims of a certain dollar value have a right to make a written request for the trustee to hold a meeting of creditors.

Meetings can be requested at any time by:

- > 10% but < 25% of the known value of creditors. Those creditors must provide security for the cost of holding the meeting
- ≥ 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 for a meeting meets these requirements and is 'reasonable', the trustee must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Trustees will communicate important information with creditors as required in a regulated debtor estate. 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 trustee must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the administration of the estate, and the provision of the information would not cause the trustee to breach their duties.

A trustee 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 trustee 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 was held, or will be held within 15 business days of the request

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 trustee may still comply if the creditor meets the cost of complying with the request.

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

Right to give directions to trustee

Creditors, by resolution, may give a trustee directions in relation to the administration of an estate. A trustee must have regard to these directions, but they are not required to comply with the directions.

If a trustee 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 trustee.

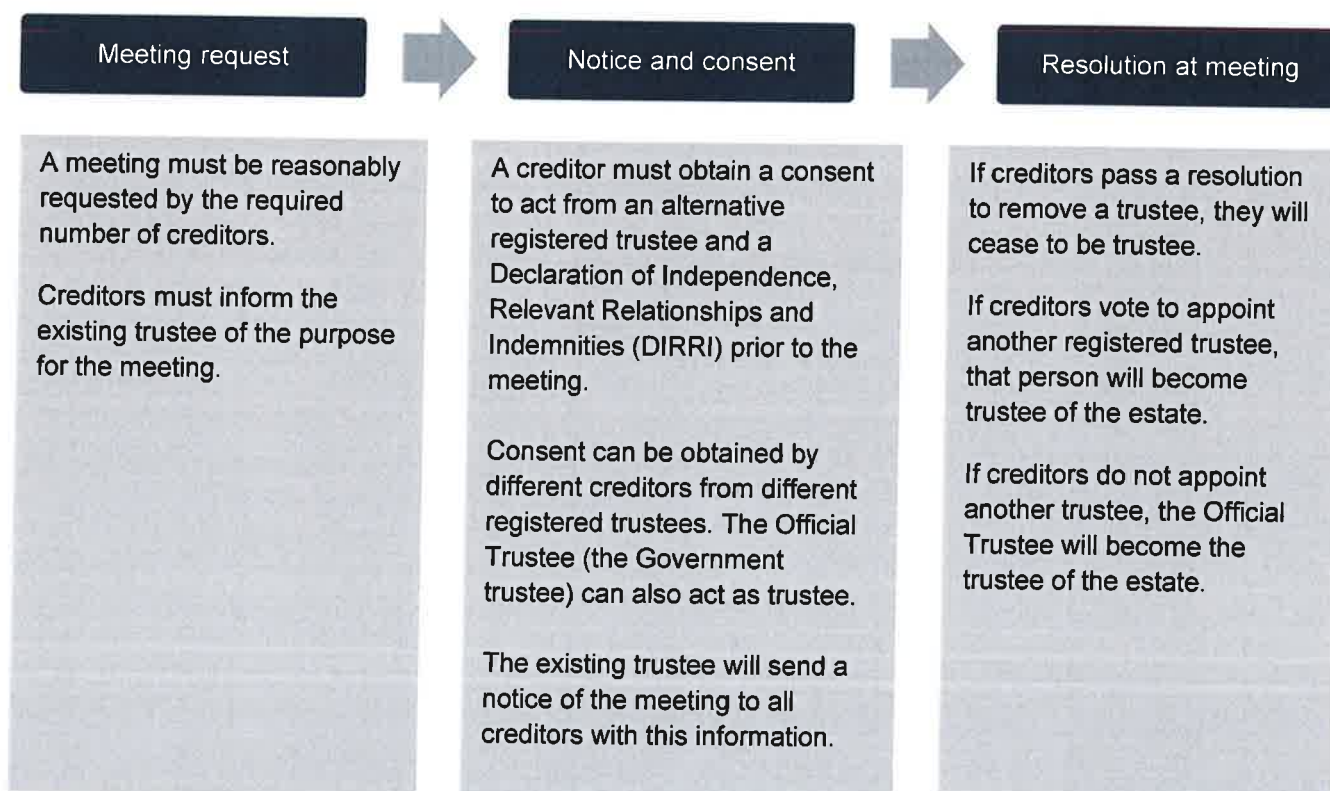
Right to apply to Inspector-General for a review of remuneration

Creditors may apply to the Inspector-General to conduct a review of a trustee's remuneration. The Inspector-General may refuse to conduct a review on various grounds.

Right to replace trustee

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

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



For more information, go to www.arita.com.au/creditors

Declaration of Independence, Relevant Relationships and Indemnities

Daniel David Langley Blanch (A Bankrupt) Administration No. QLD 3510/19/2 ("the Bankrupt")

This document requires the Practitioners 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 Bankrupt and others within the previous 24 months;
 - iii. any prior professional services for the Bankrupt within the previous 24 months;
 - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioners.

This declaration is made in respect of myself, my staff and Morton's Solvency Accountants.

Independence

I, Leon Lee, of Morton's Solvency Accountants, Level 11, 410 Queen Street, Brisbane QLD 4000, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Trustee of the Bankrupt in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to my independence and I am not aware of any reasons that would preclude myself from accepting this appointment.

Declaration of relationships

Circumstances of appointment

This appointment was referred to myself by JHL Lawyers, the Bankrupt's solicitor.

I have a professional relationship with JHL Lawyers and this is the first appointment they have referred to myself. Referrals from solicitors, accountants and business advisors are commonplace and do not impact on my independence in carrying out my duty as Trustee.

On 20 September 2019, I was first contacted by JHL Lawyers. JHL Lawyers provided some brief details regarding the Bankrupt's financial position and confirmed the Bankrupt wished to file for bankruptcy.

On 27 September 2019, I was provided with the Bankrupt's Statement of Affairs and Debtor's Petition, which were lodged with my consent to act.

I did not have any communication with the Bankrupt prior to my appointment. I believe this pre-appointment communication does not result in a conflict of interest or duty because:

- the Courts and the Australian Restructuring, Insolvency and Turnaround Association specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider such advice results in a conflict or is an impediment to accepting the appointment;
- the nature of the advice provided is such it would not be subject to review and challenged during the course of the administration;
- the pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

I have provided no other information or advice to the Bankrupt or his solicitor prior to my appointment beyond that outlined in this DIRRI.

Relevant relationships

I, nor a member or an associate of Morton's Solvency Accountants, have, or have had within the preceding 24 months, any relationships with the Bankrupt, an associate of the Bankrupt, a former insolvency practitioner appointed to the Bankrupt or any person or entity that has a charge on the whole or substantially whole of the Bankrupt's property.

Name

Australian Taxation Office ("ATO")

Nature of the Relationship

Morton's Solvency Accountants undertakes work from time to time on behalf of the ATO. This includes the appointment of registered liquidators to companies as a formal appointment where the ATO (or its agents) has asked us to consent to act.

Reasons why not an Impediment or Conflict

I have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Bankrupt. This relationship has not impeded my independence.

Prior professional services

Neither I, nor our firm, have provided any professional services to the Bankrupt or related parties in the previous 24 months, other than as disclosed herein.

Other relevant relationships

There are no other prior professional or personal relationships that should be disclosed.

Indemnities

I have been provided with the following up-front payment for the conduct of this administration:

Name	Nature of indemnity
Daniel David Langley Blanch	Mr Blanch provided an upfront payment in the amount of \$7,500 to cover my expenses and remuneration associated with the administration of the Bankruptcy. There are no further conditions on the conduct or outcome of the administration attached to the provision of these funds.

There are no other indemnities or up-front payments to be disclosed.

General

As required under the Australian Restructuring, Insolvency and Turnaround Association Code of Professional Practice, if circumstances change, or new information is identified, I will 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 creditors.

Dated this 29th day of October 2019



Leon Lee
Trustee

1. If circumstances change, or new information is identified, I am required under the Australian Restructuring, Insolvency and Turnaround Association Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of creditors.
2. Any relationships, indemnities or up-front payments disclosed in this declaration must not be such that the insolvency practitioner is no longer independent. The purpose of this declaration is to disclose any relationships that, while they do not result in the insolvency practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the insolvency practitioner nonetheless remains independent.

Initial Remuneration Notice
Daniel David Langley Blanch (A Bankrupt) - Administration No. QLD 3510/19/2

METHODS OF CHARGING REMUNERATION

As Trustee of the above-named Bankrupt Estate, I, Leon Lee, advise pursuant to Section 162 of the *Bankruptcy Act 1966 (Cth)* ("the Act") and Section 60-12 of the *Insolvency Practice Schedule (Bankruptcy) 2016*, there are different methods which may be used to calculate the remuneration charged by a Trustee, including:

- Time Based / Hourly Rates - 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.
- 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 trustee will finalise an administration for a fixed fee.
- Percentage or contingency - The total fee charged is based on a percentage of a variable, such as the gross proceeds of assets realisations, or is contingent on an outcome or outcomes.

PROPOSED METHOD

I propose remuneration for the Bankrupt Estate be calculated on a time basis. I believe this method is appropriate as it ensures only the actual work performed will be charged for. I note there are various tasks required to be completed which do not involve the realisation of assets, such as reporting to Australian Financial Security Authority ("AFSA"), undertaking investigations, corresponding with creditors and answering their queries and completing other statutory tasks required by law.

ESTIMATE OF REMUNERATION

I estimate the remuneration for undertaking this administration range from \$15,000 to \$25,450 (excluding GST) subject to the amount and complexity of work required, in relation to the outstanding issues as described in my accompanying Report to Creditors.

I also note that from experience, unforeseen matters typically arise and may require me to perform additional work beyond that currently anticipated.

Should the total remuneration claimed be less than the Statutory Minimum pursuant to Section 161B of the Act, being \$5,272, creditor approval will not be required.

HOURLY RATES

The rates for my remuneration calculation are **attached** together with a general guide showing the qualifications and experience of staff that will be engaged in the administration and their role. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

DISBURSEMENTS

Broadly, there are three types of disbursements:

- i. Externally provided professional services (e.g. legal fees) - these are recovered at cost;
- ii. Externally provided non-professional costs (e.g. travel) - these are recovered at cost; and
- iii. Internal disbursements (e.g. photocopying) – I propose to charge a one-off fee of \$500 to recover the following internal disbursements:
 - Photocopying;
 - Stationery including files, dividers, paper and envelopes;
 - Telephone and fax;
 - Use of office meeting room.

Details of the basis of recovering internal disbursements in this administration are provided below. Full details of any actual costs incurred will be provided with any future reporting.

Advertising and search fees -	at cost
Couriers and deliveries -	at cost
Other/miscellaneous -	at cost
Storage of books and records -	at cost.

FURTHER INFORMATION/COMPLAINTS

Please contact this office on 07 3832 7131 to discuss why you are dissatisfied with the contents of this notice. If you remain dissatisfied, you may complain to AFSA Regulation and Enforcement or seek a change of trustee.

Dated this 29th day of October 2019



Leon Lee
Trustee

MORTON'S SOLVENCY ACCOUNTANTS
REMUNERATION RATES EFFECTIVE AS AT 1 JULY 2017

Staff Classification	Guide to level of experience	Hourly Rate \$ (Excl GST)
Appointee/Director	Registered liquidator/trustee, CA/CPA qualified. Generally in excess of 10 years experience. Responsible for the overall conduct of insolvency appointments. Brings specialist skills to the appointment.	530
Senior Manager/Principal/Consultant	More than 10 years insolvency experience, at least 5 years at manager level and capable of controlling all aspects of an insolvency administration. Qualified accountant with highly developed technical and commercial skills.	460
Manager	More than 5 years insolvency experience. Capable of controlling most aspects of insolvency administration. Qualified accountant with a high level of technical and commercial skills. Manager, trains and reviews subordinate staff.	400
Assistant Manager/Supervisor	Between 3 and 5 years insolvency experience. Qualified accountant able to conduct smaller insolvency administrations. Supervises staff and reports to managers/appointee. Assists with planning and control of medium to larger insolvency administrations.	375
Senior	Between 2 and 4 years insolvency experience or equivalent. Qualified accountant or studying to become a qualified accountant. Performs field work and reports to supervisors/managers. Assists in planning and control of small to medium sized matters.	300
Intermediate	Between 0 and 2 years insolvency experience or equivalent. Graduate accountant studying to become a qualified accountant. Performs field work on large and small insolvency appointments under supervision. Reports to supervisors/managers.	250
Graduate	Limited or no insolvency experience. Completing accounting degree. Assists in field work on insolvency administrations under supervision.	210
Financial Assistant	Non-professional staff providing assistance on insolvency administrations. Duties include secretarial support, computer operation, treasury functions, and lodgement of forms and handling of routine aspects of insolvency administrations.	190
Junior	Appropriate skills to perform basic tasks such as filing secretarial, administrative and receptionist functions.	95

Schedule of Hourly Rates

Notes:

The information provided in the 'Guide to level of experience' column above represents a general guide as to the experience, qualifications and duties for insolvency staff working on insolvency administrations. Staff may be engaged a rate reflective of their level of skill and experience.

The hourly rates charged are reflective of the cost, type of insolvency administration and the risk of providing the services. The hourly rates charged should not be compared to hourly wage rates paid to staff.

Rates are subject to increase from time to time (usually annually) to reflect the increased operating cost of firm.

Daniel David Langley Blanch (A Bankrupt)
Administration No. QLD 3510/19/2

Remuneration Approval Report

This remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for the administration of the above-named Bankrupt Estate.

Pursuant to Section 75-40 of the *Insolvency Practice Schedule (Bankruptcy) 2016*, I can put forward a proposal to creditors without holding a meeting of creditors. The resolution will be deemed to have passed if the majority of responding creditors are in favour, as well as the majority in value of the responding creditors, and no more than 25% in value of responding creditors object.

You can cast your vote by completing the **attached** voting forms and returning them to this office before the deadline.

Part 1: Declaration

I, Leon Lee, of Morton's Solvency Accountants have undertaken a proper assessment of this remuneration claim for our appointment as Trustees of the Bankrupt Estate in accordance with the law and applicable professional standards. I am satisfied the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Part 2: Executive Summary

To date, no remuneration has been approved or paid in this administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST)
Current remuneration approval sought:		
Period 1: 30 September to 22 October 2019	Part 4	\$5,450.00
Period 2: 23 October 2019 to finalisation*	Part 5	\$20,000.00
Total remuneration approval sought		\$25,450.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

Part 3: Basis of Remuneration

Remuneration methods

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

1. 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.

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 an administration for a fixed fee.

3. Percentage

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

4. Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method chosen

Given the nature of this administration I propose my remuneration be calculated on time based hourly rates. This is because:

- This method reflects our practice of assigning staff at the appropriate level to conduct the necessary work. Individuals are required to record the nature of the work performed at intervals of six minutes. This method ensures creditors are only charged for work that is performed and provides complete transparency.
- Fixed fee and percentage method are inappropriate as we are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration. Additionally, we are required to perform a number of tasks which do not relate to the realisation of assets, e.g., statutory obligations, responding to creditor queries, and reporting to AFSA.

It is proposed the remuneration of the Trustee is calculated on a time basis at the hourly rates charged by Morton's Solvency Accountants and the Trustee can draw the remuneration on a weekly basis or as required.

Explanation of hourly rates

The rates for my remuneration calculation are listed in our initial remuneration notice. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage. The hourly rates are exclusive of GST, GST is calculated on the total remuneration charged when an invoice is raised.

Part 4: Description of work completed**Period 1: 30 September 2019 to 22 October 2019**

Task Area	General Description	Includes
Creditors 4.5 hours \$1,275.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Preparing this report to creditors
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend Corresponding with creditors regarding POD's when not related to a dividend
Investigation 11.2 hours \$3,820.00	Conducting investigations	Collection of books and records Reviewing books and records Conducting and summarising statutory searches Preparation of investigation file
	Related entities	Contacting liquidator and requesting reports to creditors Consider reports and prepare investigation file note
	Income assessments	Preliminary year one advance assessment
Administration 1.3 hours \$355.00	Correspondence	General, as required
	Document maintenance/file review/checklist	First month, then monthly administration review Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists
	Bank account administration	Preparing correspondence opening account Requesting bank statements Bank account reconciliations
	AFSA	Statement of Affairs lodgement
	ATO and other statutory reporting	Notification of appointment
	Finalisation	Completing file review/checklists

Part 5: Description of work to be completed**Period 2: 23 October 2019 to finalisation**

Task Area	General Description	Includes
Assets \$2,500.00	Motor vehicles	Liaising with Bankrupt Further searches
	Other assets	Searches
Creditors \$5,000.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post

	Creditor reports	Preparing this report to creditors
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend Corresponding with creditors regarding POD's when not related to a dividend
Investigation \$10,000.00	Conducting investigations	Collection of books and records Reviewing books and records Conducting and summarising statutory searches Review of specific transactions and liaising with parties regarding certain transactions Preparation of investigation file
	Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	AFSA	Liaising with AFSA Prepare offence referral
	Income assessments	Issuing questionnaires to Bankrupt Assessing contribution liability Collection of contributions (if required)
Administration \$2,500.00	Correspondence	General, as required
	Document maintenance/file review/checklist	First month, then monthly administration review Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations
	AFSA	Realisations and interest charge calculations and remittances
	Finalisation	Completing file review/checklists
	Books and records / storage	Dealing with records in storage Sending job files to storage

Part 6: Calculation of Remuneration

Period 1: 30 September 2019 to 22 October 2019

The below table sets out time charged to each major task area by staff members working on the administration for the period which is the basis of our remuneration claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Part 4.

Employee	Position	\$/hour (ex GST)	Total actual hours	Total (\$)	Task Area			
					Assets \$	Creditors \$	Investigation \$	Administration \$
Leon Lee	Trustee	530	1.5	\$795.00			1.5	
Leon Lee	Manager	400	5.2	\$2,080.00		1.0	4.0	0.2
Sharon Palmer	Intermediate	250	9.9	\$2,475.00		3.5	5.7	0.7
Kako Lindley	Intermediate	250	0.4	\$100.00				0.4
Total			17.0	\$5,450.00				
GST				\$545.00				
Total (Incl GST)				\$5,995.00				
Average hourly rate				320.58		283.33	341.07	273.08

Period 2: 23 October 2019 to finalisation

The below table sets out the expected costs for the major tasks likely to be performed by the Trustees and their staff for the period which is the basis of our remuneration claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Part 4.

	Total (\$)	Task Area			
		Assets \$	Creditors \$	Investigation \$	Administration \$
Total	\$20,000.00	2,500.00	5,000.00	10,000.00	2,500.00
GST	\$2,000.00				
Total (Incl GST)	\$22,000.00				

Part 7: Statement of remuneration claim

I am seeking approval for my remuneration until finalisation of the administration. I propose to have my remuneration fixed by creditors without a meeting, in accordance with the Resolution shown below. Details of alternate methods of trustee remuneration approval and your rights to have remuneration reviewed are detailed below.

Following are the terms of agreement sought from creditors:

Resolution 1

"That the remuneration of the Trustee and his staff be approved and fixed on a time basis, for the period 30 September 2019 to finalisation of the administration of the Bankrupt Estate, at the Morton's Solvency Accountants schedule of hourly rates effective 1 July 2017, and the Trustee can draw his remuneration to a capped limited of \$25,040.00 (excluding GST) from funds available in the Bankrupt Estate, on a monthly basis or as required. If the value of the work to be performed exceeds the capped amount, then the Trustee reserves his right to seek further approval from creditors."

Approval of Trustee Remuneration Without Meeting

Pursuant to Sections 60-10 and 75-40 of the IPS, Trustees may put a proposal to creditors by giving a notice in order to save time and reduce costs rather than holding a formal meeting of creditors.

Enclosed is a Notice of Proposal to Creditors (Notice and Voting Form) together with a Proof of Debt form. The Notice and Voting Form set out the precise terms of the proposed resolution, statement of the reasons for the proposal and the likely impact it will have on creditors.

Please review and consider the instructions, cast your vote and return the completed forms to our office by the due date.

Approval of Trustee Remuneration by Inspector-General

In accordance with Section 60-11 of the IPS, where remuneration is not fixed by other methods, the trustee may, in the circumstances prescribed by the IPR, make an application, in accordance with the IPS and IPR, to the Inspector-General for the Inspector-General to decide the Trustees' remuneration.

Review of Trustee Remuneration by the Inspector-General or the Court

Please note pursuant to Section 60-1 and Section 90-21 of the IPS respectively, and Division 90 of the IPR, if the Bankrupt or creditors are dissatisfied with the Trustees' remuneration, they may seek to have the remuneration reviewed by the Inspector-General by making application with either the Inspector-General within twenty (20) business days of receiving a remuneration claim notice or make application to the court within 60 days of becoming aware of the trustee's decision or omission.

Creditors should note external disbursements which are necessary and have been properly incurred, are drawn by the Trustees as incurred and when funds permit. However, approval is required for internal disbursements such as printing and stationery as detailed in my Remuneration Approval Notice.

Further information regarding the process of approving a trustee's remuneration and your rights in this process can be found at:

<https://www.afsa.gov.au/sites/g/files/net1601/f/creditor-information-sheet-sep173.pdf>

Part 8: Remuneration recoverable from external sources

As disclosed in my DIRRI the Bankrupt provided an upfront payment in the amount of \$7,500 to cover my expenses and remuneration associated with the administration of the Bankruptcy.

There are no further conditions on the conduct or outcome of the administration attached to the provision of these funds.

Part 9: Disbursements

Broadly, there are three types of disbursements:

- i. Externally provided professional services (e.g. legal fees) - these are recovered at cost;
- ii. Externally provided non-professional costs (e.g. travel) - these are recovered at cost; and
- iii. Internal disbursements (e.g. photocopying) – I propose to charge a one-off fee of \$500 to recover the following internal disbursements:
 - o Photocopying;
 - o Stationery including files, dividers, paper and envelopes;
 - o Telephone and fax;
 - o Use of office meeting room.

Details of the basis of recovering internal disbursements in this administration are provided below. Full details of any actual costs incurred will be provided with any future reporting.

Advertising and search fees -	at cost
Couriers and deliveries -	at cost
Other/miscellaneous -	at cost
Storage of books and records -	at cost.

I have undertaken a proper assessment of disbursements claimed for this administration, in accordance with the law and applicable professional standards. I am satisfied the disbursements claimed are necessary and proper.

I am seeking creditor approval for my internal disbursements. Following are the terms of agreement sought from creditors:

Resolution 2

"That the internal disbursements of the Trustee for the period 30 September 2019 to finalisation of the administration of the Bankrupt Estate be approved and capped at an amount of \$500 (excluding GST), as calculated at the Morton's Solvency Accountants internal disbursement rates, be approved to be drawn from funds available in the Bankrupt Estate as required and the Trustee reserves his right to seek additional internal disbursements approval from creditors should actual internal disbursements exceed this capped amount."

Part 10: Report on Progress of the Administration

Please refer to the Report to Creditors to which this remuneration report is annexed.

Part 11: Summary of Receipts and Payments

Please refer to the attached summary of receipts and payments.

Part 12: Queries

Should creditors have any queries regarding my remuneration, please contact this office on 07 3832 7131 or info@mortonssolvency.com.au.

Part 13: Information Sheet and Remuneration Claim Notice

Creditors are advised they have the right to obtain further information regarding remuneration and can request same, by advising this office in writing. Creditors are advised a remuneration information sheet is available at:

<https://www.afsa.gov.au/sites/g/files/net1601/f/creditor-information-sheet-sep173.pdf>

If you wish to receive a Remuneration Claim Notice ("RCN"), please advise my office within 20 business days of receiving this notice. An RCN contains information about work actually performed and remuneration actually claimed.

Dated this 29th day of October 2019.



Leon Lee
Trustee

Daniel David Langley Blanch (A Bankrupt)

Summary of receipts and payments
for the period from 30 September 2019 to 28 October 2019

RECEIPTS	\$ incl GST
Upfront payment	7,500.00
Total Receipts	7,500.00
PAYMENTS	
Total Payments	-
Balance as at 28 October 2019	\$ 7,500.00

Daniel David Langley Blanch (A Bankrupt)
Administration Number: QLD 3510/19/2

List of Creditors

<u>Company</u>	<u>Address</u>		<u>Amount \$ per SOA</u>
<u>Unsecured creditors</u>			
1 ANZ			6,000.00
2 Advanced Temporary Fencing	PO Box 699	Beenleigh QLD 4207	1,525.28
3 Aussie Concrete Products	1422 New Cleveland Rd	Capalaba QLD 4157	23,183.53
4 Bemcove	146 Watson Rd	Acacia Ridge QLD 4110	112.42
5 BMS LaserSat	1/22 Success St	Acacia Ridge QLD 4110	13,612.00
6 Boral Construction Materials	Locked Bag 5025	Parramatta NSW 2124	134,796.44
7 BP Australia	GPO Box 5222	Melbourne VIC 3001	2,859.00
8 Caltex Australia	2 Kite Street (Port of Bne)	Lytton QLD 4178	11,191.49
9 Capital Finance	1 Eagle Street	Brisbane QLD 4001	3,525.25
10 CCS Concrete Pty Ltd	Po Box 10023 Adelaide St	Brisbane QLD 4001	20,327.67
11 Clark Equipment Sales Pty Ltd	PO Box 50	Hornsby NSW 1630	340.09
12 Coastal Tipperhire	PO Box 2584	Nerand East QLD 4211	3,174.60
13 Coates Hire Pty Ltd	GPO Box 5120	Melbourne VIC 3001	41,909.81
14 Concrib Pty Ltd	PO Box 3234 Darra QLD 4077	Darra QLD 4077	29,325.56
15 Earthmoving Rentals	17-19 Old Pacific Highway	Yatala QLD 4207	24,427.49
16 EPH Queensland	PO Box 1300	Eagle Farm QLD 4009	89,779.61
17 Fenwick Jaylee Pty Ltd	PO Box 872 Park Ridge	Park Ridge QLD 4125	10,699.70
18 Frank and Dorothy Tipper Hire Pty Ltd	PO Box 311	Cleveland QLD 4163	33,848.00
19 Fulton Hogan Industries Pty Ltd	PO Box 310	Beeleigh QLD 4207	109,448.45
20 Go Mastercard			14,000.00
21 Hastings Deering	PO Box 46	Archerfield QLD 4108	6,442.71
22 Hydraulink (Jorbill Pty LTd)	PO Box 3485	Nerang QLD 4211	2,533.29
23 Iplex Pipelines Australia Pty Ltd	PO Box 5160	Brendale QLD 4500	3,860.88
24 Kennards Hire Pty Ltd	Locked Bag 2025	Seven Hills NSW 2147	5,033.50
25 Lyndons Pty Ltd	PO Box 45	Lutwyche QLD 4030	21,904.27
26 M&M Cable Solutions Pty Ltd	PO Box 252	Carole Park QLD 4300	18,118.39
27 Manhole Form Hire	PO Box 4125	Loganholme QLD 4129	1,782.57
28 Metro Earth Movers Pty Ltd	16 Eurora Street	Kingston QLD 4114	32,309.75
29 Morrisson GeoTechnic Pty Ltd	PO Box 3063	Darra QLD 4076	4,688.75
30 MTG Contracting Pty Ltd	PO Box 2778	Burleigh Heads QLD 4220	22,482.90
31 Pink Plant Hire and Haulage	PO Box 318	Browns Plains QLD 4118	22,263.06
32 Pipe Vison Australia Pty Ltd	PO Box 4209	Elanora QLD 4221	29,124.26
33 QLD Mulching Pty LTD	30 Bluebird Court	Greenbank QLD 4124	15,400.00
34 Rocla Pipelines Products	PO Box 21	Goodna QLD 4300	4,613.35
35 Sitech Construction Systems	33 Allison Street Bowen Hills QLD 4006	Bowen Hills QLD 4006	10,171.90
36 SQID Civil Products Pty Ltd	10 Anglesea Ct	Robina QLD 4226	65,000.00
37 Stapylton Resource Recovery QLD	PO Box 2117	Fortitude Valley QLD 4006	1,961.81
38 Stenhouse Lifting	Unit 1/4 Christensen Rd	Yatala QLD 4207	1,214.94
39 Supercheap Auto	PO Box 344	Strathpine QLD 4500	198.00
40 Trade Tools	43 Notar Drive	Ormeau QLD 4208	1,137.60
41 Tradelink	44 Spencer Rd	Nerang QLD 4211	161,268.00
42 Viadux Pty Ltd	PO Box 1025	Parramatta NSW 2124	24,895.17
43 Workforce Road Services	PO Box 6226	Alexandria NSW 2018	8,988.30
Total			\$1,033,479.79

Related party creditors

1 Rebekah Blanch			180,953.70
Total \$			180,953.70



PROOF OF DEBT

Bankruptcy Act 1966 Section 84(2), 85(2)

Privacy

The information you are required to provide on this form is collected under, and for the purposes of, the *Bankruptcy Act 1966* or related legislation. The Australian Financial Security Authority has a privacy policy at www.afsa.gov.au/privacy that provides information regarding the collection, storage, use and disclosure of personal information, including how you may: (i) access your personal information; (ii) seek to have that information corrected; and (iii) complain if you feel your privacy has been breached, along with information on how your complaint will be dealt with.

Completing a Proof of Debt (POD)

1. When to lodge a Proof of Debt

A trustee of a Personal Insolvency Agreement (PIA) or bankruptcy will request you to lodge a POD where there are funds in the estate to distribute. A dividend will only be paid to those creditors whose POD has been admitted by the trustee. Correct completion of PODs will prevent delays in distribution of funds to the creditors. Return the completed POD to the trustee within the prescribed time as a dividend may be paid without further notice to you.

Note: The trustee may require you to verify the matters contained in your POD by way of a Statutory Declaration. If such a request is made and you fail to provide the Statutory Declaration, then the trustee may disregard your POD.

2. Which debts are provable?

Not all debts are provable, for example

- debts incurred after the date of bankruptcy
- interest that has accrued after the date of bankruptcy
- debts owed by the bankrupt/ debtor's company if they are not supported by a personal guarantee.

Please do not include these in your claim. Your claim may be rejected for these amounts and result in delaying the payment of the dividend.

Further information on provable debts is available by calling AFSA on 1300 364 785, visiting www.afsa.gov.au or the trustee.

3. Instructions on completion of the POD

It is your responsibility to prove to the trustee that you are owed the debt.

- Answer all questions on the form
- Calculate interest to the date of bankruptcy; or the date the PIA was executed by the Debtor (s) s 187(2)
- Total the amounts and check that your calculations are correct
- Sign and date the POD
- Attach documentary evidence of your claim. Evidence may include copies of:
 - invoices
 - statements
 - delivery dockets
 - relevant contracts
 - personal guarantees given by bankrupt/ debtors
 - loan contracts
 - judgments.

4. Separate, joint, and joint and several creditors

If two or more persons have become bankrupt or entered into a PIA together, creditors may have a claim against

- (a) only one of them
- (b) all of them jointly only, or
- (c) all of them jointly as well as in their individual capacities.

It is important that you indicate which situation applies to you (see Bankrupt/Debtor/s liability on page 2) so that the trustee is able to admit your claim in the correct estate. This information is generally available from your loan or credit contract document.

Information for specific creditors

5. Secured creditors

Secured creditors must complete Do you hold any Security on page 3. A secured creditor can prove for all or part of their secured debt. Where a secured creditor surrenders their security to the trustee, a claim may be made for the whole of the debt. Where a secured creditor sells their security, a claim may be made for the shortfall or conversely the surplus must be given to the trustee.

Where a claim is made for the shortfall from the sale of an asset, an accounting for the sale must be attached to the POD. Where the property has not been sold, but a shortfall is anticipated in an eventual sale, the secured creditor can claim for the estimated shortfall amount.

6. Judgment creditors

The trustee may look behind a judgment to obtain further evidence of a debt. If you have obtained a judgment please provide details on page 3. Costs awarded in a judgment obtained prior to bankruptcy may be included.

7. Business/trade creditors

Disclose your ABN on page 3 if you are a business creditor. The trustee may be required to withhold tax on any dividend where the business creditor does not disclose its ABN. If the goods or services you supplied was for the bankrupt/debtor's business then you are also required to show the GST amount (if any) that is included in your debt on page 4.

8. Other

An executor of a deceased creditor's estate may prove in the bankruptcy in place of the deceased creditor.

Debtor Details

Bankrupt/Debtor name/s (if there is more than two)

Title	Given name/s	Surname
Mr	Daniel David Langley	Blanch

Title	Given name/s	Surname

Trading name

Administration number

QLD 3510/19/2

Date of administration (DD/MM/YYYY)

30/09/2019

Bankrupt/Debtor/s liability

☐

Separate

☐

Joint

☐

Joint & several

Trustee Details

Title	Given name/s	Surname
Mr	Leon	Lee

Business address

c/- Morton's Solvency Accountants, Level 11/410 Queen Street, Brisbane QLD

Postcode

4000

Contact number

07 3832 7131

Mobile number

Email address

leon@mortonssolvency.com.au

Second Trustee Details:

Title

Given name/s

Surname

Business address

Postcode

Contact number

Mobile number

Email address

Creditor Details

Creditor name

Postal address

Postcode

Creditor reference

Creditor ABN

Contact information

Title

Given name/s

Surname

Contact number

Fax number

Email address

Do you hold any security? ☐ No ☐ Yes

Estimated value of security

Description of security property

Have you obtained a judgment? ☐ No ☐ Yes

Judgment amount & costs

Was this a default judgment? ☐ No ☐ Yes

Judgment number & court

Details of Debt/s

Date debt/s incurred	Details of debt/description (see note 2)	GST (see note 7)	Amount (\$)
Less: Payments received in reduction of debts			
Less: Estimated value of security			
Amount claimed			

Creditor Declaration

I declare that the bankrupt/debtor/s owe/s the amount claimed by the creditor named above.

Title

Given name/s

Surname

Signature

Date (DD/MM/YYYY)

Note: Lodging a false proof of debt is an offence which is punishable by imprisonment for 5 years: s263(1)(d).

Admin Use Only		Trustee Use Only	
Creditor ID		Amount admitted in estate <input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3	Preferential (\$)
Liability ID		Amount rejected (\$)	Ordinary (\$)
POD No.		Reason rejected	Deferred (\$)
SoA Amt.			Total Admitted (\$)
Reg'd. in estate			
Date of Reg'n.			

Signature of trustee

Date (DD/MM/YYYY)

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").



NOTICE OF PROPOSAL TO CREDITORS

Bankruptcy Act 1966: Section 75-40 of the Insolvency Practice Schedule (Bankruptcy); Sections 75-130 and 75-137 of the Insolvency Practice Rules (Bankruptcy) 2016.

Information for creditors

Trustees may seek creditor approval of certain proposals, without convening a meeting of creditors. This notice sets out a proposal for your consideration and indicates the date by which you must respond in order for your views to be taken into account. If the requisite majority of creditors responding to the notice approve the proposal, and not more than 25 per cent in value of creditors responding to the notice object to the proposal being resolved without a meeting of creditors, the proposal is taken to have been passed as a resolution or special resolution (depending on the nature of the proposal) at a meeting of creditors.

Details of regulated debtor(s)

Administration number

QLD 3510/19/2

Date of administration (DD/MM/YYYY)

30/09/2019

Title

Mr

Given name/s

Daniel David Langley

Surname

Blanch

Title

Given name/s

Surname

Creditor details

Name of creditor

ABN if applicable

Address

Are you or your related entities related to the debtor?

No ☐ Yes ☐

If yes, provide details of the relationship below:

Details of any security held:

Do you hold security over any of the debtor's property?

No ☐ Yes ☐

If yes, estimated value of security

\$

Description of secured property & estimated value of property \$

Claim details**Amount claimed**

Provide brief particulars of transactions/circumstances giving rise to your claim	Amount \$
Total amount claimed after deducting value of security (if any)	

Assignment of debt

If the debt has been assigned to you (e.g. you purchased the debt), you need to disclose the amount you paid for this assigned debt. The amount you paid for the assigned debt determines the value of your vote. If you do not disclose the amount you paid for the assignment, you are not entitled to vote. Should a dividend be paid the full value of the debt will be used to calculate the dividend. To participate in a dividend a proof of debt form must be lodged with the trustee.

Details of assignment of debt

Was this debt assigned to you? No ☐ Yes ☐

If yes, what consideration did you pay for the assignment? \$

Proposed resolution

That the remuneration of the Trustee and his staff be fixed and approved on a time basis, for the period 30 September 2019 to finalisation of the administration of the Bankrupt Estate, at the Morton's Solvency Accountants schedule of hourly rates as amended from time to time, and the Trustee can draw his remuneration to a capped limited of \$25,450 (excluding GST) from funds available in the Bankrupt Estate. If the value of the work to be performed exceeds the capped amount, then the Trustee reserves his right to seek further approval from creditors.

Statement of reasons for the proposal and the likely impact it will have on creditors if it is passed

The reason for the Proposal is to enable creditors to fix the Trustee's remuneration for necessary work properly performed in relation to this administration. This method of seeking approval of our remuneration is the most cost effective.

Additionally:

- A Trustee is entitled to be fairly remunerated for undertaking statutory and other duties.
- We are unable to draw our remuneration with the approval of creditors, the Inspector-General or the Court.
- Approval by creditors is efficient and timely and less costly than an application to Court.
- Approval of our remuneration will enable us to finalise our investigations and the administration of the Bankrupt Estate.

The impact of the proposal is I will be permitted to withdraw funds from the Bankrupt Estate to a maximum of \$25,450 (exclusive of GST) with respect to my remuneration in accordance with the priorities set down in Section 109(1) of the Bankruptcy Act 1966 ("the Act"). Additionally, approval of the Trustee's remuneration without a meeting will likely have the effect of reducing the total cost of the administration, as a result of the Trustee not being required to seek approval of remuneration via another method, such as by convening a physical meeting of creditors, or making an application for approval of the Trustee's remuneration to the Inspector-General.

Whilst drawing of this remuneration (if approved), will reduce the funds of the Bankrupt Estate by an equivalent amount of the remuneration drawn, Section 109(1) of the Act, stipulates the order of priorities in which debts and claims against the Bankrupt Estate must be paid in priority to all other unsecured debts and claims. Accordingly, pursuant to those provisions, my costs and remuneration are paid in priority to debts and claims of unsecured creditors.

Voting on proposal

In accordance with paragraph 75-40(2)(d) of the Schedule, creditors are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors.

Please select the appropriate response:

- Yes ☐ I approve the proposed resolution
- No ☐ I do not approve the proposed resolution
- Object ☐ I object to the proposal being resolved without a meeting of creditors

Please return this document no later than **22 November 2019** for your vote to be taken into account.

Note: this date must be at least 15 business days after the day the notice is given.

Signature

Name of creditor/ authorised officer of creditor

Signature

Date (DD/MM/YYYY)

Please return a signed and dated copy of this document to:

Name and contact details

Leon Lee, Email: leon@mortonssolvency.com.au



NOTICE OF PROPOSAL TO CREDITORS

Bankruptcy Act 1966: Section 75-40 of the Insolvency Practice Schedule (Bankruptcy); Sections 75-130 and 75-137 of the Insolvency Practice Rules (Bankruptcy) 2016.

Information for creditors

Trustees may seek creditor approval of certain proposals, without convening a meeting of creditors. This notice sets out a proposal for your consideration and indicates the date by which you must respond in order for your views to be taken into account. If the requisite majority of creditors responding to the notice approve the proposal, and not more than 25 per cent in value of creditors responding to the notice object to the proposal being resolved without a meeting of creditors, the proposal is taken to have been passed as a resolution or special resolution (depending on the nature of the proposal) at a meeting of creditors.

Details of regulated debtor(s)

Administration number

QLD 3510/19/2

Date of administration (DD/MM/YYYY)

30/09/2019

Title

Mr

Given name/s

Daniel David Langley

Surname

Blanch

Title

Given name/s

Surname

Creditor details

Name of creditor

ABN if applicable

Address

Are you or your related entities related to the debtor?

No ☐ Yes ☐

If yes, provide details of the relationship below:

Details of any security held:

Do you hold security over any of the debtor's property?

No ☐ Yes ☐

If yes, estimated value of security

\$

Description of secured property & estimated value of property \$

Claim details

Amount claimed

Provide brief particulars of transactions/circumstances giving rise to your claim	Amount \$
Total amount claimed after deducting value of security (if any)	

Assignment of debt

If the debt has been assigned to you (e.g. you purchased the debt), you need to disclose the amount you paid for this assigned debt. The amount you paid for the assigned debt determines the value of your vote. If you do not disclose the amount you paid for the assignment, you are not entitled to vote. Should a dividend be paid the full value of the debt will be used to calculate the dividend. To participate in a dividend a proof of debt form must be lodged with the trustee.

Details of assignment of debt

Was this debt assigned to you? No ☐ Yes ☐

If yes, what consideration did you pay for the assignment? \$

Proposed resolution

That the internal disbursements of the Trustee for the period 30 September 2019 to finalisation of the administration of the Bankrupt Estate be capped and approved at an amount of \$500 (excluding GST), as calculated at the Morton's Solvency Accountants internal disbursement rates as amended from time to time, be approved to be drawn from funds available in the Bankrupt Estate as required and the Trustee reserves his right to seek additional internal disbursements approval from creditors should actual internal disbursements exceed this capped amount.

Statement of reasons for the proposal and the likely impact it will have on creditors if it is passed

The impact of the proposal is I will be permitted to withdraw funds from the Bankrupt Estate to a maximum of \$500 (exclusive of GST) with respect to my internal disbursements in accordance with the priorities set down in Section 109(1) of the Bankruptcy Act 1966 ("the Act"). Additionally, approval of the Trustee's internal disbursements without a meeting will likely have the effect of reducing the total cost of the administration, as a result of the Trustee not being required to seek approval of internal disbursements via another method, such as by convening a physical meeting of creditors.

Whilst drawing of the internal disbursements (if approved), will reduce the funds of the Bankrupt Estate by an equivalent amount of the remuneration drawn, Section 109(1) of the Act, stipulates the order of priorities in which debts and claims against the Bankrupt Estate must be paid in priority to all other unsecured debts and claims. Accordingly, pursuant to those provisions, my costs and remuneration are paid in priority to debts and claims of unsecured creditors.

Finally, a dividend to unsecured creditors would not be possible unless I am first reimbursed for internal disbursements that has been necessary and properly incurred in performance of my duties, including achieving realisations.

Voting on proposal

In accordance with paragraph 75-40(2)(d) of the Schedule, creditors are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors.

Please select the appropriate response:

- Yes ☐ I approve the proposed resolution
- No ☐ I do not approve the proposed resolution
- Object ☐ I object to the proposal being resolved without a meeting of creditors

Please return this document no later than **22 November 2019** for your vote to be taken into account.

Note: this date must be at least 15 business days after the day the notice is given.

Signature

Name of creditor/ authorised officer of creditor

Signature

Date (DD/MM/YYYY)

Please return a signed and dated copy of this document to:

Name and contact details

Leon Lee, Email: leon@mortonssolvency.com.au