

SUPREME COURT OF QUEENSLAND

REGISTRY: BRISBANE
NUMBER:

**IN THE MATTER OF IMPACT SPECS PTY LTD (ADMINISTRATORS
APPOINTED) ACN 614 365 258**

FIRST APPLICANTS: **JOHN RICHARD PARK, JOANNE EMILY DUNN
AND KELLY-ANNE LAVINA TRENFIELD IN
THEIR CAPACITY AS JOINT AND SEVERAL
ADMINISTRATORS OF IMPACT SPECS PTY LTD
(ADMINISTRATORS APPOINTED) ACN 614 365
258**

AND

SECOND APPLICANT: **IMPACT SPECS PTY LTD (ADMINISTRATORS
APPOINTED) ACN 614 365 258**

AFFIDAVIT OF JOANNE EMILY DUNN SWORN 16 FEBRUARY 2022

PART 1 OF 3



AFFIDAVIT

Filed on behalf of the Applicants
Form 2, R. 2.2
Corporations Proceedings Rules

MILLS OAKLEY

Level 23, 66 Eagle Street
BRISBANE QLD 4000
Phone No: +61 7 3228 0400
Fax No: +61 7 3012 8777

SUPREME COURT OF QUEENSLAND

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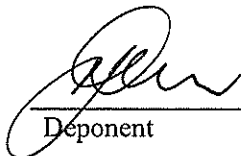
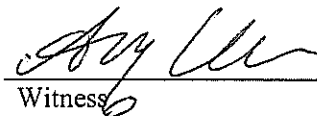
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APPOINTED) ACN 614 365 258**

FIRST APPLICANTS: **JOHN RICHARD PARK, JOANNE EMILY DUNN AND
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AND
SECOND APPLICANT: **IMPACT SPECS PTY LTD (ADMINISTRATORS
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AFFIDAVIT

I, **JOANNE EMILY DUNN**, care of FTI Consulting, Level 20, 345 Queen Street, Brisbane
in the State of Queensland, Chartered Accountant and Registered Liquidator, state on oath:

1. I am a Chartered Accountant, a Registered Liquidator and a Senior Managing Director
of the firm known as FTI Consulting. I have been practising in the area of corporate
insolvency and restructuring for over 25 years. Over that period, I have been involved,
as appointee or otherwise, in excess of 500 external insolvency appointments.
2. I am, together with John Richard Park and Kelly-Anne Lavina Trenfield, the First
Applicants in this proceeding and the administrators of the Second Applicant, Impact
Specs Pty Ltd (Administrators Appointed) ACN 614 365 258 (the "Company").
3. In this affidavit, when I refer to the "Administrators" I am referring to the First Applicants
in their capacity as Administrators of the Company across the period 17 November 2021
to the date of this affidavit.

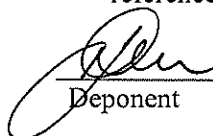

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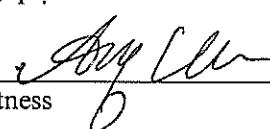
AFFIDAVIT

Filed on behalf of the Applicants
Form 46, Version 2
Uniform Civil Procedure Rules 1999
Rule 431

MILLS OAKLEY
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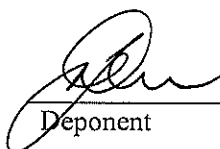
4. Except where I otherwise indicate, I make this affidavit from my own knowledge. Where I state that matters in this affidavit are known to me because of my or my staff's investigations, I believe those matters to be true and accurate.
5. I am authorised to make this affidavit on behalf of Mr Park and Ms Trenfield, in support of an application for:
- (a) the determination of the Administrators' remuneration in relation to the Company, pursuant to sections 60-10(1)(c) and/or 90-15(3)(f) of the Insolvency Practice Schedule (Corporations) being Schedule 2 to the Corporations Act 2001 (Cth) (the "Act") (the "IPS");
 - (b) an order that the Company be wound up pursuant to section 447A of the Act.
6. On the basis of the information set out in this affidavit and the materials exhibited hereto, the Administrators respectfully seek from the Court orders that:
- (a) fix our remuneration as Administrators of the Company for the period 17 November 2021 to 5 December 2021 in the amount of \$25,291.00 (exclusive of GST);
 - (b) fix our remuneration as Administrators of the Company for the period 6 December 2021 to 21 December 2021 in the amount of \$28,490.50 (exclusive of GST);
 - (c) fix our remuneration as Administrators of the Company for the period 22 December 2021 to 8 February 2022 in the amount of \$38,887.00 (exclusive of GST);
 - (d) fix our remuneration as Administrators of the Company for the period 9 February 2022 to the date of the hearing of this application, estimated to be in the amount of \$25,000.00 (exclusive of GST) (to be confirmed in a supplementary affidavit filed shortly before the hearing of this application);
 - (e) the Company be wound up in insolvency;
 - (f) the First Applicants be appointed as joint and several liquidators of the Second Applicant.
7. Now produced and shown to me and marked "JED-1" is an indexed, paginated bundle of documents to which I shall refer to in this Affidavit. References to numbers in [] are references to the page numbers of "JED-1".


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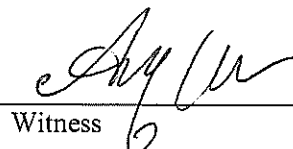

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Appointment

8. The Company was incorporated on 22 August 2016 and is a part of a group of companies known as the “Privium Group”. The Privium Group consists of a number of corporate entities and trusts, including:
- (a) the Company;
 - (b) Privium Pty Ltd (In Liquidation) ACN 085 773 931;
 - (c) Privium Group Pty Ltd (In Liquidation) ACN 100 923 297;
 - (d) Privium Investments Pty Ltd (In Liquidation) ACN 145 575 168;
 - (e) Privium Assets Pty Ltd (In Liquidation) ACN 145 331 120 (“**Privium Assets**”);
 - (f) Privium Civil Pty Ltd (In Liquidation) ACN 600 354 701;
 - (g) Privium Developments Pty Ltd (In Liquidation) ACN 169 024 006;
 - (h) Impact Land Pty Ltd (In Liquidation) ACN 144 048 993;
 - (i) Residences on Bass Pty Ltd (In Liquidation) ACN 644 584 172,
- (together, the “**Privium Group**”)
9. In addition to those companies deposed in paragraph 8 above, the Privium Group of companies involved a number of other companies (approximately 5) to which the Administrators were not appointed.
10. Exhibited at [1] to [170] are extracts from the records maintained by the Australian Securities and Investments Commission (“**ASIC**”) in relation to the Privium Group.
11. On 17 November 2021:
- (a) the Administrators provided a consent to act in relation to the Privium Group pursuant to section 60(1) of the Act and a declaration of independence, relevant relationships and indemnities (the “**DIRRI**”);
 - (b) the director of each company, Mr Robert Harder, resolved to appoint the Administrators as administrators of each company comprising the Privium Group.
12. Exhibited at [171] to [178] is a copy of the consent to act and DIRRI.
13. Exhibited at [179] to [180] is a copy of the resolution of the director of the Privium Group.



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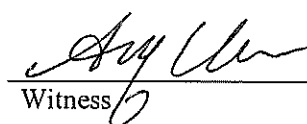
Witness

14. Exhibited at [181] to [189] is a copy of the minutes of the meeting of the Privium Group.
15. Subsequently, the Administrators were appointed as administrators of the Privium Group pursuant to section 436A of the Act on 17 November 2021.
16. Exhibited at [190] to [192] is a copy of the Form 505 lodged with ASIC in relation to the Company.

First meeting

17. On 18 November 2021, a notice of appointment was sent to creditors and suppliers of the Privium Group ("**First Circular**") known to us at that time which, amongst other things:
 - (a) informed them, inter alia, that:
 - (i) the Administrators had been appointed to the Privium Group;
 - (ii) the first meeting of creditors of the Privium Group would be held concurrently at 1:00pm on 29 November 2021; and
 - (b) enclosed the Administrators' DIRRI and a document entitled "Initial Remuneration Notice".
18. Exhibited at [193] to [219] is a copy of the First Circular.
19. The Initial Remuneration Notice, included in the First Circular (and which is exhibited at pages [216] to [219]):
 - (a) estimated that the Administrators' remuneration for undertaking the administration of the Privium Group as a whole to be \$1,140,000 (exclusive of GST);
 - (b) enclosed a schedule of disbursements; and
 - (c) enclosed a schedule of hourly rates charged by various employees of FTI Consulting.
20. The first meeting of the Privium Group's creditors, which included the creditors of the Company, was held concurrently on 29 November 2021 ("**First Meeting**") as required by section 436E of the Act. In accordance with rule 75-50 of the *Insolvency Practice Rules (Corporations) 2016* (the "**IPR**"), I chaired the First Meeting.
21. The First Meeting of the Privium Group's creditors was held concurrently because:

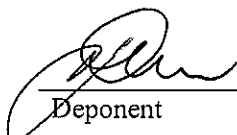

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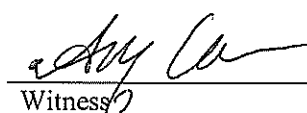

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- (a) the companies comprising the Privium Group are related entities;
 - (b) it was cost effective to do so; and
 - (c) common matters and issues were relevant to most or all of the Privium Group.
22. Exhibited at [220] to [257] is a copy of the minutes of the First Meeting.
23. At the time of the Administrators' appointment and the First Meeting, the only known creditor of the Company, which was listed in the Company's records, was Privium Assets with an advised claim of \$884,629.56. Privium Assets is a related entity of the Company and part of the Privium Group under the control of the Administrators. The effect of this state of affairs (as then known) is that the Company had a quorum at the First Meeting.

Background

24. The Privium Group provided an array of services in the residential construction space for clients and stakeholders, including:
- (a) design and construct;
 - (b) development;
 - (c) project management;
 - (d) civil works; and
 - (e) maintenance.
25. Based on the Administrators' investigations, it became apparent to us that the role of each of the nine (9) companies in the Privium Group is best described as follows:
- (a) Privium Group Pty Ltd (In Liquidation) ACN 100 923 297 which operated primarily as the head of the Privium Group structure;
 - (b) Privium Pty Ltd (In Liquidation) ACN 085 773 931 was the main operating building entity of the Privium Group and held building licences in Queensland, New South Wales and Victoria;
 - (c) Privium Investments Pty Ltd (In Liquidation) ACN 145 575 168 operated primarily as an investment entity, holding sums of money as investments and holding units in a deposit boost fund;
 - (d) Privium Assets operated primarily a treasury function for the Privium Group and was an asset holding entity, owning/leasing plant and equipment and motor


Deponent


Witness

vehicles, with such assets being utilised by the Privium Group's operating entities;

- (e) Privium Civil Pty Ltd (In Liquidation) ACN 600 354 701 operated primarily as a civil works entity in Queensland and holds a separate Queensland building license;
- (f) Privium Developments Pty Ltd (In Liquidation) ACN 169 024 006:
 - (i) holds security and equity in related parties to the Privium Group;
 - (ii) managed master-planned residential communities and townhouse developments;
- (g) Impact Land Pty Ltd (In Liquidation) ACN 144 048 993 holds Put and Call Option Deeds with land developers;
- (h) the Company operated primarily as a land holding entity, owning three (3) lots in Queensland; and
- (i) Residences on Bass Pty Ltd (In Liquidation) ACN 644 584 172 operated primarily as the developer of a townhouse development in Loganholme, Queensland.

26. Following the First Meetings and prior to the Second Meeting (as that term is defined below), as a result of a mail redirection in place for the Company, the Administrators identified the following additional creditors of the Company:

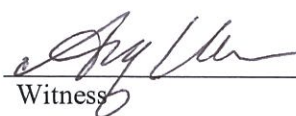
- (a) Ipswich City Council, with an advised claim of \$613.45; and
- (b) Logan City Council, with an advised claim of \$580.60.

Second Report to Creditors

27. On 14 December 2021, following our investigations into the affairs of the Privium Group, the Administrators issued a circular to creditors of the Privium Group (the "**Second Circular**"):

- (a) advising that a second meeting of creditors of the Privium Group was scheduled for 22 December 2021;
- (b) referring creditors to the following documents accessible via the website <https://www.fticonsulting.com/creditors/privium-companies:>

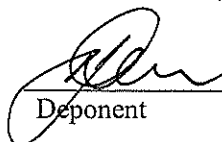

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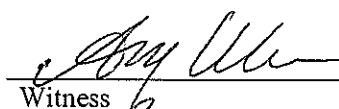

Witness

- (i) a report to creditors dated 14 December 2021, with annexures (the **"Second Report to Creditors"**);
 - (ii) a remuneration report dated 14 December 2021, with annexures.
- 28. Exhibited at [258] to [260] is a copy of the Second Circular.
- 29. Exhibited at [261] to [457] is a copy of the Second Report to Creditors.
- 30. The Second Report to Creditors was prepared as a joint report to the creditors of the Privium Group, as opposed to a report for each company, because:
 - (a) the companies comprising the Privium Group are related entities;
 - (b) it was cost effective to do so; and
 - (c) common matters and issues were relevant to most or all of the Privium Group.
- 31. Since 17 November 2021, the Administrators have undertaken work within the entities making up the Privium Group for the purposes of:
 - (a) taking control of the Privium Group's assets; and
 - (b) maximising any return to the secured and unsecured creditors of the Privium Group.

Remuneration Report

- 32. On 14 December 2021, the Administrators issued a remuneration report with respect to the Company (the **"Remuneration Report"**). Exhibited at [458] to [531] is a copy of the Remuneration Report.
- 33. In the Remuneration Report, the Administrators:
 - (a) estimated that the Administrators' remuneration for undertaking the administration of the Privium Group as a whole to be \$1,319,518.00 (exclusive of GST);
 - (b) explained that the increase of \$179,518 in this estimate from the Initial Remuneration Notice was as a result of:
 - (i) the extensive volume of email and phone queries from the 2,500 creditors of Privium Pty Ltd (In Liquidation) ACN 085 773 931;
 - (ii) sourcing and coordination of staff to facilitate handover of properties where practical completion payments have been received;


Deponent


Witness

- (iii) numerous conversations with the Queensland Building and Construction Commission, Victorian Managed Insurance Authority and New South Wales Fair Trading regarding the administration;
 - (iv) fielding numerous queries from parties interested in taking over certain build contracts;
 - (v) the unexpected quantum and complexity of the Privium Group's electronic records, which necessitated that the Administrators separate the records of the Company from records of entities not under external administration;
 - (vi) extensive work in identifying, cataloguing and securing property, plant and equipment;
 - (vii) ongoing discussions with the Privium Group's major secured creditor;
 - (viii) conducting external inspections of various sites;
 - (ix) conducting a review of Put & Call option deeds and associated Variation/Assignment documentation.
- (c) stated that the Administrators would be seeking approval from creditors of the Company for the remuneration summarised as follows:

For	Period	Amount (excl. GST)	Applicable rates
Work already completed	17 November 2021 to 5 December 2021	\$25,291.00	As outlined in the Initial Remuneration Notice
Future work to the second meeting of creditors	6 December 2021 to 21 December 2021	\$25,300.00	As outlined in the Remuneration Report

Work undertaken

34. As outlined in detail in the Second Report to Creditors and Remuneration Report, together with our staff, the Administrators have completed several major tasks in the conduct of the administration of the Company including, inter alia:


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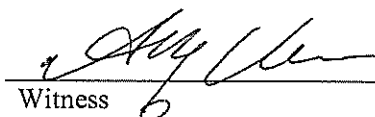

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- (a) securing control of the Company's assets, being three (3) blocks of vacant land;
- (b) obtaining and reviewing the Company's books and records, including its extensive and intermingled electronic records which necessitated the assistance of an in-house expert to secure. In total, there was approximately 5 terabytes of records collected comprising of millions of individual documents, files and emails;
- (c) conducting and reviewing searches in relation to the Company and its officers;
- (d) undertaking investigations into the performance and position of the Company, leading up to our appointment, and the reasons for failure;
- (e) commencing preliminary investigations on the Company's records;
- (f) reviewing the books and records of the Company to identify potential voidable transactions and other recoveries realisable for creditors;
- (g) forming a preliminary view on the date of insolvency and potential breaches of the Act by the Director/s;
- (h) liaising with the director and company officers as to matters relevant to the administration of the Company;
- (i) dealings with the Administrators' legal advisors as to matters relevant to the administration of the Company;
- (j) preparing a substantive report to creditors of the Company pursuant to section 439A of the Act, which necessitated undertaking investigations into the affairs of all companies within the Privium Group.

Second Meeting

35. On 21 December 2021, I directed Brooke Petersen, an employee at FTI Consulting, to contact both the Ipswich City Council and Logan City Council, with a view to ascertaining who would be in attendance at the Second Meeting.
36. I am informed by Brooke Petersen, and verily believe, that:
- (a) Ipswich City Council informed our office that it is its position not to pursue debt collection of rates, as it is a secured debt which will be paid when the relevant property is sold. Consequently, Ipswich City Council would not be


Deponent


Witness

attending the Second Meeting and would not lodge a proof of debt in the administration of the Company;

- (b) Logan City Council informed that it is its position not to pursue debt collection of rates, as it is a secured debt which will be paid when the relevant property is sold. Consequently, Logan City Council would not be attending the Second Meeting and would not lodge a proof of debt in the administration of the Company.

37. On 21 December 2021, I caused an email to be sent to Ipswich City Council which, inter alia, advised that:

- (a) there was a meeting of creditors of the Company scheduled for 22 December 2021;
- (b) Ipswich City Council was one of the only known creditors of the Company;
- (c) the Administrators require a quorum to be present to be able to hold the meeting of 22 December 2021.

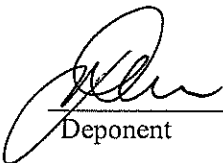
38. Exhibited at [532] to [541] is a copy of the email of 21 December 2021.

39. The second meeting of creditors of the Privium Group, which I chaired, was convened virtually on 22 December 2021 (the “**Second Meeting**”) for the purposes of voting on, inter alia, resolutions regarding:

- (a) the future of the Company;
- (b) the adjournment of the Second Meeting for a period not exceeding forty-five (45) days;
- (c) the remuneration of the Administrators for the periods 17 November to 5 December 2021 and 6 December 2021 to 21 December 2021.

40. The Second Meeting of the entities comprising the Privium Group was held concurrently because:

- (a) the companies comprising the Privium Group are related entities;
- (b) it was cost effective to do so; and
- (c) common matters and issues were relevant to most or all of the Privium Group.


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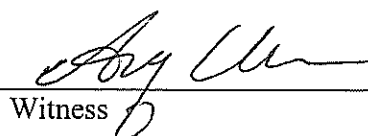

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41. At the Second Meeting, as Chairperson, I held a proxy for Privium Assets, which was the only creditor of the Company in attendance as neither the Ipswich City Council or Logan City Council attended the Second Meeting
42. Subsequently, at the Second Meeting, I declared that a quorum was not present for the Company in accordance with rule 75-105 of the IPR.
43. By virtue of rule 75-140(1)(b) of the IPR, the Second Meeting for the Company was adjourned to 17 January 2022.
44. Exhibited at [542] to [579] is a copy of the minutes of the Second Meeting.

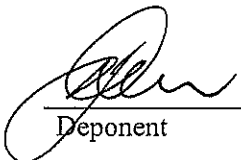
Reconvened Meeting

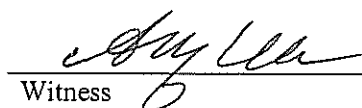
45. On 22 December 2021, the Administrators caused a notice of resumed meeting of creditors to be published on the website of the Australian Securities and Investments Commission (“ASIC”), advising that the second meeting of creditors of the Company was scheduled for 17 January 2022. Exhibited at [580] to [581X] is a copy of the ASIC Notice of 22 December 2021.
46. On 23 December 2021, the Administrators issued a circular to creditors of the Company (the “**Third Circular**”), including Ipswich City Council and Logan City Council, advising that the second meeting of creditors of the Company was scheduled for 17 January 2022. Exhibited at [582] to [588] is a copy of the Third Circular.
47. On 12 January 2022, I caused an email enclosing a letter to be sent to Logan City Council which, inter alia, advised that:
 - (a) there was a meeting of creditors of the Company scheduled for 17 January 2022;
 - (b) Logan City Council was one of the few known creditors of the Company;
 - (c) a quorum will not be established without the attendance of the Logan City Council;
 - (d) if a quorum is not established, the Administrators will need to apply to the Court for directions regarding the Company.
48. Exhibited at [589] to [598] is a copy of the email of 12 January 2022 to Logan City Council.


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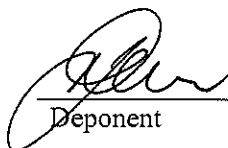

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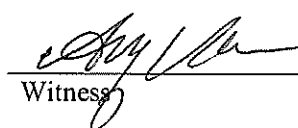
49. On 12 January 2022, I caused an email enclosing a letter to be sent to Ipswich City Council which, inter alia, advised that:
- (a) there was a meeting of creditors of the Company scheduled for 17 January 2022;
 - (b) Ipswich City Council was one of the few known creditors of the Company;
 - (c) a quorum will not be established without the attendance of the Ipswich City Council;
 - (d) if a quorum is not established, the Administrators will need to apply to the Court for directions regarding the Company.
50. Exhibited at [599] to [608] is a copy of the email of 12 January 2022 to Ipswich City Council.
51. On 13 January 2022, I directed Brooke Petersen, an employee at FTI Consulting, to contact both the Ipswich City Council and Logan City Council, with a view to ascertaining who would be in attendance at the Second Meeting.
52. I am informed by Brooke Petersen, and verily believe, that she:
- (a) telephoned Ipswich City Council at approximately 3.21pm on 13 January 2022, and was informed that the position of the Ipswich City Council was not to pursue debt collection of rates, as it is a secured debt which would be paid when the relevant property is sold. Consequently, Ipswich City Council would not be attending any meeting of creditors and would not lodge a proof of debt in the administration of the Company;
 - (b) telephoned Logan City Council at approximately 3.33pm on 13 January 2022, and was informed that the position of the Logan City Council was not to pursue debt collection of rates, as it is a secured debt which would be paid when the relevant property is sold. Consequently, Logan City Council would not be attending any meeting of creditors and would not lodge a proof of debt in the administration of the Company.
53. Exhibited at [609] to [610] is a copy of the file note recorded by Brooke Petersen on 13 January 2022 describing the matters referred to in paragraph 52 above.


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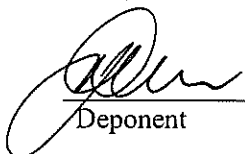

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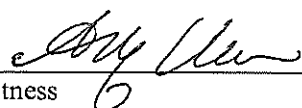
54. The reconvened second meeting of creditors of the Company, which I chaired, was convened virtually on 17 January 2022 (the “**First Reconvened Meeting**”) for the purposes of voting on resolutions regarding:
- (a) the future of the Company; and
 - (b) the remuneration of the Administrators for the periods 17 November to 5 December 2021 and 6 December 2021 to 21 December 2021.
55. At the First Reconvened Meeting, as Chairperson I held a proxy for Privium Assets, which was the only creditor of the Company in attendance as neither as neither the Ipswich City Council or Logan City Council attended the First Reconvened Meeting.
56. Subsequently, at the First Reconvened Meeting, I declared that a quorum was not present for the Company in accordance with rule 75-105 of the IPR.
57. By virtue of rule 75-140(1)(b) of the IPR, the First Reconvened Meeting for the Company was adjourned to 8 February 2022.
58. On 17 January 2022, the Administrators caused a notice of resumed meeting of creditors to be published on ASIC’s website, advising that the second meeting of creditors of the Company was scheduled for 8 February 2022. Exhibited at [611] to [612] is a copy of the ASIC Notice of 17 January 2022.
59. On 17 January 2022, the Administrators issued a circular to creditors of the Company (the “**Fourth Circular**”), including the Ipswich City Council and Logan City Council, advising that the second meeting of creditors of the Company was scheduled for 8 February 2022. Exhibited at [613] to [619] is a copy of the Fourth Circular.
60. On or about 25 January 2022, the Administrators received a notice from Moreton Bay Regional Council for an amount owing for rates for a piece of real property owned by the Company in Caboolture in the State of Queensland, as a result of a mail redirection in place. This meant that Moreton Bay Regional Council was also a potential creditor of the Company.
61. On 25 January 2022, I caused an email to be sent to Moreton Bay Regional Council which, inter alia, advised that there was a meeting of creditors of the Company scheduled for 8 February 2022. Exhibited at [620] to [637] is a copy of the email of 25 January 2022 to Moreton Bay Regional Council.


Deponent


Witness

62. On 7 February 2022, I directed Brooke Petersen, an employee at FTI Consulting, to contact the Moreton Bay Regional Council, to determine if an authorised representative would in attendance at the reconvened meeting of 8 February 2022.
63. I am informed by Brooke Petersen, and verily believe, that she telephoned Moreton Bay Regional Council at approximately 2.47pm on 7 February 2022, and was advised that the position of the Moreton Bay Regional Council was not to pursue debt collection of rates, as it is a secured debt and would be paid when the relevant property is sold. Consequently, Moreton Bay Regional Council would not be attending any meeting of creditors and would not lodge a proof of debt in the administration of the Company. Exhibited at [638] to [640] is a copy of the file note recorded by Brooke Petersen on 7 February 2022 describing the matters referred to in this paragraph.
64. The reconvened second meeting of creditors of the Company, which I chaired, was convened virtually on 8 February 2022 (the “**Second Reconvened Meeting**”) for the purposes of voting on resolutions regarding:
- (a) the future of the Company;
 - (b) the remuneration of the Administrators for the periods 17 November to 5 December 2021 and 6 December 2021 to 21 December 2021.
65. At the Second Reconvened Meeting, as Chairperson I held a proxy for Privium Assets, which was the only creditor of the Company in attendance as none of the Ipswich City Council, Brisbane City Council or Moreton Bay Regional Council attended the Second Reconvened Meeting.
66. Subsequently, at the Second Reconvened Meeting, I declared that a quorum was not present for the Company in accordance with rule 75-105 of the IPR.
67. By virtue of rule 75-140(1)(b) of the IPR, the First Reconvened Meeting for the Company was adjourned to 1 March 2022.
68. On 8 February 2022, the Administrators caused a notice of resumed meeting of creditors to be published on ASIC’s website, advising that the second meeting of creditors of the Company was scheduled for 1 March 2022. Exhibited at [641] to [642] is a copy of the ASIC Notice of 8 February 2022.
69. On 8 February 2022, the Administrators issued a circular to creditors of the Company (the “**Fifth Circular**”), including the Ipswich City Council, Brisbane City Council and


Deponent


Witness

Moreton Bay Regional Council, advising that the second meeting of creditors of the Company was scheduled for 1 March 2022. Exhibited at [643] to [649] is a copy of the Fifth Circular.

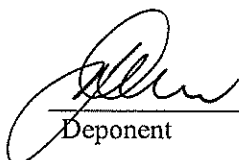
70. Until such time that there is a quorum present for the meeting of the Company's creditors:

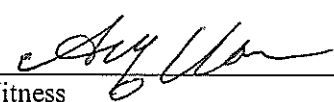
- (a) the Company will remain in external administration; and
- (b) the remuneration of the Administrators may not be approved and/or paid.

The Company is insolvent

71. Based on their investigations, the Administrators identified that:

- (a) the solvency of the Company was contingent upon the financial position of the four (4) trading entities within the Privium Group (which had historically provided funding to the Company), being:
 - (i) Privium Pty Ltd (In Liquidation) ACN 085 773 931;
 - (ii) Privium Investments Pty Ltd (In Liquidation) ACN 145 575 168;
 - (iii) Privium Civil Pty Ltd (In Liquidation) ACN 600 354 701;
 - (iv) Privium Developments Pty Ltd (In Liquidation) ACN 169 024 006,
(together the "**Trading Entities**");
- (b) the Trading Entities:
 - (i) each experienced successive trading losses from FY2020, with accumulated losses of approximately \$4.5million in the current financial year;
 - (ii) each had a negative net asset position since FY2021;
 - (iii) each had insufficient cash to cover their current liabilities, with an average cash ratio of 0.3 since FY2019;
 - (iv) each had trade creditor balances, which suggested that creditors are increasingly becoming due and payable;
- (c) in light of the matters described in paragraph 71(a) and 71(b), the Privium Group were likely insolvent from at least August 2021.


Deponent


Witness

72. Subsequently, as outlined in the Second Report to Creditors, the Administrators recommended to creditors of the Company that it was in the interests of creditors that the Company be wound up in insolvency.

FTI Consulting Time Recording System

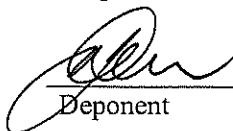
73. The Administrators have calculated the remuneration sought in respect of the Company on a time basis. That is the total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the duration spent by each of the tasks performed. The Administrators considered this method of time charging to be most appropriate for the administration of the Privium Group (including the Company) because:

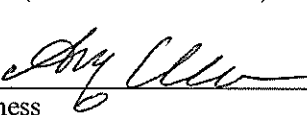
- (a) it ensures that the Administrators will only be paid for work that has been performed;
- (b) it overcomes the difficulty in identifying the scope of the work required, particularly on long and complex engagements (as this matter is); and
- (c) there are various tasks which were required to be performed which do not involve the realisation of assets, such as reporting to ASIC, undertaking investigations, corresponding with creditors and answering their queries and completing other statutory tasks.

74. The Administrators and our staff record time on a daily basis. As part of that process:

- (a) the Administrators caused our staff to arrange a separate FTI Consulting matter time code for each of the entities which comprise the Privium Group, including the Company;
- (b) we entered our time in six-minute units on the relevant FTI Consulting matter time code. In doing so, we enter the details of the time spent and the description of the tasks undertaken in an electronic system;
- (c) the Administrators and their staff review these time entries on a weekly basis to ensure the time entries are being entered onto the correct matter (i.e. entity), the descriptions accurately record the work undertaken and the time taken to complete such work was reasonable.

75. The Australian Restructuring Insolvency and Turnaround Association ("ARITA") published a Code of Professional Practice (the "ARITA Code").

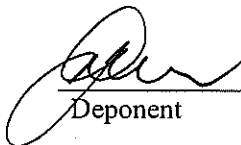

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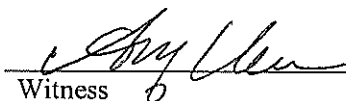

Witness

76. In accordance with the ARITA Code, the Administrators have caused any time entered with respect to the administration of the Company to fall within the following categories:
- (a) Assets, including real property;
 - (b) creditors, including:
 - (i) meetings of creditors;
 - (ii) reports to creditors;
 - (c) investigations; and/or
 - (d) administration.
77. The systems in use by FTI Consulting for time recording are designed to ensure compliance with the ARITA Code, such that the narrations entered by an individual for each task undertaken refer to one of the ARITA Code categories of work described in paragraph 76 above.

Work performed

78. In preparing this affidavit, I caused my staff to extract from our internal accounting software all time entries for the period from 17 November 2021 to 5 December 2021 (inclusive). The “work in progress” (“WIP”) incurred in the period from 17 November 2021 to 5 December 2021 (inclusive) totalled \$25,291.00 exclusive of GST, broken down as follows:
- (a) assets – totalled \$6,480;
 - (b) creditors – totalled \$11,829.50;
 - (c) investigations – totalled \$2,793.50; and
 - (d) administration – totalled \$4,188.00.
79. I have reviewed the narrations for the WIP incurred in the period 17 November 2021 to 5 December 2021 (inclusive) to ensure the time entries are only relevant to the Company and the amounts are reasonable (which they all were).
80. Exhibited at [650] to [653] is a copy of an extract of narrations for the WIP incurred in the period 17 November 2021 to 5 December 2021 (inclusive).
81. In preparing this affidavit, I caused my staff to extract from our internal accounting software all time entries for the period from 6 December 2021 to 21 December 2021


Deponent


Witness

(inclusive). The WIP incurred in the period from 6 December 2021 to 21 December 2021 (inclusive) totalled \$28,490.50 exclusive of GST, broken down as follows:

- (a) assets – totalled \$5,877.00;
- (b) creditors – totalled \$18,965.00;
- (c) investigations – totalled \$955.00; and
- (d) administration – totalled \$2,693.50.

82. I have reviewed the narrations for the WIP incurred in the period 6 December 2021 to 21 December 2021 (inclusive) to ensure the time entries are only relevant to the Company and the amounts are reasonable (which they all were).

83. Exhibited at [654] to [656] is a copy of an extract of narrations for the WIP incurred in the period 6 December 2021 to 21 December 2021 (inclusive).

84. In preparing this affidavit, I caused my staff to extract from our internal accounting software all time entries for the period from 22 December 2021 to 8 February 2022 (inclusive). The WIP incurred in the period from 22 December 2021 to 8 February 2022 (inclusive) totalled \$38,887.00 exclusive of GST, broken down as follows:

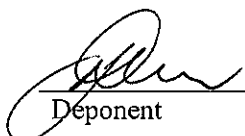
- (a) assets – totalled \$23,694.00;
- (b) creditors – totalled \$11,485.00; and
- (c) administration – totalled \$3,698.00.

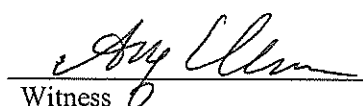
85. I have reviewed the narrations for the WIP incurred in the period 22 December 2021 to 8 February 2022 (inclusive) to ensure the time entries are only relevant to the Company and the amounts are reasonable (which they all were).

86. Exhibited at [657] to [660] is a copy of an extract of narrations for the WIP incurred in the period 22 December 2021 to 8 February 2022 (inclusive).

87. In preparing this affidavit, I caused my staff to prepare an estimate of anticipated WIP for the period from 9 February 2022 to 24 February 2022 (inclusive). The estimated WIP for the period from 9 February 2022 to 24 February 2022 (inclusive) totals \$25,000.00 exclusive of GST and is broken down as follows:

- (a) assets – totalled \$15,000.00;
- (b) creditors – totalled \$5,000.00; and


Deponent


Witness

(c) investigations – totalled \$2,500.00; and

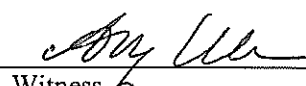
(d) administration – totalled \$2,500.00.

88. Come the hearing of this application, it is my intention to file with the Court a further affidavit detailing the actual tasks undertaken and precise remuneration sought for approval for the period 9 February 2022 to the date of the hearing.

89. A summary of the work performed during the periods 17 November 2021 to 5 December 2021, 6 December to 21 December 2021 and 22 December 2021 to 8 February 2022, having regard to the categories described in paragraph 76 above, is as follows:

Category	Summary of work
Administration	(a) Filing of documents; (b) Internal File reviews; (c) Reviewing insurance policies and corresponding with insurance brokers; (d) Entering receipts and payments into accounting system; (e) Requesting bank statements; (f) Bank account reconciliations; (g) Preparing and lodging ASIC forms; (h) Correspondence with ASIC regarding statutory forms; (i) Preparing Business Activity Statement; (j) Assisting solicitors with preparation of this Application.
Assets	(a) Liaising with valuers; (b) Obtaining and reviewing valuations on various properties; (c) Creating workbook to track valuations received for various properties;


Deponent


Witness

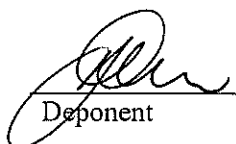
	(d) Gathering marketing submissions from real estate agents for properties, collating and summarising submissions and corresponding with real estate agents in relation to submissions. (e) Liaising with solicitors and real estate agents concerning agency appointment agreements, reviewing agreements and requesting/making amendments as required, attending to internal discussions and planning concerning agreements; (f) Liaising with temporary fencing provider to continue to engage and maintain fencing on properties, organising payment of invoices relating to fencing. (g) Travelling to and from various properties to conduct and facilitate inspections.
Creditors	(a) Creditor Correspondence: i. Reviewing invoices received via mail redirection and updating creditors listing; ii. Notifying creditors of appointment and advising of meeting of creditors, and adjourned meetings; iii. Preparation of correspondence for this Application including document containing Creditor Listing, WIP and Meeting of Creditors quorum file note (b) Creditor meetings i. preparation and attendance at second meeting of creditors

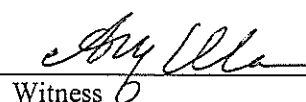

Deponent


Witness

	ii. preparing and reviewing minutes of second meeting of creditors and reconvened meetings iii. preparing ASIC notices for adjourned second meeting of creditors iv. Corresponding with creditors via phone requesting attendance at adjourned second meeting of creditors v. preparing letters to issue to creditors requesting attendance at adjourned second meeting of creditors vi. correspondence with solicitors concerning creditors meeting attendance and quorum
Investigations	(a) Exporting and reviewing Company bank account transaction listing, reviewing and analysing of transactions during relation back period to identify potential voidable transactions for recovery; (b) Conducting a review of estimated realisable value of Company assets (c) Reviewing Intercompany loan accounts to identify transactions of interest for further investigation; (d) Conducting and reviewing searching relating to motor vehicles and property; (e) reviewing Company's books and records to identify transactions for further investigation, including dividends paid and significant movements between accounts; (f) Conducting relevant searches on current and former directors of the Company.

Reasonableness

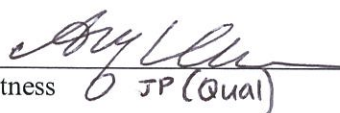

Deponent


Witness

90. The rates of the Administrators and our staff are set by FTI Consulting. They are, in my experience as an insolvency practitioner, in line with the prevailing market rates. I believe the rates assigned to our staff accurately reflect the experience, seniority and capability of each relevant staff member.
91. The Administrators have ensured that tasks of low complexity were undertaken by staff members that are junior and have lower charge-out rates than the senior staff, who were allocated more complex tasks. The WIP extracts exhibited to this affidavit are illustrative of the delegation of work to members of our staff in a manner reflective of the nature of work and to appropriate staff members.
92. In preparing this affidavit and the schedules exhibited hereto, I have had the assistance of Mr Park and Ms Trenfield of FTI Consulting to review the narrations for the WIP incurred in the periods 17 November 2021 to 5 December 2021, 6 December to 21 December 2021 and 22 December 2021 to 8 February 2022. In my opinion, each narration the subject of this Application:
- (a) relates to the Company;
 - (b) was for work necessarily undertaken to advance the administration of the Company;
 - (c) was work undertaken by a suitable staff member (at an appropriate hourly charge-out rate) for that task; and
 - (d) was for a reasonable duration, and hence the corresponding charge for that work was reasonable, or, if not, an adjustment has been made to that particular task/charge.
93. In my experience over the past decades, and from my knowledge and supervision of the work undertaken during the relevant period, I am satisfied that the time recorded for each of the tasks is commensurate with what was required to be undertaken and that the records are accurate.
94. All the above facts and circumstances herein deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my affidavit.

Sworn by **JOANNE EMILY DUNN** on 16 February 2022 at Brisbane, Queensland in the presence of:


Deponent


Witness JP (Qual)

