

Statutory Report to Creditors

Under Insolvency Practice Rules
(Corporations) 2016 70-40

SOUTH EASTERN SECURED INVESTMENTS PTY LTD
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN: 071 637 477
("the Company")

14 August 2020

PETER VINCE, PAUL LANGDON & IAN GRANT
JOINT & SEVERAL LIQUIDATORS

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Vince
& Associates



business advisory, restructuring & insolvency



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11. Information Sheet: Proposals without meetings.

PRINTING

Due to the large number of creditors of the Company, each time correspondence is issued to all creditors via post, there are significant costs and environmental impacts associated with printing and postage.

Creditors are encouraged to receive notices and documents prescribed by the Corporations Act 2001 by electronic means. Creditors are kindly requested to consider electing to accept electronic correspondence, where possible, to reduce costs and the impact on the environment.

Please complete the enclosed election to receive notices and documents electronically and return it to Mr Rory Cummins of my office via email, rcummins@vinceassociates.com.au, or via post to Vince & Associates, 51 Robinson Street, Dandenong Victoria 3175. If you have already completed the Nomination of Electronic Notification you are not required to complete it again.



1. APPOINTMENT/PURPOSE OF REPORT

I refer to my Report dated 29 May 2020 (“May Report”) regarding Mr Peter Vince, Mr Paul Langdon and my appointment as joint and several Liquidators of the Company on 20 May 2020.

The purpose of this report in accordance with Section 70-40 of the Insolvency Practice Rules (Corporations) 2016 (“IPR”) is to provide an update to creditors with respect to:-

- The estimated assets and liabilities of the Company;
- The inquiries undertaken relating to the winding up of the Company and future inquiries that may need undertaken;
- What happened to the business of the Company;
- The likelihood of a dividend to creditors of the Company; and
- Potential recovery actions.

My May Report included a Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) signed by the joint and several Liquidators of the Company. There have been no updates to our DIRRI previously provided to creditors.

My May Report enclosed a listing of creditors pursuant to Section 497(1) of the Corporations Act 2001 (“the Act”), which as Liquidator, I was required to send to each creditor within ten (10) business days of my appointment with no discretion.

2. COMPANY’S BACKGROUND & AFFAIRS

2.1 BACKGROUND

The Company was incorporated on 23 November 1995 and formerly operated a rural finance business with offices located in Leongatha and Korumburra, and further agencies located in Sale, Wonthaggi, Cowes and Yarram.

The principal business of the Company was the provision of loan funding via secured registered mortgage over real property. Other investments held by the Company included Held to Maturity investments such as bank bills, term deposits and Available for Sale Assets such as Collateralised Debt Obligations.

The Company was funded through debenture stock, a form of debt security, which entitled the holder to a fixed interest rate over the period of the debenture stock.

The Company appointed Permanent Nominees (Aust.) Limited (“the Trustee”) to act as trustee for its debenture holders. The operations of the Company were primarily governed by the South Eastern Secured Investments Limited and Permanent Nominees (Aust) Limited Trust Deed and Constitution.

The interests of the debenture holders were secured by way of registration over ‘All Present and After-Acquired Property’, initially on the Register of Company Charges which was subsequently migrated to the Personal Property Securities Register (“PPSR”) upon inception.



The Company's failure can be attributed to the following factors:

- A default from a major debtor of the Company, arising from a property development failure;
- The impacts of the Global Financial Crisis ("GFC") and the potential write-down on collateralised debt obligations; and
- The negative impact on the Company by way of changes implemented by the Government's Guarantee Scheme for Large Deposits and Wholesale Funding.

2.2 RECEIVERS & MANAGERS

In early 2009, the directors of the Company requested the Trustee, representing the Company's Debenture Holders, appoint Receivers and Managers to protect the interests of debenture holders who were owed an estimated \$180 million.

On 11 February 2009, the appointment of Mr Mark Korda and Mr Craig Shepard of Korda Mentha ("the Receivers") as Receiver and Managers occurred. Review of the Company's Financial Report for the year ended 30 June 2008 disclosed the Company owed Debenture Holders \$192,120,087.

The Receivers, on behalf of the Trustee, undertook the realisation of the Company's assets. Initially the Receivers made attempts to realise the Company's assets in whole as a going concern, however after no viable offers were received, reverted to collecting the Company's various asset classes. The Receivers made distributions to debenture holders totalling \$176,505,465.80, representing 99.2% of their principal investments. The following distribution table was provided by the Receivers:-

	Date of Distribution	Total value (\$)	Cents in the dollar*
Distribution Number			
First	10 March 2009	18,072,715.68	10.1
Second	5 May 2009	16,442,711.18	9.2
Third	4 August 2009	15,068,538.95	8.5
Fourth	30 September 2009	13,698,337.05	7.7
Fifth	2 November 2009	12,459,951.72	7.0
Sixth	14 December 2009	11,257,914.30	6.3
Seventh	26 February 2010	10,275,430.36	5.8
Eighth	30 April 2010	9,353,510.94	5.3
Ninth	30 June 2010	8,501,389.33	4.8
Tenth	3 September 2010	7,739,812.19	4.3
Eleventh	21 January 2011	7,122,286.42	4.0
Twelfth	24 June 2011	6,557,900.20	3.7
Thirteenth	1 December 2011	6,041,440.90	3.4
Fourteenth	20 June 2012	5,584,129.89	3.1
Fifteenth	14 December 2012	3,695,739.94	2.1
Sixteenth	18 June 2013	4,788,674.99	2.7
Seventeenth	20 December 2013	4,448,859.12	2.5
Eighteenth	11 June 2015	4,186,249.17	2.4
Nineteenth	9 December 2015	3,813,388.16	2.1
Twentieth	21 June 2017	3,526,485.31	2.0
Twenty-First and Final	7 April 2020	3,870,000.00	2.2
Total		176,505,465.80	99.2

*On opening principal balance as at the Receivers appointment.

Following the final distribution made on 7 April 2020 to debenture holders, the Receivers issued notice of their intention to retire from their position.



Following my appointment, I have communicated with the Receivers and have taken control of the Company's records held in storage and am in the process of taking control of the Company's electronic records.

Unpresented Cheques in Receivership

My office has received several enquiries in relation to unpresented cheques from distributions made by the Receivers.

The Receivers have advised me that upon their retirement, all unpresented cheques will be remitted to the Victorian State Revenue Office ("SRO") unclaimed money department.

In the event of an unclaimed or lost cheque from the Receivers, please direct your query to the SRO in the first instance.

2.3 STATUTORY INFORMATION

The Australian Securities and Investments Commission's ("ASIC") records disclose the following regarding the Company:

Name	Position	Period
John David Macguire	Principal Executive Officer	23/11/1995 to 08/12/1995
Murray Lachlan McClean	Director	23/11/1995 to Present
James William Kee	Director	06/12/1999 to Present
Nicole Jane Tyson	Director	01/10/2005 to Present
John David Macguire	Director	23/11/1995 to Present
Vivian Fitzhardinge Braham	Director	11/07/2002 to 29/01/2018
John Barlow	Director	23/11/1995 to 01/10/2005
David Michael Tansey	Director	23/11/1995 to 06/05/2004
Clive William Hope	Director	23/11/1995 to 30/06/1997
John David Macguire	Secretary	23/11/1995 to Present

Class of Shares	Number of Shares	Value of Shareholding (\$)
A Class (Ordinary Voting)	1,250	1,250.00
B Class (Non Voting)	2,063,852	2,063,852
Non Redeemable Preference	400,000	4,000,000



3. REPORT ON COMPANY ACTIVITIES AND PROPERTY (“ROCAP”)

Pursuant to Section 497(4) of the Act, a director of a company is required to provide the Liquidator with a Report on Company Activities and Property (“ROCAP”).

I have received a completed ROCAP from a Company director. In addition, with information received from the Receiver, the known position of the Company as at the date of my appointment, being 20 May 2020, is presented below.

Assets	ERV* ROCAP (\$)	Liquidator’s ERV* (\$)	Notes
Cash at Bank	Nil	Nil	1
Property, Plant & Equipment	Nil	Nil	2
Loan Portfolio	Nil	Nil	3
Other Financial Assets	50,000	50,000	4
Total Assets	50,000	50,000	
Liabilities			
Secured Creditor (Debenture Holders)	28,929,938	28,929,938	5
Priority Creditors (Employee Entitlements)	Nil	Nil	6
Unsecured Creditors	77,133	77,133	7
Total Liabilities	29,077,071	29,077,071	
Net Assets / (Net Deficiency)	(28,957,071)	28,957,071	

* ERV – Estimated Realisable Value

Notes

Note 1: Cash at Bank

Immediately following my appointment, I contacted all major financial institutions to identify any accounts in the name of the Company.

No active banking facilities have been identified in the name of the Company, with all facilities closed by the Receivers.

The Company’s Financial Report for the year ending 30 June 2008 disclosed cash and cash equivalents totalling \$4,310,055. The Receivers ‘Presentation of Accounts and Statement’ dated 1 September 2009 disclosed receipt of cash at bank totalling \$1,619,477.30 on 17 February 2009 and \$13,843,115.90 on 20 February 2009

As the Receivers have recovered cash at bank, there will be no recovery from cash at bank in the liquidation.



Note 2: Property, Plant & Equipment

The Company's Financial Report for the year ending 30 June 2008 disclosed Property, Plant & Equipment totalling \$753,852.

The Receivers provided the following information with respect to the sale of the Company's real property:

Settlement Date	Property	Gross Sale Proceeds (\$)
1 March 2013	Lot 1, Commercial Lane, Korumburra, VIC	82,500
22 December 2009	19 Commercial Street, Korumburra VIC	245,000
30 April 2010	199 Commercial Road, Yarram VIC	381,000

As the Receivers made recoveries with respect to Property, Plant and Equipment, there will be no recoveries in the liquidation in this regard.

Note 3: Loan Portfolio

As outlined in Section 2.1 of this Report, the principal business of the Company was the provision of loan funding via secured registered mortgage over real property.

The Company's Financial Report for the year ending 30 June 2008 disclosed loans and receivables totalling \$169,243,682.

The Receivers undertook realisation of the Company's Loan Portfolio. The Receivers provided me with a detailed schedule of the Company's Loan Portfolio, including collections and write offs, where applicable.

A small number of loans were unable to be collected in full. In these circumstances, the security for the loan was insufficient to cover the Company's loan exposure.

The Receivers undertook recovery actions and, where appropriate, entered Settlement Deeds with the respective parties.

I have reviewed the loans not collected in full by the Receivers and at the date of this Report I consider there is no likelihood of further recoveries from the Company's Loan Portfolio.

Note 4: Other Financial Assets

As outlined in Section 2.1 of this Report, the Company held other financial assets in addition to its loan portfolio.

These other financial investments include the following:

- Held to Maturity Investments, including bank term deposits and bills of exchange; and
- Available for Sale Financial Assets, including Collateralised Debt Obligations ("CDO").



The Receivers provided me with information regarding their recovery of the other financial assets and there will be no recoveries in the liquidation except for the following claim in the Lehman Brother Australia Limited (Scheme Administrators Appointed) (In Liquidation) (“LBA”) administration:-

LBA Claim

Due to losses on two (2) CDOs the Company had purchased from LBA (Formerly Grange Securities), the Company participated in a class action against Standard & Poor’s rating agency and LBA in respect of principal losses incurred.

The Receivers also undertook recovery actions in relation to this claim, including lodgement of a proof of debt with the external administrators of LBA in relation to the Company’s claim.

The liquidators of LBA have admitted the claim of the Company in the amount of \$860,000. Distributions of \$400,000 were received by the Receivers prior to my appointment.

Whilst the quantum and timing of the future returns from the liquidators of LBA are unknown, it is anticipated that a return of approximately \$50,000 is expected.

Note 5: Secured Creditors (Debenture Holders)

At the date of my appointment, the outstanding amount owed to Debenture Holders totalled \$28,929,938.80.

As outlined in Section 2.2 of this Report, the Receivers made distributions to Debenture Holders of \$176,505,465.80 representing 99.2% of their principal investment.

Accordingly, the outstanding amount owed to Debenture Holders totalling \$28,929,938.80 is made of \$1,641,005.49 of principal investment and the remaining is accrued interest totalling \$27,288,933.4.

Note 6: Priority Creditors (Employee Entitlements)

There are no outstanding entitlements owed to employees as the pre-receivership entitlements had statutory priority over Debenture Holders with respect to circulating asset realisations. As such, the entitlements due prior to the receivership were paid in full.

Note 7: Ordinary Creditors

The Company’s forty-one (41) ordinary unsecured creditor claims total \$77,133.79.



4. INVESTIGATIONS

In addition to the above, my investigations to date have included, but are not limited to, the following:

- Discussions with former directors regarding the Company's operations;
- Liaising with the Receivers regarding:
- Asset recoveries;
- Distributions to debenture holders;
- Location and facilitating of collection of Company records;
- Investigations undertaken;
- Company history and operations;
- Requests to all major Australian financial institutions to confirm the existence of any bank accounts held in the name of the Company;
- Land Title searches;
- Search of the VicRoads database to identify any vehicles registered in the name of the Company;
- A search of the Sheriff's Office records;
- A search of the state Revenue Office records;
- Searches of the ASIC database;
- Review of ATO Freedom of Information file; and
- Conduct search of the Personal Property Securities Register and liaise with registered parties regarding security interest claim(s).

My investigations have not identified any further avenues of recovery.

Should creditors be aware of any matters which they believe should be brought to my attention or require further investigation, I request that you contact my office as a matter of urgency.

4.1 BOOKS AND RECORDS

Pursuant to Section 286 of the Act, a company is required to maintain books and records which correctly record and explain its transactions, financial position and performance. The books and records of the company must enable true and fair financial statements to be prepared and audited. Failure to maintain adequate books and records establishes a presumption of insolvency.

I consider that the Company's records comply with Section 286 of the Act.



4.2 VOIDABLE TRANSACTIONS

Pursuant to Part 5.7B of the Act, liquidators may recover certain voidable transactions entered into by the company prior to its winding up.

The voidable transactions and associated timeframes are as follows:

Sub Section	Voidable Transaction Claims	Associated Timeframes	Reference to the Act
4.2.1	Unfair Preference	6 months from the Liquidators' appointment	Section 588FE(2)
4.2.2	Uncommercial Transaction	2 years from the Liquidators' appointment	Section 588FE(3)
4.2.3	Insolvent Transaction with Related Party	4 years from the Liquidators' appointment	Section 588FE(4)
4.2.3	Unreasonable director related transaction	4 years from the Liquidators' appointment	Section 588FE(6A)
4.2.4	Fraudulent Disposition	10 years from the Liquidators' appointment	Section 588FE(5)
4.2.5	Unfair Loan	No time limit	Section 588FE(6)

4.2.1 Unfair Preference Payments

Section 588FA of the Act provides for the recovery of unfair preferences. To constitute an unfair preference, the transaction must have the effect of conferring an advantage to one creditor over other creditors of the Company.

In addition, the Act allows a Liquidator to challenge certain transactions entered into by a Company during the six-month period preceding the relation back day or four years preceding the relation back day should the transaction involve a "related entity".

My investigations have not identified Unfair Preference Payments

4.2.2 Uncommercial Transactions

Section 588FB of the Act defines an uncommercial transaction as a transaction entered into by the Company where it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction, having regard to the following:

- a) the benefits (if any) to the Company of entering the transactions;
- b) the detriment to the Company of entering into the transaction; and
- c) the respective benefits to other parties to the transaction of entering into it.

The Act allows a Liquidator to recover uncommercial transactions if the transactions were entered into during the two-year period preceding the relation back day.

My investigations have not identified any Uncommercial Transactions.



4.2.3 Unreasonable Director Related Transactions

A transaction of a company is an unreasonable director related transaction and may be set aside if the Company entered into the transaction with a director or a close associate of a director of the Company and it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction.

Transactions include payments, the issue of securities, conveyances or other dispositions of property by a Company in favour of a director, a relative, de facto spouse of related entity of a director.

I have not identified any Unreasonable Director Related Transactions.

4.2.4 Fraudulent Dispositions

A transaction of a Company may be set aside if the Company was insolvent at the time it entered into the transaction or it became insolvent because of the transaction and the purpose of the transaction was to defeat, delay or interfere with the rights of any or all of the company's creditors on the winding up of the company.

My investigations have not identified any transactions which may be considered fraudulent dispositions.

However, I note that the Receivers identified a staff member of a law firm that had embezzled funds from debenture holder accounts the law firm managed.

This matter was reported to ASIC by the Receivers and investigated by Victoria Police and the Law Institute of Victoria and I will not investigate the matter further.

4.2.5 Unfair Loans

A loan to a Company is considered to be unfair in accordance with the provisions of Section 588FD of the Act where the interest on the loan was extortionate, or, has since become extortionate or the charges in respect of the loan were extortionate.

My investigations to date have not identified any unfair loans.



4.3 INSOLVENT TRADING

The provisions of Section 588G of the Act allows Liquidators to recover from directors of a company, debts incurred whilst a company is unable to pay its debts as and when they fell due.

I provide the following regarding a potential insolvent trading claim:-

- My investigations identified the Directors requested the Trustee, representing the Company's Debenture Holders, appoint the Receivers to protect the interests of Debenture Holders upon the Company experiencing the financial difficulties outlined in Section 2.1 of this Report.
- To establish the Company was insolvent, I would be required to establish that the Company was incurring debt whilst it was unable to pay its debts as and when they fell due.
- The quantum of any insolvent trading claim may not include accrued interest after the Receivers appointment.
- The potential recoveries from any action like this are dependent upon the financial capacity of the directors to meet any successful award for compensation made against them. I am unaware of the director's personal financial position at the date of this Report.

Creditors should note that an insolvent trading action is costly and difficult and in the absence of an indemnity from creditors, is unlikely to be a commercially viable course of action.

My investigations in respect of an insolvent trading claim are ongoing however, at this juncture, I consider it is not commercial to make an insolvent trading claim against the directors.

4.4 REPORT TO ASIC

Where a company in liquidation does not have the capacity to pay a dividend of more than 50 cents in the dollar on unsecured creditor claims, a Liquidator is required to submit a report to ASIC, pursuant to Section 533 of the Act, concerning any adverse conduct of the company and its director/s.

I will submit a report pursuant to Section 533 of the Act with ASIC shortly.

Following the report, ASIC may advise of issues requiring further investigations.

5. DIVIDEND ESTIMATE

5.1 DEBENTURE HOLDERS

As previously advised, debenture holders have received 99.2% of their principal investment in dividend distributions from the Receivers, with majority of the remaining claim representing interest.

Due to the limited Company assets remaining to be realised, I anticipate no distribution to debenture holders.



5.2 UNSECURED CREDITORS

Due to insufficient funds in the liquidation, there will be no return to ordinary unsecured creditors of the Company.

6. DECLARATION PURSUANT TO SECTION 104-145 OF THE INCOME TAX ASSESSMENT ACT 1997

There is no likelihood in the liquidation of a distribution to any class of creditor, including Debenture Holders. Further, there will be no dividend to shareholders.

As Liquidator, I enclose a declaration pursuant to Section 104-145 of the ITAA97, that there is no likelihood that shareholders will receive a distribution by way of return of capital and that Debenture Holders will not receive further distributions.

Following the declaration, the Debenture Holders can choose to make a capital loss on their financial instrument and shareholders on their shares.

I understand the capital loss for Debenture Holders equates to the reduced cost base of the financial instrument and not accrued interest.

My declaration and consideration of capital loss should not be construed as constituting taxation advice and shareholders and Debenture Holders should seek their own independent taxation advice.

7. REMUNERATION

As at the of 12 August 2020, we have incurred remuneration in the amount of \$67,185.50 (plus GST), and we anticipate incurring a further \$50,000 (plus GST) to the finalisation of this liquidation.

A remuneration report with respect to the above request is enclosed for your reference.

In this regard, I am seeking approval from creditors of my remuneration in the amount of \$117,185.50 (plus GST).

For your reference, please find enclosed the following with respect of my remuneration and disbursement:

- Remuneration Approval Notice; and
- Vince & Associates Schedule of Hourly Rates.

At present, I do not intend to call a meeting of creditors.

To participate in the proposal, please complete and return the following enclosed documents by no later than 11 September 2020.

- The Proposal without a meeting Form/s; and
- The Proof of Debt Form, which provides information about what the company owes you, along with supporting documents for your claim.

I note that my remuneration, if approved by creditors, will be drawn from funds recovered within the administration. Any shortfall of same will result in the liquidators' remuneration claim being written off.



Under no circumstances will the creditors be requested to meet any claim for remuneration.

The documents can be scanned and emailed to rcummins@vinceassociates.com.au or returned via post to my firm's address, attention Mr Rory Cummins. If you choose to return these documents via post, please ensure that you allow enough time for me to receive them by the due date.

An information sheet on proposals without a meeting is enclosed with this report

8. RECEIPTS AND PAYMENTS

I enclose a Summary of Receipts and Payments Report for your reference.

9. DESTRUCTION OF BOOKS AND RECORDS

Section 70-35(1) of the of the Insolvency Practice Schedule (Corporate) ("IPS") requires a Liquidator to retain the books and records of a company for a period of five (5) years following the end of an external administration. There are significant costs associated with storage of records for this period.

Pursuant to Section 70-35(3) of the IPS, a Liquidator may seek approval from the creditors to destroy the books and records of a company within the period allowed by ASIC.

ASIC will consider the Liquidator's request prior to approving the destruction, subject to the approval of creditors, once the Company has been deregistered and its affairs are fully wound up.

In this regard, I enclose a voting statement with respect to the proposed resolution seeking approval for the destruction of the books and records of the Company, subject to the approval of ASIC.

To participate in the proposal, please complete and return the following enclosed voting statements by no later than 11 September 2020.

10. FUTURE MATTERS

I will proceed with the liquidation, including:

- Receiving funds from the LBA liquidation;
- Complete my investigations into the Company's affairs;
- Complete and submit my report on the affairs of the Company and the conduct of its directors and officers to the corporate regulator ASIC;
- Continue to liaise with impacted Debenture Holders and creditors;
- Comply with statutory obligations, including required lodgements and reporting requirements; and
- Other duties as duly required.



Should you have any queries in relation to this matter, please contact Mr Rory Cummins of this office on (03) 9793 5588 or via email to rcummins@vinceassociates.com.au.

Yours faithfully

IAN GRANT
LIQUIDATOR

**SOUTH EASTERN SECURED INVESTMENTS PTY LTD
(RECEIVERS & MANAGER APPOINTED)
(IN LIQUIDATION)
ACN: 071 637 477
("the Company")**

**LIQUIDATOR'S DECLARATION PURSUANT TO SECTION 104-145 OF THE
INCOME TAX ASSESSMENT ACT 1997**

I refer to the appointment of Paul Langdon, Peter Vince and I as Joint and Several Liquidators of the Company on 20 May 2020.

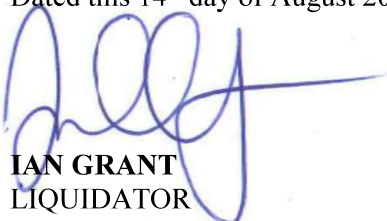
In accordance with Section 104-145 of the Income Tax Assessment Act 1997, the Liquidators of the Company declare that we have reasonable grounds to believe that:

- There is no likelihood that shareholders in the Company will receive a distribution for their shares; and
- Debenture holders will not receive further distributions from the Company and accordingly their financial instrument has no further value.

Consequently, shareholders and debenture holders who acquired shares or debentures on or after 20 September 1985 may choose to make a capital loss in the income year that includes 14 August 2020 as a result of Capital Gains Tax ("CGT") event G3.

This declaration should not be construed as constituting taxation advice and shareholders and debenture holders should seek their own independent taxation advice in relation to the above statements.

Dated this 14th day of August 2020


IAN GRANT
LIQUIDATOR

REMUNERATION APPROVAL NOTICE

**SOUTH EASTERN SECURED INVESTMENTS LIMITED
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN 071 637 477**

REMUNERATION REQUEST APPROVAL REPORT

Calculation of Remuneration

Remuneration Methods

This information details:

- the methods that an Insolvency Practitioner may use to calculate remuneration;
- provides an explanation with respect to the method chosen;
- provides a schedule of the hourly rates of Vince & Associates; and
- provides an estimate of the fees likely to be incurred on this matter.

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.

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.

Percentage

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

Contingency

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

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on an hourly rate basis. This method is selected because:

- It accurately reflects the amount of time spent on the Administration by staff members of varying qualifications and skill; and
- It takes into account the varied complexities and issues arising in each individual Administration.

REMUNERATION APPROVAL NOTICE

Part 1: Declaration

We, Peter Vince, Paul Langdon and Ian Grant of Vince & Associates, have undertaken a proper assessment of this remuneration claim for our remuneration as Liquidators of the company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Liquidation.

Part 2: Executive Summary

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

Period	Report Pages	Amount \$ (plus GST)
Current remuneration Approval Sought:		
Creditors Voluntary Liquidation		
Resolution 1: From 20 May 2020 to 12 August 2020	3-6	67,185.50
Resolution 2**: From 13 August 2020 to Finalisation	7-9	50,000.00
Total: Liquidation		117,185.50
** Approval for 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 the report section references detailed above for further information regarding the calculation and composition of the remuneration approval sought.

The remuneration requested differs to the estimate of remuneration of \$100,000 (plus GST) previously provided in my Initial Remuneration Notice dated 29 May 2020 due to the following reasons:

- Extensive review of Debenture Holder accounts to prepare creditor register;
- Dealing with voluminous creditor correspondence and updating and maintaining creditor register;
- Additional administration with respect to creditor correspondence;
- Substantial review of Loan Portfolio and Other Financial Assets to determine if any amount recoverable in Liquidation; and
- Additional review of Financial Reports prepared prior to Receivership to review the Receivers and Managers recoveries.

REMUNERATION APPROVAL NOTICE

Resolution 1

Company	South Eastern Secured Investments Limited	Period From	20 May 2020	To	12 August 2020
Practitioner	Peter Vince, Paul Langdon & Ian Grant	Firm	Vince & Associates		
Administration Type	Creditors Voluntary Liquidation				
Task Area	General Description	Includes			
Assets 17.4 Hours \$6,853.00	Investment Assets	Review of Company financial statements for evidence of Company's investment assets Review of documentation provided by Receivers and Managers regarding realisation of investment assets			
	Lehman Brothers Australia Limited Claim	Staff discussions regarding claim in liquidation Corresponding with the Receivers and Managers regarding the Company's claim Reviewing documentation provided by the Receivers and Managers with respect to the Company's claim Corresponding with the Liquidator of Lehman Bros regarding the Company's claim Reviewing reports to creditors regarding future distributions and delays due to taxation matters			
	Loan Portfolio	Review of Receiver and Manager handover notes with respect loan portfolio recoveries and write-offs Conducting review of loans written off by Receivers and Managers and preparing file notes regarding same			
Creditors 127.9 Hours \$42,170.25	Creditors Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post			
	Liquidators' CGT Declaration	Review of Income Tax Administration Act 1997, Section 104-145 regarding Liquidators' declaration Seek legal advice regarding tax consequences of declaration Draft notification to debenture holders & shareholders Internal meetings regarding declaration statement			
	Creditor reports	Preparing initial Report to Creditors enclosing: <ul style="list-style-type: none"> • Declaration of Independence, Relevant Relationships and Indemnity (DIRRI) • Initial Remuneration Notice • Proof of Debt • Creditor Information sheets • Creditor Listing Corresponding with external printer regarding printing and posting report Preparation of second Report to Creditors including summary report Mailing of Report to Creditors summary Preparation of Report to Creditors enclosing: <ul style="list-style-type: none"> • Remuneration Report • Voting Statements • Creditor Information Sheets • Summary of Receipts and Payments • Proof of Debt • Creditor Listing • Creditor/Shareholder CGT Statement 			

REMUNERATION APPROVAL NOTICE

	Creditor Database	<p>Preparing claim/address listing and uploading to centralised database</p> <p>Maintaining creditor database</p> <p>Preparing and maintaining master mailing listing including dealing with reports received RTS</p>
<p>Investigations 32.6 Hours \$12,558.00</p>	Conducting Investigation	<p>Conduct searches, including, but not limited to:</p> <ul style="list-style-type: none"> • Bank account searches • ASIC database searches • Vehicle registry searches • Share registry searches • Sheriff's Office searches • Unclaimed monies searches • Land Title searches • General internet searches • Searches of statutory bodies (i.e ATO, SRO) <p>Review and summarise day one search results</p> <p>Staff discussions setting investigations tasks</p> <p>Corresponding with the Receivers & Managers regarding investigation matters</p> <p>Review Receivers & Managers hand over memorandum</p> <p>Preparation of ASIC Form 509</p> <p>Staff discussions regarding preparation of director correspondence</p> <p>Preparation of correspondence to director enclosing:</p> <ul style="list-style-type: none"> • Information regarding consequences of the Company's liquidation • ROCAP Part A & B • ROCAP Instructions <p>Review ATO FOI</p> <p>Staff meeting to discuss status of investigations and future investigations</p> <p>Preparation of spreadsheet detailing investigations outstanding and maintaining same</p> <p>Discussions with director regarding completion of ROCAP</p>
	Books and Records	<p>Review of books and records listing provided by Receivers and Managers</p> <p>Corresponding with Receivers and Managers regarding transfer of physical records</p> <p>Correspondence with storage facility regarding transfer of books and records account into name of Liquidators</p> <p>Consideration of storage options and costs associated with each</p> <p>Execute documents transferring ownership of books and records from Receiver and Manager to Liquidators</p>
<p>Administration 20.1 Hours \$5,604.30</p>	Correspondence	<p>Preparing general correspondence in relation to the Administration</p> <p>Addressing queries of the media regarding the administration</p> <p>Telephone attendance</p>
	Document maintenance/file review/checklist	<p>Filing of documents</p> <p>Initial review of set up data</p> <p>Monthly status review of file</p> <p>Preparation of checklists and maintaining same</p> <p>Creating administration files in MYOB Insolvency and Accounting Enterprise</p> <p>Receiving mail</p>

REMUNERATION APPROVAL NOTICE

Insurance	<p>Identification of potential issues requiring attention of insurance specialists</p> <p>Correspondence with insurer regarding initial questionnaire</p>
Bank account administration	<p>Preparing correspondence opening administration bank account</p> <p>Bank account reconciliation</p>
Treasury	<p>Preparing payment of Australian Post costs incurred with mailing first Report to Creditors via disbursement</p> <p>Recording the above transactions in MYOB Insolvency</p> <p>Completing monthly account reconciliation</p>
ASIC Forms	<p>Preparing and lodging ASIC forms including 505, 484, etc</p> <p>Preparing and lodging ASIC appointment notice</p> <p>Correspondence with ASIC regarding statutory forms</p>
ATO & other statutory reporting	<p>Notification of appointment</p>
Planning / Review	<p>Discussions regarding status of administration</p>
Books and records / storage	<p>Dealing with records in storage</p>

REMUNERATION APPROVAL NOTICE

Employee	Position	\$/hour (ex GST)	Total actual hours	Total (\$)	Task Area			
					Assets hrs/\$	Creditors hrs/\$	Investigation hrs/\$	Administration hrs/\$
Ian Grant	Appointee	495.00	31.20	15,444.00	2,178.00	9,355.50	3,069.00	841.50
Peter Vince	Appointee	495.00	0.70	346.50	-	346.50	-	-
Paul Langdon	Appointee	495.00	1.80	891.00	-	495.00	-	396.00
Jessica Waldron	Senior Manager	455.00	55.60	25,298.00	3,094.00	14,469.00	6,688.50	1,046.50
Brooke Quibell	Supervisor	395.00	0.20	79.00	-	79.00	-	-
Emily Choquenot	Senior	325.00	0.40	130.00	-	130.00	-	-
Emily Choquenot	Accountant	255.00	1.20	306.00	-	306.00	-	-
Rory Cummins	Accountant	255.00	20.30	5,176.50	1,581.00	2,652.00	943.50	-
Rory Cummins	Graduate Accountant	235.00	34.60	8,131.00	-	6,298.00	1,339.50	493.50
Megan Kiefer	Graduate Accountant	235.00	0.20	47.00	-	47.00	-	-
Penny Zudwyk	Senior Secretary	225.00	27.95	6,288.75	-	4,612.50	112.50	1,563.75
Eva Seci	Senior Secretary	225.00	20.05	4,511.25	-	3,082.50	405.00	1,023.75
Sean Chin	Administrative Assistant	145.00	3.70	536.50	-	297.25	-	239.25
Total			197.90	67,185.50	6,853.00	42,170.25	12,558.00	5,604.25
GST				6,718.55	685.30	4,217.03	1,255.80	560.43
Total (Incl GST)				73,904.05	7,538.30	46,387.28	13,813.80	6,164.68
Average hourly rate				339.49	393.85	329.84	385.21	279.51

REMUNERATION APPROVAL NOTICE

Resolution 2

Company	South Eastern Secured Investments Limited	Period From	13 August 2020	To	Finalisation
Practitioner	Peter Vince, Paul Langdon & Ian Grant	Firm	Vince & Associates		
Administration Type	Creditors Voluntary Liquidation				
Task Area	General Description	Includes			
Assets 19.3 Hours \$7,000.00	Lehman Brother Australia Limited Claim	Corresponding with Liquidator's office regarding Company claim and anticipated distribution Further enquiry with Receivers and Managers regarding claim Reviewing books and records in respect of documents in support of claim Reviewing correspondence, including Reports to Creditors provided by the Liquidator Receipting payment of assets identified			
	Other Assets	Finalise investigations with respect to assets identified Finalisation investigations into written off-loans			
Creditors 96.2 Hours \$30,000.00	Creditors Enquiries	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post			
	Creditor reports	Mailing of Report to Creditors summary Preparation of Report to Creditors enclosing: <ul style="list-style-type: none"> • Remuneration Report • Voting Statements • Creditor Information Sheets • Summary of Receipts and Payments • Proof of Debt • Creditor Listing • Creditor CGT Statement 			
	Creditor Database	Maintaining creditor database Preparing and maintaining master mailing listing including dealing with reports received RTS			
Investigations 21.8 Hours \$8,000.00	Conducting Investigation	Investigations into the affairs of the Company Preparing report to ASIC pursuant to Section 533 of the Act Liaise with ASIC regarding Section 533 report Completed supplementary report if required			
	Books and Records	Undertaking review of Company's physical books and records Undertaking review of Company's electronic records			
Administration 18.4 Hours \$5,000.00	Correspondence	Preparing general correspondence in relation to the Administration			
	Document maintenance/file review/checklist	Conducting monthly administration review Filing of documents File reviews Updating Checklist			
	Bank account administration	Preparing correspondence closing account Bank account reconciliation Correspondence with bank regarding specific transfers			
	ASIC Form 5601 and other forms	Preparing and lodging ASIC forms including 5601, 5011, 5022 and 5602 (as required) Correspondence with ASIC regarding statutory forms			

REMUNERATION APPROVAL NOTICE

ATO & other statutory reporting	Preparing and lodging BAS Correspondence with the ATO regarding statutory reporting requirements
Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG Registrations Completing checklists Notification / reports to creditors Statutory lodgements on termination Finalising WIP
Planning / Review	Discussions regarding status of administration
Books and records / storage	Dealing with records in storage Sending job files to storage

REMUNERATION APPROVAL NOTICE

Employee	Position	\$/hour (ex GST)	Total actual hours	Total (\$)	Task Area			
					Assets hrs/\$	Creditors hrs/\$	Investigation hrs/\$	Administration hrs/\$
Ian Grant	Appointee	495.00	23.40	11,583.00	1,485.00	7,425.00	1,980.00	693.00
Peter Vince	Appointee	495.00	3.50	1,732.50	247.50	990.00	247.50	247.50
Paul Langdon	Appointee	495.00	6.00	2,970.00	495.00	1,485.00	742.50	247.50
Jessica Waldron	Senior Manager	455.00	21.40	9,737.00	2,275.00	4,550.00	2,275.00	637.00
Rory Cummins	Accountant	255.00	54.23	13,829.50	2,497.50	8,220.00	2,755.00	357.00
Penny Zudwyk	Senior Secretary	225.00	20.62	4,639.00	-	3,375.00	-	1,264.00
Eva Seci	Senior Secretary	225.00	20.62	4,639.00	-	3,375.00	-	1,264.00
Sean Chin	Administrative Assistant	145.00	6.00	870.00	-	580.00	-	290.00
Total			155.77	50,000.00	7,000.00	30,000.00	8,000.00	5,000.00
GST				5,000.00	700.00	3,000.00	800.00	500.00
Total (Incl GST)				55,000.00	7,700.00	33,000.00	8,800.00	5,500.00
Average hourly rate				320.99	362.80	311.74	366.91	271.22

REMUNERATION APPROVAL NOTICE

Part 4: Statement of Remuneration Claim

The Liquidators are seeking the following resolutions with respect to our remuneration:

Resolution 1

For work completed between 20 May 2020 to 12 August 2020:

“That the remuneration of the Liquidators and their staff be approved for payment in the amount of \$67,185.50 (plus GST) for work completed from 20 May 2020 to 12 August 2020 on the basis that such remuneration is calculated on a time cost basis at the standard hourly rates of Vince & Associates with out of pocket expenses to be additional, both after adjustment for Goods and Services Tax (“GST”).”

Resolution

For estimated work to be completed in the Liquidation.

“That the remuneration of the Liquidators and their staff be approved for payment in the amount of \$50,000 (plus GST) for work completed from 13 August 2020 to finalisation on the basis that such remuneration is calculated on a time cost basis at the standard hourly rates of Vince & Associates with out of pocket expenses to be additional, both after adjustment for Goods and Services Tax (“GST”) and that the remuneration be calculated and paid as incurred.”

Creditors may vote on my proposed resolution by completing and returning the enclosed “Voting Statement” form to my office by 11 September 2020.

Part 5: Remuneration Recoverable From External Sources

Remuneration recoverable from external sources includes such items as funding available to a practitioner under the Fair Entitlements Guarantee Act 2012, or predecessor scheme, or the ASIC Assetless Administration Fund.

As at the date of this report, the Liquidators have not received any remuneration from external sources.

Part 6: Disbursements

Disbursements represent out of pocket expenses incurred by the Liquidator in the conduct of the liquidation. The recovery of disbursements is not subject to approval by creditors.

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

REMUNERATION APPROVAL NOTICE

The following disbursements have been paid by the Administration to Vince & Associates for the period of 20 May 2020 to 12 August 2020. All of the below transactions appear in the Summary Receipts and Payments Report attached to this report.

Disbursements Paid	Basis \$ (Excl GST)	Total \$ (Excl GST)
Externally Provided Professional Services		
External Printing	At Cost	12,511.36
Postage	At Cost	10,561.70

Photocopying & Printing

Photocopy and printing are internal disbursements which are incurred during the administration of the Liquidation which involve both variable costs and fixed costs. I have determined that the average cost to photocopy and print in the following methods is \$0.50 (plus GST) per page:

- Black & White – Size A4 and A3
- Colour – Size A4 and A3
- Letter Head – Size A4

I am seeking approval from creditors that the cost of all photocopying and printing being conducted in the administration of the Liquidation be charged at the rate of \$0.50 (plus GST) per page to a limit of \$13,000 (plus GST).

Creditors may vote on my proposed resolution by completing and returning the enclosed “Voting Statement” form to my office by 11 September 2020.

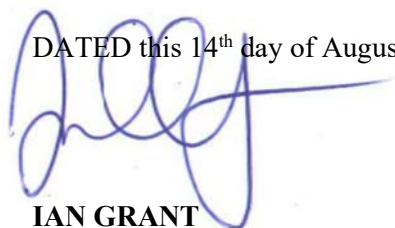
Impact on Creditors

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Liquidation to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidators receive payment for the work done to recover assets, investigate the company’s affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that I am able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

Any creditor who requires further information in respect to the matters raised within this remuneration report should contact Mr Rory Cummins of my office on (03) 9793 5588 or via email to rcummins@vinceassociates.com.au.

DATED this 14th day of August 2020



IAN GRANT
LIQUIDATOR

GUIDE TO HOURLY RATES & CLASSIFICATION OF EXPERIENCE

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Description	Hourly Rate (\$) (excl GST)
Director/Appointee	Registered Liquidator /Trustee. Member of the Chartered Accountants Australia and New Zealand (“CAANZ”) (or equivalent) and member of the Australian Restructuring Insolvency and Turnaround Association (“ARITA”). Partner bringing his/her specialist skills to Administrations and/or Insolvency tasks.	495
Director/Consultant	Qualified or industry qualifications with 10+ years’ of industry experience. Specialist industry knowledge or capable of controlling all aspects of an appointment.	495
Senior Manager	Member of the CAANZ (or equivalent) and member of the ARITA with over 8 years’ experience. Well developed technical and commercial skills. Planning and control of all Administrations and/or Insolvency tasks.	455
Manager	Member of the CAANZ (or equivalent) and member of the ARITA with over 7 years’ experience. Well developed technical and commercial skills. Planning and control of all Administrations and/or Insolvency tasks.	435
Supervisor	Member of the CAANZ (or equivalent) with over 5 years’ experience. Co-ordinates planning and control of medium to larger Administrations and/or Insolvency tasks.	395
Senior Accountant	Completing/Completed the CAANZ program (or equivalent) with over 2 years’ experience. Required to control the fieldwork on Administrations and/or Insolvency tasks.	325
Accountant	Completing the CAANZ program (or equivalent) with over 1 year of experience. Required to control the fieldwork on smaller Administrations and/or insolvency tasks under the supervision of more senior staff.	255
Graduate Accountant	Graduate accountant with 0-1 years’ experience. Assist in day to day fieldwork of administrations and/or insolvency tasks under the supervision of more senior staff.	235
Senior Secretary	Appropriate skills, including advanced skills relating to word processing, file creation and database maintenance.	225
Treasury/Computer Operator	Treasury/Bookkeeper functions. Appropriate skills, including accounting applications specific to insolvency files.	195
Administrative Assistant	Appropriate skills, based on some University undergraduate studies.	145
Junior Clerk	Appropriate skills to conduct simple routine tasks.	95

Notes:

1. The Guide to Level of Insolvency Experience is intended only to be a guide as to the qualifications and experience of the staff engaged. It should be noted that in some instances staff may be engaged under an appropriate classification principally due to their experience.
2. Time spent on matters is recorded and charged in six (6) minute intervals.
3. The firm rates are effective as at 1 May 2018.

VOTING STATEMENT - REMUNERATION

NOTICE OF PROPOSAL TO CREDITORS

**SOUTH EASTERN SECURED INVESTMENTS LIMITED
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN 071 637 477**

Proposal for creditor approval

“That the remuneration of the Liquidators and their staff be approved for payment in the amount of \$67,185.50 (plus GST) for work completed from 20 May 2020 to 12 August 2020 on the basis that such remuneration is calculated on a time cost basis at the standard hourly rates of Vince & Associates with out of pocket expenses to be additional, both after adjustment for Goods and Services Tax (“GST”).”

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidators receive payment for the work done to recover assets, investigate the company’s affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

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

Your claim against the Company must be admitted by the Liquidators to enable your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
 I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
 I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 11 September 2020 for your vote to be counted, by email to rcummins@vinceassociates.com.au.

Completed forms may also be sent by post attention to Mr Rory Cummins at Vince & Associates, 51 Robinson Street, Dandenong VIC 3175, although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

VOTING STATEMENT - REMUNERATION

NOTICE OF PROPOSAL TO CREDITORS

**SOUTH EASTERN SECURED INVESTMENTS LIMITED
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN 071 637 477**

Proposal for creditor approval

“That the remuneration of the Liquidators and their staff be approved for payment in the amount of \$50,000 (plus GST) for work completed from 13 August 2020 to finalisation on the basis that such remuneration is calculated on a time cost basis at the standard hourly rates of Vince & Associates with out of pocket expenses to be additional, both after adjustment for Goods and Services Tax (“GST”) and that the remuneration be calculated and paid as incurred.”

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidators receive payment for the work done to recover assets, investigate the company’s affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve my remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

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

Your claim against the Company must be admitted by the Liquidators to enable your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
 I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
 I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 11 September 2020 for your vote to be counted, by email to rcummins@vinceassociates.com.au.

Completed forms may also be sent by post attention to Mr Rory Cummins at Vince & Associates, 51 Robinson Street, Dandenong VIC 3175, although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

VOTING STATEMENT - DISBURSEMENTS

NOTICE OF PROPOSAL TO CREDITORS

**SOUTH EASTERN SECURED INVESTMENTS LIMITED
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN 071 637 477**

Proposal for creditor approval

“THAT the Liquidators be approved to draw payment for the costs associated with printing and photocopying of documents required to conduct the administration of the Liquidation at a rate of \$0.50 per page to a limit of \$13,000 (plus GST) for the period of commencement of the Liquidation to the date of completion be calculated and paid as incurred”.

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

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

Your claim against the Company must be admitted by the Liquidators to enable your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
 I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
 I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 11 September 2020 for your vote to be counted, by email to rcummins@vinceassociates.com.au.

Completed forms may also be sent by post attention to Mr Rory Cummins at Vince & Associates, 51 Robinson Street, Dandenong VIC 3175, although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

VOTING STATEMENT – DESTRUCTION OF BOOKS & RECORDS

NOTICE OF PROPOSAL TO CREDITORS

**SOUTH EASTERN SECURED INVESTMENTS LIMITED
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN 071 637 477**

Proposal for creditor approval

“That the Liquidators be approved for the early destruction of the company’s books and records following finalisation of the liquidation pursuant to Section 70-35 (3) of the Insolvency Practice Schedule (Corporate), subject to the approval of the Australian Securities and Investments Commission”.

Reasons for the proposal and the likely impact it will have on creditors if it is passed

Section 70-35 (1) of the IPS requires a Liquidator to retain the books and records of a company for a period of five (5) years following the end of external administration.

Pursuant to Section 70-35 (3) of the IPS, a Liquidator may seek approval from the creditors to destroy the books and records of a company following the finalisation of the liquidation and the deregistration of the Company.

If creditors approve the Liquidator’s proposal, the Liquidator is also required to obtain the approval of the Australian Securities and Investments Commission (“ASIC”) to securely destroy the records once the Company’s affairs have been fully wound up and the Company deregistered.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

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

Your claim against the Company must be admitted by the Liquidators to enable your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
 I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
 I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 11 September 2020 for your vote to be counted, by email to rcummins@vinceassociates.com.au.

Completed forms may also be sent by post attention to Mr Rory Cummins at Vince & Associates, 51 Robinson Street, Dandenong VIC 3175, although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidators of: **SOUTH EASTERN SECURED INVESTMENTS LIMITED
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN 071 637 477**

1. This is to state that the company was on **20 May 2020** and still is, justly and truly indebted to:
i ABNfor
.....dollars and.....cents.

Particulars of the debt are:

Date	ⁱⁱ Consideration	ⁱⁱⁱ Total Inclusive of GST \$	^{iv} GST amount of \$	^v Remarks

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following^{vi}:

Date	Drawer	Acceptor	Amount \$	Due Date

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

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

DATED this day of 2020

Signature Occupation

Name Daytime Telephone

Address Email Address

..... Please forward future correspondence via email:

SEE DIRECTIONS OVERLEAF FOR THE COMPLETION OF THIS FORM

OFFICE USE ONLY

CREDITOR CODE:		ADMIT	\$
		GST INCLUDED ABOVE	\$
PROOF NO:		REJECT	\$
AMT. Per RATA	\$	WITHDRAW	\$
PREP BY/AUTHORISED		CONSIDERATION	\$
		TOTAL PROOF	\$

DIRECTIONS

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

-
- i Insert full name and address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
 - ii Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
 - iii This total amount is inclusive of GST.
 - iv Notate separately the GST portion of the total amount.
 - v Under "Remarks" include details of vouchers substantiating payment.
 - vi Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the above form.

NOMINATION OF ELECTRONIC NOTIFICATION

**SOUTH EASTERN SECURED INVESTMENTS LIMITED
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)
C/- VINCE & ASSOCIATES
51 ROBINSON STREET, DANDENONG, VIC, 3175**

Nomination of Electronic Notification (please complete)

I/We authorise the Liquidators on behalf of the Company and their employees and agents to send and give notices and documents where such notices and documents may be sent by email to me/us using the email address provided below.

I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act 2001 at the following email address:

Creditor Name: _____

Creditor Address _____

Email Address: _____

Signature Selection

Signature of individual or person authorised to act on behalf of the creditor.

Print Name

Signature

Date

Please return this completed form by email to rcummins@vinceassociates.com.au. Completed forms may also be sent by post attention to Mr Rory Cummins at Vince & Associates, 51 Robinson Street, Dandenong VIC 3175.

Receipts and Payments Summary By Account: SESI Limited - South Eastern Secured Investments

Bank, Cash and Cash Investment Accounts: From: 20/05/2020 To: 12/08/2020 (Gross Method)

Type	Account	GST	Total
NON-TRADING RECEIPTS			
	Indemnity Payment		90,000.00
		0.00	90,000.00
NON-TRADING PAYMENTS			
	Bank Charges		(15.40)
	Appointee Disbursements - Postage	(909.09)	(10,000.00)
	Appointee Disbursements - External Printing	(1,251.14)	(13,762.50)
		(2,160.23)	(23,777.90)
	Net Non-Trading Receipts and Payments	(2,160.23)	66,222.10
	Net Receipts (Payments)	(2,160.23)	66,222.10

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").