

**Dixon Advisory & Superannuation Services Pty Ltd
(Administrators Appointed) (the Company or DASS)
ACN 103 071 665**

**Minutes of the Fifth Committee of Inspection Meeting
held on Thursday, 23 June 2022 at 4:00pm AEST
by Virtual Meeting Technology (the Meeting)**

Opening

Mr Stephen Longley introduced himself, Craig Crosbie and other PricewaterhouseCoopers (**PwC**) staff present before calling the Meeting to order at 4:05pm AEST.

Mr Longley acted as Chairperson of the Meeting in accordance with Section 75-50 of the Insolvency Practice Rules (Corporations) 2016 (**IPR**).

Members Present

The Chairperson confirmed the following Committee of Inspection (**COI**) members were in attendance:

- Ms Jan Smith
- Ms Jan Saddler
- Ms Cathy Monro
- Mr Peter Freund (joined at 5:16pm AEST, just prior to the Meeting's closure)

The Chairperson advised that a quorum was present, given committee members were in attendance via the Microsoft Teams video conference platform and, accordingly, the Meeting could proceed in accordance with IPR 80-5.

Minutes of Meetings

The Chairperson advised that minutes of the Meeting would be lodged with the Australian Securities and Investments Commission in accordance with IPR 75-145. The Chairperson noted that the Administrators reserve the right not to disclose in the minutes commercially sensitive information that may prejudice investigations and asset realisations.

Confidentiality

The Chairperson reminded members present that discussions in the Meeting were confidential and should not be disclosed to anyone other than COI members. Furthermore, the Chairperson confirmed that it was the Administrators' intention to retain legal privilege over all matters discussed during the Meeting.

Agenda

The Chairperson referred to the agenda outlined in the Notice of the Fifth Meeting of the Committee of Inspection dated 15 June 2022.

Creditor Portal Update

- The Chairperson introduced PwC staff Leah Campbell, Shwetha Chikkalingaiah and Sarah Gibson who were in attendance for the purpose of discussing potential methods for processing creditor claims in the administration.
- Ms Campbell discussed the key priorities for any creditor claims process, including:
 - contact details for each creditor must be current and accurate;
 - creditor loss calculation must be performed for each creditor (Ms Campbell noted that the loss methodology is still being considered by the Administrators); and
 - completion of a 'proof of debt' submission by each creditor, including a stringent verification process of the bank details for each creditor.
- Ms Campbell noted the DASS administration impacts approximately 6,000 creditors and, accordingly, a cost-efficient solution is needed to complete the priorities listed above. Ms Campbell provided three options, as follows:
 - a manual process during which PwC staff would process each creditor's claim and loss calculation separately. This would involve a large volume of paperwork.

- a hybrid process during which a third party is engaged to process each creditor's claim and loss calculation. However, third party service providers do not offer bespoke solutions that are suitable for the entire process. As a result, PwC staff would still need to undertake some manual processes.
 - an automatic / bespoke process, which uses an automation platform developed by PwC (known as 'Data Kit') which can be fully customised to meet the needs of the DASS administration.
- Ms Campbell used a PowerPoint presentation to outline the functionalities of Data Kit, including key benefits, and how the platform would function from a creditor's perspective.
- Ms Chikkalingaiah and Ms Gibson also presented a 'concept' version of the proposed Data Kit platform.
- Ms Chikkalingaiah noted that input from the COI and Administrators is required to fully develop the Data Kit for the DASS administration.
- Jan Smith asked whether guidance would be provided regarding the methodology to be used to calculate a creditor's loss.
- The Chairperson advised that a methodology for determining a creditor's loss calculation is subject to further investigations, and may need to be approved by the Court before it can be applied.
- Cathy Monro asked the likely time frame for creating the DASS Data Kit platform.
- Ms Chikkalingaiah advised she expected it would require 3 – 5 weeks to build, plus some additional testing time.
- Jan Saddler noted that in her experience, clients often sign up multiple times which causes duplication issues.
- Ms Chikkalingaiah replied that in the case of Data Kit, each user is invited to join the platform using an account that is created by the PwC team, thereby reducing the likelihood of duplication issues.
- The Chairperson also noted that most creditors will have client numbers which will also help limit multiple logins/claims.
- Ms Saddler asked the likely cost of creating a bespoke version of Data Kit for DASS.
- The Chairperson noted the following cost estimates:
 - \$200,000 to develop the Data Kit platform so that creditor information can be collated, calculations of individual losses can be shared with creditors, and creditors can then accept the calculations or provide further details of their losses; and
 - \$50,000 to enable Data Kit to automatically pay distributions to creditors via a file exchange with a bank.
- The Chairperson noted that any costs associated with responding to creditor queries (likely to be resourced through a call centre, which allows the administration to access cheaper hourly rates) would be in addition to the platform development costs listed above.
- The Chairperson advised that the Administrators were wanting feedback from the committee on their intention to develop the Data Kit platform, however, they were not asking for formal approval at this point in time.
- Ms Saddler replied that she was content with the cost estimates as they were in line with Court approved costs on class action matters.
- Jan Smith and Cathy Monro also confirmed their support for the Administrators to proceed with the Data Kit platform.

ASIC Meeting Update

- The Chairperson noted that since the last COI meeting, the Administrators had met with ASIC on 7 June 2022. A second meeting with ASIC was scheduled to be held on 21 June 2022, however this had now been postponed until 29 June 2022.
- *This section of the minutes has been redacted for legal and commercial-in-confidence reasons.*

Investigations update

- Mr Crosbie provided the Meeting with an update on investigations completed since the last COI update.

Administration
Financial Position

Any other business

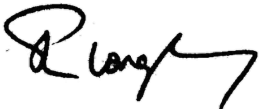
- *This section of the minutes has been redacted for legal and commercial-in-confidence reasons.*
- The Chairperson provided a high level overview of the administration's inflow and outflows, as at 6 June 2022.
- The Chairperson noted there is currently insufficient funds available to cover costs and fees incurred to date.
- The Chairperson asked committee members if there were any further questions.
- Ms Smith asked about the status of the Deed of Company Arrangement (DOCA).
- The Chairperson replied that limited progress had been made in respect of the DOCA since the previous COI meeting.
- Ms Saddler asked about the time frame for the administration, and whether the Administrators will be provided an extension to the convening period which is currently due to end on 17 August 2022.
- The Chairperson noted that due to the complexities of the administration and the potentially low financial outcome to creditors in liquidation, it is possible the Court will provide an extension to the convening period. This is currently being considered by the Administrators.
- Ms Monro asked whether there had been many enquiries from creditors.
- Nicholas Gohdes of PwC noted that there has been a substantial drop in the number of queries from creditors.

Closure:

The Chairperson thanked committee members for their attendance and declared the meeting closed at 5:18pm AEDT.

Signed as a correct record

DATED this 13^h day of July 2022



Stephen Longley
Chairperson