



11 April 2022

To the client as addressed

Dear Sir / Madam

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

Please take the time to **read this letter carefully**, as it contains important information.

We refer to our appointment as Administrators of DASS on 19 January 2022 and also to our letter to clients dated 25 February 2022 (copy enclosed), outlining the critical need for clients of DASS to take action to find a replacement service provider.

You are receiving this letter as our records indicate that you:

- have not yet nominated a replacement service provider or commenced the transition of your services away from DASS; or
- are currently in the process of transitioning your services away from DASS but have yet to complete the transition.

Suspension of Australian Financial Services Licence (AFSL)

On 8 April 2022 we received a 'Notice of Suspension of Australian Financial Services Licence' from the Australian Securities and Investments Commission (**ASIC**). The result of the Notice is that DASS's AFSL has been suspended until 8 April 2023, effective immediately.

In order to limit the impact of the suspension on DASS clients, ASIC has confirmed that the AFSL will continue in effect, while suspended, as though the suspension had not occurred **until 9 May 2022**, but only in relation to the provision of financial services to persons who were clients of DASS as at 8 April 2022.

Impact of suspension on clients

From 10 May 2022, DASS is required to cease operations and stop providing financial services to existing clients. For any clients who have failed to transition to a replacement service provider by this date, this will result in:

- an inability to buy or sell securities via your DASS Adviser;
- no further access to receive advice or financial services; and
- other potential complications regarding the operation and maintenance of your portfolio.

What is required of clients who have yet to nominate a replacement service provider?

We request that you contact your existing DASS Adviser immediately to commence the transition process to your nominated replacement service provider (or close your account, if that is your preference).

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



What is required of clients who are in the process of transitioning to a replacement service provider?

We request that you action the relevant transition documentation as soon as possible to effect the transition away from DASS to your nominated replacement service provider. Please refer to your existing DASS Adviser and / or your replacement service provider to discuss your options and what may be required from you, including if you are unsure what (if anything) further is required to complete your transition to your nominated replacement service provider.

Frequently Asked Questions

To assist you, please refer to the Frequently Asked Questions (**FAQs**) included within our letter dated 25 February 2022 (copy enclosed), specific to the transition process and our responses.

Should you have any queries regarding the transition process, please contact your existing DASS Adviser in the first instance. Further, if you have any queries regarding the administration of DASS, please contact us at au_dass_queries@pwc.com.

Yours sincerely

A handwritten signature in black ink, appearing to be 'HyL' or similar, written in a cursive style.

Stephen Longley and Craig Crosbie
Administrators

Enc

Date of appointment: 19 January 2022
Email: au_dass_queries@pwc.com



25 February 2022

To the client as addressed

Dear Sir/Madam

**Dixon Advisory and Superannuation Services Pty Ltd
(Administrators Appointed) (DASS)
ACN 103 071 665**

We refer to our appointment as Administrators of DASS on 19 January 2022.

The purpose of this letter is to explain to you why it is critical that you take action in arranging for a new service provider to replace the services currently provided to you by DASS.

Key points

There are several key points we would like to highlight regarding your existing service arrangement with DASS:

- the E&P Group have committed to provide operational support for DASS to continue operations until 30 June 2022;
- However, in order for DASS to continue its operations it has to retain its current Australian Financial Services License (AFSL);
- There is now uncertainty regarding how long the Australian Securities and Investments Commission (ASIC) will permit continuation of the provision of financial services under DASS' AFSL; and
- We are therefore requesting you provide instructions to your existing DASS Adviser in relation to your nominated replacement service provider, as soon as possible and by no later than **4 March 2022**.

Additional information

On or around 19 January 2022, you should have received communication (via email) from your existing DASS Adviser regarding the transition of the services you currently receive from DASS to a replacement service provider of your choice. If you have not received this communication, please contact your existing DASS Adviser as soon as possible.

Our records show you have not indicated your nominated replacement service provider or commenced the transition of your services away from DASS. This transition process may take weeks, but possibly months, to complete depending upon your individual circumstances. Tasks that may delay the process include, but are not limited to, the following:

- Third party account opening processes
- Anti-money laundering verification procedures
- Arranging for documents to be certified
- Transferring assets to different platforms
- Liquidation of investments that are not approved investments for the replacement service provider.

As communicated to creditors and clients at the first meeting of creditors held on 1 February 2022, in order to provide ongoing services to DASS' clients, the Administrators are currently relying on operational support from various entities in the E&P Financial Group (E&P Group), which has been committed until 30 June 2022.

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However, DASS' ability to continue to service its clients is also contingent upon the continuation of its AFSL. **There is no certainty around the timeframe for DASS' ongoing AFSL which could be suspended or terminated by ASIC at short notice.** A suspension or termination of the license would require DASS to immediately cease operations and stop providing financial services to clients.

While we are taking various steps to enable the orderly transition of DASS clients to a replacement provider, for the reasons set out above, there is uncertainty regarding DASS' ability to continue to provide financial services to you in the short to medium term. If you have not yet transferred to a replacement service provider when DASS ceases operations, it is possible that, depending on your individual circumstances, you will be left in a difficult situation. For example, this may result in an inability for you to buy or sell securities via your DASS Adviser, no further access to receive advice or financial services from DASS and other complications regarding the operation of your portfolio.

We request that you contact your existing DASS Adviser to commence the transition process to your nominated replacement service provider as soon as possible and by **no later than Friday 4 March 2022.**

Given the uncertainty regarding the ability of DASS to continue to provide services to you in the short to medium term, a priority of the Administrators is to support the transition of clients to their nominated replacement service provider as soon as possible.

To assist you, we have included below some Frequently Asked Questions (FAQs) we have received from various clients, specific to the transition process, and our responses.

FAQS – Transition process (as at 25 February 2022)

1. What are my options?

All clients are required to transition from DASS to another financial services provider of their choice, which may include Evans and Partners Pty Ltd (EAP) or a third party service provider.

In the event that you wish to transition to:

- EAP, you should contact your existing Adviser as a matter of urgency to commence the transition process; or
- A third party provider, you should urgently liaise with that provider seeking their assistance with regard to the transition process. Please also refer to the additional FAQs below if you are intending to wind up your self-managed superannuation fund (SMSF).

Please note that the Administrators are not party to the terms on which EAP (or any other nominated provider) may offer individual clients relating to the option to transfer services from DASS to them. It is important that individual clients form their own view on the adequacy and appropriateness of the services and terms being offered by EAP (or any other nominated provider), having regard to their own circumstances.

2. How long will the transition process take?

The timeframe for transitioning to a new service provider will depend upon a range of factors, including the type of service(s) you are currently receiving and the replacement service provider you have nominated:

- If you are moving your existing service(s) to EAP, in most instances the transfer can be completed within several days.
- If you are moving to a third-party provider, the time taken can vary significantly as there are numerous factors outside DASS' control, and may take weeks, or possibly months depending on your individual circumstances and requirements of the third-party provider. Relevant factors that will affect the time taken to transition include:
 - whether assets need to be transferred to a third-party broker and/or investment platform;
 - the time it takes for you to complete the account opening process with the third party; and
 - any other requirements the third party requires you to undertake / complete prior to transferring your service (such as disposing of any securities unable to be held on particular investment platforms).
- If you intend to wind up your SMSF, the time taken to transition to a new fund and wind up your SMSF will be contingent upon you being able to liquidate (and/or transfer out of your SMSF) any remaining assets. You should also consider any potential implications associated with winding up your SMSF (refer to FAQs below).

3. What is the process?

The process will vary depending on which provider you are transferring your service to.

If you are transferring your service to EAP, in most instances you will be able to transfer your service to EAP by instructing your Adviser to commence the transition, who can initiate sending you relevant paperwork to transition to EAP which can, in most cases, be completed electronically using DocuSign.

The process of transferring to a third-party provider will be dependent on which third party you transfer your service to and any specific requirements they may have, such as whether assets can be held directly by their clients or need to be held via a platform. You should contact your nominated third-party provider for specific details of the process required to establish a service arrangement with them.

4. When do I have to complete the transition by?

As outlined in this communication, there is genuine uncertainty around DASS' ability to continue to operate in the short to medium term. Accordingly, it is imperative that clients act promptly to avoid potentially being adversely affected as the transition process can take an extended time to complete (refer to FAQ – Question 2) depending on the nominated service provider.

5. Can you recommend alternate providers?

Please note that we will not be providing any recommended alternate providers at this stage. Should clients seek further information on providers in the market, we recommend that you contact the following professional bodies who may be of assistance:

- Association of Financial Advisors – www.afa.asn.au
- Financial Planning Association of Australia – fpa.com.au

6. Can I retain SMSF accounting and administration services as provided by E&P SMSF, even if I move my investment advice to a third party provider?

SMSF Accounting and Administration services are provided by E&P SMSF Services Pty Limited (E&P SMSF Services), another entity within the E&P Group. E&P SMSF Services is not in voluntary administration and services can continue uninterrupted if clients wish to transfer their financial services provider to a third-party.

Please contact your current SMSF Account Manager who will be able to provide further details regarding the continuation of your SMSF Accounting and Administration services by E&P SMSF Services.

7. I want to wind up my SMSF as part of my transition to a third party provider. Will this impact any claims I may have against DASS?

We are aware that some clients are considering altering, dissolving or deregistering their DASS client entity when transitioning to a new service provider. Some examples we understand clients are considering include dissolving their SMSF and moving to an industry or retail superannuation fund, or appointing a new trustee to manage their SMSF.

It is important that you consider whether altering, dissolving or deregistering your DASS client entity (including dissolving a SMSF) will affect any claim that you or your DASS client entity may have against DASS in the voluntary administration of DASS and any subsequent DOCA or liquidation, including nullifying that claim altogether. More generally, it is important that you consider whether altering your affairs may affect any claim that you or your DASS client entity has against DASS.

We are also aware that some clients are considering assigning their claims against DASS to a third party (for example, the new entity that will be the client of a new service provider). It is important that you consider whether your legal rights can be assigned and, if they are assigned, that this is done effectively.

If you are considering taking any steps, or have already taken steps, to (i) alter, dissolve or deregister your DASS client entity (including your SMSF); (ii) assign a claim to another entity; or (iii) otherwise take any action that may affect your ability to make a claim against DASS, it is important that you seek independent legal advice.

If you take any of the above steps without taking appropriate legal advice, you may compromise your ability to make a claim against DASS.

We cannot provide advice to DASS clients in relation to the above matters.

8. I want to wind up my SMSF, however I am concerned about my ability to liquidate certain underlying investments. Can you please give guidance?

Please contact your Adviser for information regarding any options that may be available to liquidate and/or transfer investments from your SMSF to enable you to wind up your SMSF.

9. What happens to the unutilised portion of my pre-paid fees?

Please be advised that the treatment of unutilised prepaid fees (relating to services provided by DASS) **will be impacted** by which party you transition your DASS services.

For clients who:

- elect to transition their DASS services to EAP, EAP has indicated that where you have pre-paid for your existing service, EAP will honour the balance of the service obligation owed to you by DASS;
- elect a replacement provider who is not EAP, depending on the client's contracted service package, you may have an unsecured creditor claim against DASS in the Administration for the balance of your unutilised pre-paid fees.

If you are also moving your SMSF Accounting and Administration service to a third-party provider, please contact your current Account Manager to discuss any refunds that may be applicable.

10. My ongoing fee arrangement is due for renewal soon. Will I still be invoiced and billed?

If your ongoing fee arrangement is due for renewal, whether you will be invoiced and billed in advance will depend on the status of your transition process (and where you are transitioning to). We encourage you to contact your Adviser for further details and provide instructions as to where you intend to transition your service arrangement as soon as possible.

11. Will EAP be able to provide the same services I have been receiving from DASS?

The Administrators are not party to the terms on which EAP may offer individual clients the option to transfer services from DASS to EAP. It is important that individual clients form their own view on the adequacy and appropriateness of the service and terms being offered by EAP, having regard to their own circumstances.

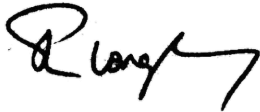
12. Will moving to EAP limit or compromise the claim I may have against DASS?

No. Moving to EAP or any other adviser will not limit or compromise any potential claim you may have against DASS.

We understand that one of the conditions of transfer to EAP may be for clients to provide an agreement not to pursue action against certain E&P Group entities in relation to advice and services provided by DASS. We are unable to provide you with advice regarding the EAP client agreements and recommend you obtain your own advice in this regard.

Should you have any further queries regarding the client transition process, please contact your adviser in the first instance. If you have any queries regarding the voluntary administration process, please email the administrators at the address below.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S Longley', with a stylized flourish at the end.

Stephen Longley and Craig Crosbie
Administrators

Date of appointment:	19 January 2022
Email:	au_dass_queries@pwc.com