

Dixon Advisory & Superannuation Services Pty Ltd
(Subject to Deed of Company Arrangement) (the Company or DASS)
ACN 103 071 665

Minutes of the Second Committee of Inspection Meeting
held on Monday, 1 May 2023 at 4:00pm AEST
by Virtual Meeting Technology (the Meeting)

Opening

Ms Rebecca Gill introduced herself and other PricewaterhouseCoopers staff present before calling the Meeting to order at 4:03pm AEST.

Ms Gill 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 that Committee of Inspection (**COI**) members were in attendance via the Microsoft Teams video conference platform. As a quorum was present, the Meeting could proceed in accordance with IPR 80-5.

The following COI Members were in attendance at the Meeting:

- Ms Jan Smith
- Ms Cathy Monro
- Ms Kate Gorham
- Mr Peter Freund

The Chairperson advised that Ms Vicky Antzoulatos was an apology for the Meeting.

Minutes of Meetings

The Chairperson advised that minutes of the Meeting would be lodged with the Australian Securities and Investments Commission (**ASIC**) in accordance with IPR 75-145. The Chairperson noted that the Deed Administrators reserve the right not to disclose in the minutes commercially sensitive information that may prejudice ongoing matters.

Time and Place of Meeting Convenient

The Chairperson declared that the time and place for holding the meeting was convenient in accordance with IPR 75-30.

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 Deed 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 First Meeting of the Committee of Inspection dated 26 April 2023.

Tabling of documents

The following documents were tabled:

- Notice of Meeting dated 26 April 2023.

The Chairperson confirmed a copy of the Notice of Meeting had been provided to the COI members on 26 April 2023.

Key next steps for the administration

- The Chairperson noted the purpose of the meeting was to provide an update on the progress of the workstreams outlined at the last COI meeting, and also run through some proposed changes to the Creditor Portal. The Chairperson provided the following update:
- Application to the Federal Court of Australia (**Court**) to seek directions on applying the quantification of loss methodology:
 - The Chairperson advised that the report prepared by Mr Campbell Jaski (the **Loss Quantification Methodology Report**) is in the final stages of being updated by Mr Jaski and

his team to incorporate further details on the data utilised to quantify the loss calculation, including feedback from the COI and further enquiries with E&P. The updated report is expected to be completed by the end of this week.

- *This section of the minutes has been redacted for legal and commercial-in-confidence reasons.*
- The Deed Administrators have also prepared a memorandum of information to assist with the drafting of the application to the Court. This covers numerous other ad hoc matters, such as use of the Creditor Portal as part of the formal Proof of Debt (**POD**) process, and parameters around materiality thresholds.
- This information is being shared with Clayton Utz in the coming fortnight and will be used to commence the drafting of the court application / affidavit. This will be subject to Counsel input and may take several weeks to finalise.
- The Deed Administrators are still aiming to have the affidavit ready to submit by 30 June 2023, but this will be driven by Counsel feedback.
- Ms Monro asked what the expected timeframe for completion of the application to the Court and receipt of directions would be, noting that service agreements for SMSFs typically end at 30 June 2023 and impacted creditors would need to agree to another 12 month service agreement by that date.
- The Chairperson advised the presiding Judge will determine how much time is needed to review the application and issue the directions. The Chairperson noted that the timeliness of the directions will be communicated to the Court during the submission of the application.
- *This section of the minutes has been redacted for legal and commercial-in-confidence reasons.*
- Ms Smith asked if there were any themes of the feedback provided by the COI regarding the loss calculation.
- The Chairperson advised that the following key themes were identified in the feedback provided:
 - Transaction data for clients who left DASS prior to the appointment of the former Administrators is not available after the respective exit date. The proposed Creditor Portal updates include features which will assist impacted creditors by providing an opportunity to review and submit alternative data.
 - Dividends received under a US Masters Residential Property Fund (**URF**) dividend reinvestment plan (**DRP**) have been recorded as both a cash dividend and capital invested in DASS' records. The Deed Administrators are investigating how the cash dividend component of this data can be extracted from the data.
 - Immaterial discrepancies in the value of transactions exist between DASS' records and client records due to rounding and brokerage assumptions. The Deed Administrators are proposing to seek directions from the Court on the application of a materiality threshold when adjudicating creditor claims, such that immaterial discrepancies do not result in an uncommercial use of time reviewing PODs.
- *This section of the minutes has been redacted for legal and commercial-in-confidence reasons.*
- The Chairperson advised that the Compensation Scheme of Last Resort (**CSLR**) was read in the House of Representatives for the second time on 21 March 2023. The Chairperson noted that the conclusion of this reading indicated that the CSLR is intended to be operational from December 2023. The Deed Administrators will continue to monitor for any further updates on the implementation of the CSLR and provide the COI with updates when they become available.
- The Chairperson noted that the Administrators had reviewed feedback from creditors in relation to the Creditor Portal and identified potential updates for consideration. This will now be the focus of the Meeting.

Creditor Portal updates

- The Chairperson introduced PwC staff Ms Leah Campbell and Ms Mayra Rabines Lara who were in attendance for the purpose of discussing potential updates to be made to the Creditor Portal.
- Ms Campbell referred to a PowerPoint presentation to outline the proposed updates to the Creditor Portal.
- Ms Campbell discussed key themes identified in the feedback provided by creditors, including:
 - Preparation of a Creditor Portal tutorial.
 - Complexity of terminology included on the Creditor Portal.
 - Confirmation of Proof of Debt lodgement.
 - Visibility of creditor information required.
 - Ability to contact the Deed Administrators directly via the Creditor Portal.
- Ms Campbell and Ms Rabines Lara advised that the following list of proposed improvements and suggested new features to the Creditor Portal have been prepared in response to the feedback and to facilitate the distribution:
 - Creditor data submission progress tracker to show status of all actions required from creditors.
 - Communication log containing all email, messages and extra information requests.
 - Extra support features including a FAQ page, video tutorial and online messaging module for creditors to contact the Deed Administrators.
 - New loss calculation review and approval process.
- Ms Campbell asked the COI if there were any queries or comments in relation to the proposed Creditor Portal updates.
- The COI had a general discussion regarding the proposed Creditor Portal updates.
- Ms Smith noted that it was clear the Deed Administrators had listened to feedback provided by creditors.
- *This section of the minutes has been redacted for legal and commercial-in-confidence reasons.*
- Ms Smith asked whether the creditors would need to wait for the Deed Administrators to adjudicate all claims before the distribution can be made.
- The Chairperson advised that this was correct and reiterated that obtaining directions from the Court on the application of the loss calculation and materiality would streamline the claim adjudication process.
- The Chairperson advised that the COI members will have the opportunity to test the updated Creditor Portal before it is shared with creditors. Furthermore, the time and cost estimates for the proposed Creditor Portal updates would be issued next week.

Any other business

- The Chairperson went on to ask the COI if there was anything further they would like to discuss.

Closure:

The Chairperson thanked the committee members for their attendance and declared the meeting closed at 5:13pm AEST.

Signed as a correct record

DATED this 15th day of May 2023

A handwritten signature in black ink, appearing to read 'R Gill', written in a cursive style.

Rebecca Gill
Chairperson

Meeting Attendance Register - Committee of Inspection

Dixon Advisory & Superannuation Services Pty Ltd (Subject to Deed of Company Arrangement)

Committee of Inspection Meeting held by Virtual Meeting Technology at 4:00pm AEST on 1st May 2023

Chairperson: Stephen Longley

Committee of Inspection Member	Related Party?	Name of Proxy or Attorney	Type of Proxy (General / Specific)	Signature of Person Attending
Jan Smith	No	N/A	N/A	Attended via virtual meeting technology
Kathryn Gorham	No	N/A	N/A	Attended via virtual meeting technology
Peter Freund	No	N/A	N/A	Attended via virtual meeting technology
Cathy Monro	No	N/A	N/A	Attended via virtual meeting technology