

First Report to Creditors

Under Section 436E of the Corporations Act 2001

Union Standard International Group Pty Ltd

(Administrators Appointed)

ACN 117 658 349
ABN 79 117 658 3149
(the "Company")

10 July 2020

Peter Krejci and Andrew Cummins
Joint & Several Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
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TABLE OF CONTENTS

1	Executive Summary	3
2	Effect of Administration on Creditors	4
3	Declaration of Independence, Relevant Relationships & Indemnities.....	6
4	Likely Return to Creditors	6
5	Explanation of the Administration process.....	7
6	Meeting.....	8
7	Remuneration.....	9
8	Creditors’ Rights	10
9	Further Information	10

Annexures	
1	Notice of Meeting of Creditors
2	Formal Proof of Debt Form with Request to Receive Electronic Communications
3	Appointment of Proxy Form
4	Authorised Signatories
5	Declaration of Independence, Relevant Relationships and Indemnities
6	Initial Remuneration Notice
7	Remuneration Approval Report
8	ARITA Information Sheet: Creditor Rights in Voluntary Administrations
9	Insolvency Information Sheet

1 EXECUTIVE SUMMARY

On 8 July 2020, we, Peter Krejci and Andrew Cummins of BRI Ferrier (NSW) Pty Ltd, Level 30, Australia Square, 264 George Street, Sydney NSW 2000, were appointed Administrators of Union Standard International Group Pty Ltd (“the Company”) pursuant to Section 436A of the Corporations Act 2001 (“the Act”).

This Report and the accompanying Notice of Appointment and First Meeting of Creditors advises of our appointment and explains the first stages of the Voluntary Administration.

The First Meeting of the Creditors of the Company will be held at 2:00PM AEST on Monday, 20 July 2020 via video conference only. The notice is attached as **Annexure “1”**. **Due to COVID-19 restrictions and in line with current government policy regarding social gatherings, there will be no physical location for this meeting. Creditors wishing to attend will be required to register for the meeting via the hyperlink in the attached meeting notice.** Details to access the virtual meeting will then be provided to those who have substantiated their claim by providing a completed Proof of Debt Form (**Annexure “2”**).

The Company holds an Australian Financial Services Licence (“AFSL”) and operates as a financial services business, dealing with derivatives and foreign exchange contracts, making markets and providing general financial product advice for same. The Company provides margin trading services for foreign currency pairs or instruments (such as gold, silver or an index) via an online platform, employing approximately sixteen (16) staff in office premises in Sydney and Brisbane.

In July 2019, the Australian Securities and Investments Commission (“ASIC”) commenced an investigation into the conduct of the Company and other parties, namely two (2) of the Company’s Corporate Authorised Representatives and key individuals. The focus of ASIC’s investigation appears to have largely related to consumer protection in respect of the provision of personal advice to customers, unconscionable conduct, false or misleading representations, misleading or deceptive conduct, systematic dishonest and unfair conduct, and failure to ensure financial services were provided efficiently, honestly and fairly. In December 2019, ASIC commenced proceedings in the Federal Court of Australia to apply for orders pursuant to Section 1323 of the Act, prohibiting the transfer of Company assets in order to protect customers, whilst their investigations were continuing.

We understand that whilst ASIC has yet to form a concluded view from their investigations, the negative publicity from these proceedings had a significant impact on the Company’s business. There have also been protracted disputes within management regarding the operational aspects of the Company and access to the financial information relating to client positions. Furthermore, the Directors have expressed concerns regarding significant assets held with offshore “money processors” which brought solvency into doubt. Accordingly, the Directors, Mr John Carlton Martin, Mr Darren Anthony Burns and Mr Soe Hein Minn appointed us as Administrators on 8 July 2020.

Upon our appointment, we commenced an assessment of the Company’s financial and trading position and sought support from the shareholder by way of an indemnity. Negotiations have ensued but has yet to be formalised. We have also had discussions with ASIC regarding the Company’s AFSL and we are advised that ASIC have not taken any action to restrict the Company’s AFSL. In this regard, we have taken control of the business and are continuing to trade on a limited basis, where the online trading platform has been restricted, no new deposits or new positions taken, and clients can only close, allowing

crystallisation of their position. The reporting provided to us shows that there are sufficient funds held to satisfy the client equity positions, however the figures need verification. In dealing with the clients' position, which we anticipate will be closed over time, it is possible there may be adverse market movements which may be unfunded. In this regard, we made an urgent application to the Federal Court of Australia seeking relief from personal liability of the Administrators in respect of clients "closing out" contracts. These orders were granted by Justice Jagot today, 10 July 2020.

We have also received several unsolicited expressions of interest in the assets of the Company and the underlying business structure with an AFSL, which we intend to explore for the benefit of creditors. A sale process will be explored shortly.

In respect of the Company's financial position, we have secured the assets located in Australia (primarily cash and cash equivalents), which includes designated client accounts. However, there are substantial assets held overseas with "money processors", and we are working to secure same.

The Company's known liabilities are largely represented by client "open positions", a significant loan owed to the shareholder and employee entitlements. Further, we are aware that there are numerous former customer complaints which could result in significant creditor claims, but have yet to be quantified.

In the forthcoming weeks, we will be continuing our investigation into the affairs of the Company, reviewing the options available to the Company and its creditors, including any potential proposals for a Deed of Company Arrangement ("DOCA"). In this regard, we have had initial discussions with the shareholder regarding a DOCA, or a form of restructure which could see the Company returned to solvency.

In regards to the First Meeting of Creditors, all creditors are invited to attend the meeting, at which we will report further on both the progress of the Administration and on the future of the Company. If you are unable to attend, you may appoint someone else to represent you, including the Chairperson or another creditor, to act as your proxy for the meeting. Please ensure that your Proof of Debt (the document evidencing your claim) and your completed Proxy Form are provided by 4.00PM AEST one business day prior to the meeting should you wish to participate.

The Formal Proof of Debt form and Appointment of Proxy form are attached to this Report as **Annexures "2" and "3"** respectively. If you have any questions regarding the meeting, please contact our office on usg@brifnsw.com.au.

2 EFFECT OF ADMINISTRATION ON CREDITORS

2.1 CLIENTS

All trading has been suspended and the online trading platform has been restricted from our appointment, such that there are:

- No new deposits;
- No new positions taken; and

- ▲ Clients can only close positions, crystallising their positions but no withdrawals at this stage.

We intend to allow clients to close out the open contracts over a specified timeframe and are seeking legal advice in respect of same. That course of action is to be financially supported by an indemnity from the shareholder to mitigate adverse market movements.

We note that the platform is controlled in Taiwan by parties we understand to be associated with the shareholder and we are endeavouring to work with these parties. However, as we are not in control, we have encountered difficulties to date, which we hope to resolve quickly.

2.2 TRADE SUPPLIERS

We are continuing to trade the business of the Company on a limited basis and it is our intention to continue to do so for the duration of the Administration.

All claims against the Company in respect of goods and/or services provided to the Company prior to our appointment are effectively frozen as at the date of our appointment.

We will not accept any responsibility or liability in respect of any goods or services provided after the date of our appointment unless express written authorisation for those goods or services have been provided. Please refer to **Annexure "4"** for a list of the specimen authorised signatories. Please contact our office on usg@brifnsw.com.au for instructions regarding continued supply of services.

2.3 EMPLOYEES

Employment for all staff will continue in the ordinary course during the Voluntary Administration, unless otherwise advised.

Employee entitlements that accrued prior to our appointment are effectively frozen. Employees of the Company have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave and long service leave.

2.4 LANDLORD

Whilst the Company is in Voluntary Administration, a moratorium is imposed on all debts outstanding as at the date of our appointment. This extends to amounts outstanding to landlords of any premises leased by the Company.

Pursuant to Section 443B of the Act, the Administrators are not liable for rental or lease payments on goods or property for the first five (5) business days of the administration. We understand that the Landlord is a related party and the rent obligations of the Company have historically been set-off against loans owed by the related party to the Company for trading expenses.

2.5 SECURED CREDITORS AND SECURITY INTERESTS

A search of the Personal Property Securities Register ("PPSR") for the Company as at the date of this Report indicates there is one (1) registered security interest at the date of our appointment. Correspondence has been issued to this party inviting them to prove their claim.

Pursuant to Section 443B of the Act, the Administrators are not liable for rental or lease payments on goods or property for the first five (5) business days of the administration. We ask all lessors and hirers to contact our office on usg@brifnsw.com.au to discuss the effect of our appointment further.

2.6 LEGAL ACTIONS AGAINST THE COMPANY

Pursuant to s440D of the Act, upon our appointment all proceedings are automatically stayed. Creditors cannot commence or continue proceedings against the Company without our written consent or without leave of the Court.

As mentioned above, the Company is involved in legal proceedings with ASIC which are currently on foot. We have been in discussions with ASIC and are awaiting their position as to whether they intend to seek leave of the Court to continue the proceedings against the Company.

We were also recently made aware of proceedings commenced against the Company in the Supreme Court of NSW by a former employee, in respect of unpaid commissions and breach of contract. It is unclear what may occur with these proceedings as yet.

3 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS & INDEMNITIES

Attached as **Annexure "5"** is a copy of the Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") made pursuant to section 436DA of the Act.

Until the recent approach by the Company's Directors and advisers and our subsequent appointment as Joint and Several Administrators, neither of us, nor any of our fellow Principals, have had any dealings with the Company, its Directors and/or senior management, either socially or professionally, apart from those disclosed in the DIRRI.

We have undertaken a proper assessment as to the risks to our independence prior to accepting this appointment.

As mentioned, we have sought financial support from the shareholder by way of an indemnity, which has yet to be formalised and no funds have been received from the shareholder. Should funding be forthcoming, we will update our DIRRI in due course.

4 LIKELY RETURN TO CREDITORS

We have limited information to date, however our preliminary enquiries indicate that there will be a return to creditors, however it is too early to determine the rate. There may be sufficient assets to discharge all creditor claims in full, subject to how these assets are recovered and the quantum of the contingent creditor claims.

Again, there appears to be sufficient funds held to satisfy the client positions, subject to market movements.

We have not received any DOCA proposals to date, and therefore cannot comment on how that may affect any returns. Further enquiries will be made into the estimated return to creditors and will be reported to creditors in subsequent reports.

5 EXPLANATION OF THE ADMINISTRATION PROCESS

Generally, two Meetings of Creditors are held during a Voluntary Administration. The purposes of the meetings are as follows.

5.1 FIRST MEETINGS OF CREDITORS

This meeting will determine:

- whether to appoint committees of inspection; and
- if so, who are to be the committees' members.

At this meetings creditors may also, by resolution:

- remove the Joint and Several Administrators from office; and
- appoint someone else as Administrator(s) of the Company.

The First Meeting is required to be held within eight (8) business days after appointment. It is not possible to provide creditors with a detailed analysis of the Company's affairs within this time.

5.2 SECOND REPORT TO CREDITORS

Following a preliminary investigation into the Company's affairs, we will convene the Second Meeting of Creditors, known as the "decision meeting". When giving Notice of that meeting, we will also send you a Second Report to Creditors under section 75-225 of the *Insolvency Practice Rules (Corporations)*. The Notice and Report will be sent at least five (5) business days before the Second Meetings of Creditors.

Normally that Report covers such issues as:

- Assessment of the Company's financial position and the estimated value of asset realisations;
- Comparison of realisations under any DOCA (if proposed) as against Liquidation;
- Review of the conduct of the Company's business including consideration of antecedent/voidable transactions which may be able to be overturned should a Liquidator be appointed; and
- Consideration of insolvent trading by the officer of the Company and other recoveries potentially available to a Liquidator.

In the Report, we are further required to recommend whether it is in the creditors' interests that:

- An arrangement be entered into between Creditors and the Company (in the form of a DOCA); or
- The Administrations should end; or

- The Company should be wound up (placed in Liquidation).

Should any creditor or interested party wish to submit a proposal for a DOCA, please contact us at usg@brifnsw.com.au immediately.

6 MEETING

6.1 FIRST MEETING OF CREDITORS

We have convened the First Meeting of Creditors under section 436E as follows.

Location: Virtually only, no physical location due to COVID-19

Date: Monday, 20 July 2020

Time: 2:00 PM AEST

The purpose of this meeting is to:

- consider the appointment of a Committee of Inspection;
- consider removal of the Administrators from office and appointment of someone else as administrator(s) of the Company;
- consider and if thought fit, approve the remuneration of the Administrators; and
- consider and if thought fit, approve the internal disbursements of the Administrators.

A Notice of Meeting is enclosed as **Annexure "1"**.

6.2 PARTICIPATION IN THE MEETING

To participate as a creditor, you should:

- Provide a Proof of Debt detailing your claim to be a creditor if you have not already done so. A Form 535 Formal Proof of Debt is enclosed. When returning the Proof of Debt, please enclose documentation supporting your claim.
- Please provide a Proxy or Power of Attorney if you are a company, or are a natural person who is unable to attend the meeting in person. Proxy forms are also enclosed. The documentation appointing the Power of Attorney must be provided to the Joint and Several Administrators' office prior to the meeting.
- You should send your Proof and Proxy to our office at usg@brifnsw.com.au by no later than 4on Friday, 17 July 2020.
- If you are owed a debt by the Company in your capacity as a natural person and wish to attend the meeting, you are welcome to attend without the need for a proxy form, but a completed Proof of Debt is still required.
- Please see the Notice of Meeting for requirements if you wish to participate in the meeting.

6.3 COMMITTEE OF INSPECTION

The functions of a Committee of Inspection (“the Committee”) as set out in section 80–35 of the Insolvency Practice Schedule (Corporations) (“IPS”) are to:

- advise and assist the Administrators;
- give directions to the Administrators;
- monitor the conduct of the administration;
- carry out such other functions as conferred on the Committee by the Act; and
- do anything incidental or conclusive to the performance of any of the above functions.

Please note, the Administrators must have regard to any directions given by the Committee but are not required to comply with such directions.

Only creditors and their representatives are able to be members of the Committee. Please also note that a creditor or group of creditors representing at least 10% in value of creditors claims may appoint a person as a member of the Committee as may the Commonwealth if a claim for financial assistance is made or likely to be made against the Fair Entitlements Guarantee scheme.

In addition, an employee or group of employees representing at least 50% in value of employees’ entitlements may appoint a member of the Committee to represent employees.

If a Committee is appointed at the forthcoming meeting, further information will be provided to the members of the Committee shortly thereafter.

Please note, as set out in Clause 80-55 of the IPS, a member of the Committee of Inspection must not directly or indirectly derive any profit or advantage from the external administration of the Company unless the creditors resolve otherwise or the Court gives leave. This includes selling to, or purchasing from, the Company during the Voluntary Administration.

7 REMUNERATION

7.1 INITIAL REMUNERATION NOTICE

Please find attached as **Annexure “6”** an Initial Remuneration Notice setting out the methods of calculation of remuneration available to an Insolvency Practitioner, together with the advice as to the method chosen.

This document also includes details of our firm’s hourly rates, together with any amendments to that expected remuneration and the reasons for the amendment and also includes a summary of the method for charging of disbursements.

7.2 REMUNERATION APPROVAL REPORT

In compliance with the Australian Restructuring, Insolvency and Turnaround Association’s (“ARITA”) Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report as **Annexure “7”** which

details the major tasks that have been and will be conducted in this administration. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Report.

To date, our remuneration has been calculated on this “Time-Cost” basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors’ information, ASIC information sheets that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- <https://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>
- <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheet>

8 CREDITORS’ RIGHTS

Pursuant to Clauses 70-40, 70-45, 75-15, 85-5, 90-24 and 90-35 of the IPS and Rule 70-30 of the Insolvency Practice Rules (Corporations) 2016 (“the Rules”), we are required to give certain information to creditors as to their rights in the administration.

Accordingly, we attach as **Annexure “8”** an Information Sheet on Creditors’ Rights in a Voluntary Administration as published by ARITA for creditors’ information.

Within one month of the end of the administration, we must lodge an End of Administration Return in the prescribed form. Should any creditor wish to receive notice of the lodgement of this return, please advise our office of your requirements in writing.

9 FURTHER INFORMATION

We enclose an information sheet entitled “Insolvency information for directors, employees, creditors and shareholders”. This publication provides details to access further information to assist creditors in circumstances where a company has been placed into voluntary administration. We specifically refer creditors to the Information Sheet 74 “Voluntary Administration: A Guide for Creditors” and Information Sheet 75 “Voluntary Administration: A Guide for Employees” which are available on the ASIC website at www.asic.gov.au.

Please note that we are not required to publish notices in the print media. ASIC maintains an online notices page for external administrators to publish notices in respect of the company. Creditors are encouraged to visit <http://insolvency-notices.asic.gov.au> throughout the administration to view any notices which may be published by the Administrator in respect of the company. These notices include:

- notices of winding up applications
- notices relating to appointments

- ▶ notices of meetings of creditors
- ▶ notices of intention to disclaim property
- ▶ notices calling for proofs of debt and intention to declare dividends

We enclose as **Annexure "9"** a summary of Insolvency information sheets available on the ASIC website.

If you would prefer to receive communications (including any Notice of Meeting) from us by email or by facsimile, please complete the details on the POD form "Request to Receive Electronic Communications" attached as **Annexure "2"**.

Should you have any further queries in this matter, please contact our office on usg@brifnsw.com.au.

Yours faithfully

UNION STANDARD INTERNATIONAL GROUP LTD (ADMINISTRATORS APPOINTED)



Peter Krejci

Joint and Several Administrator

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**Union Standard International
Group Pty Ltd
(Administrators Appointed)**

ACN 117 658 349

**Annexure "1"
Notice of Meeting of Creditors**

CORPORATIONS ACT 2001
Section 436E

Section 436E
Insolvency Practice Rules (Corporations)
75-10, 75-15, 75-20, 75-35

NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION

UNION STANDARD INTERNATIONAL GROUP PTY LTD (ADMINISTRATORS APPOINTED)
ACN 117 658 349 ("THE COMPANY")

On 8 July 2020, the Company under section 436A appointed Peter Krejci and Andrew Cummins of BRI Ferrier, Level 30, Australia Square, 264 George Street, Sydney NSW 2000 as the Joint and Several Voluntary Administrators of the Company.

Notice is now given that a meeting of the creditors of the Company will be held on Monday, 20 July 2020 at 2.00PM AEST. Due to COVID-19 and the resulting Government policy on the restriction of social gatherings, this meeting will be held virtually. There will be no physical location for the meeting. Creditors are requested to register to attend via the following link:

<https://zoom.us/meeting/register/tJUoc-uvrTouE9dEx-H4hZqLWowWgbkL8aZB>

1. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of inspection; and
 - b. if so, who are to be the committee's members.

2. At the meeting, creditors may also, by resolution:
 - a. remove the Administrators from office;
 - b. appoint someone else as administrator(s) of the Company;
 - c. to consider and if thought fit approve the remuneration of the Administrators; and
 - d. to consider and if thought fit approve the internal disbursements of the Administrators.

Notes:

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

A special proxy can be lodged showing approval or rejection of each resolution. Proxy forms must be given to the Administrators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Special Instructions for Meeting

Attendees are required to register to attend the meeting at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties.

Creditors attending the meeting are requested to join the virtual meeting from 1.30PM AEST to ensure that their paperwork is in order to be admitted to the virtual meeting room and to ensure a prompt start to the meeting.

Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will also be required to complete the above registration process.

DATED this 10th day of July 2020.



PETER KREJCI
JOINT AND SEVERAL ADMINISTRATOR

BRI FERRIER (NSW) PTY LTD
Level 30
Australia Square
264 George Street
Sydney NSW 2000

Telephone: 02 8263 2300

***Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or

- (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;
unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force



**Union Standard International
Group Pty Ltd
(Administrators Appointed)**

ACN 117 658 349

**Annexure "2"
Formal Proof of Debt with Request to
Receive Electronic Communications**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of Union Standard International Group Pty Ltd (Administrators Appointed) ACN 117 658 349

1. This is to state that the company was, on 8 July 2020 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$.....dollars and.....cents.

Particulars of the debt are (please attach documents to support your claim e.g. purchase orders, invoices, interest schedules):

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$ (Incl. GST)	Remarks ⁽⁴⁾ include details of voucher substantiating payment

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

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 following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

- I am **not** a related creditor of the Company ⁽⁵⁾
- I am a related creditor of the Company ⁽⁵⁾
relationship: _____

3A.^{(6)*} 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, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

<input type="checkbox"/>	<p>I authorise the External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) on behalf of the Company and his or her employees and agents to send and give electronic notification of documents in accordance with Section 600G of the Corporations Act 2001 to the following email address:</p> <p>Contact Name: _____</p> <p>Email Address: _____</p>
--------------------------	--

DATED this.....day of.....20...

NAME IN BLOCK LETTERS

Occupation.....

Address.....

Signature of Signatory

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:		ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) 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.
- (3) 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".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**Union Standard International
Group Pty Ltd
(Administrators Appointed)**

ACN 117 658 349

**Annexure "3"
Proxy Form**

APPOINTMENT OF PROXY
 CREDITORS MEETING

UNION STANDARD INTERNATIONAL GROUP PTY LTD
 (ADMINISTRATORS APPOINTED)
 ACN 117 658 349 ("THE COMPANY")

*I/*We <i>(If a firm, strike out "I" and set out the full name of the firm.)</i>	
Of <i>(insert address of creditor)</i>	
being a creditor of the Company, appoint: <i>(Insert the name, address and description of the person appointed)</i>	
or in his or her absence <i>(Insert the name, address and description of the person appointed)</i>	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Monday, 20 July 2020 at 2.00PM AEST, or at any adjournment of that meeting.	

Proxy Type: General Special

Please mark boxes with an "X"	For	Against	Abstain
Resolution: <i>"That the remuneration of the Administrators, their partners and staff for the period 8 July 2020 to 12 August 2020, be calculated on a time basis in accordance with the rates of charge annexed to the Administrators' First Report to Creditors dated 10 July 2020, and approved to an interim cap of \$400,000.00 (plus GST), and that the Administrators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution: <i>"That the Administrators be allowed internal disbursements for the period 8 July 2020 to 12 August 2020 at the rates of charge in the Administrators' Remuneration Approval Report dated 10 July 2020, up to an amount of \$4,000.00 (plus GST) and that the Administrators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2020.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:



**Union Standard International
Group Pty Ltd
(Administrators Appointed)**


ACN 117 658 349

**Annexure "4"
Authorised Signatories**

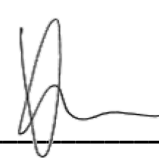
**UNION STANDARD INTERNATIONAL GROUP PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 117 658 349**

**AUTHORISED SIGNATURES
SPECIMEN SIGNATURES**

NAME: ANDREW CUMMINS

SIGNATURE:  _____

NAME: KATHERINE LA

SIGNATURE:  _____

NAME: PETER KREJCI

SIGNATURE:  _____

NAME: JOHN KEENAN

SIGNATURE:  _____



**Union Standard International
Group Pty Ltd
(Administrators Appointed)**

ACN 117 658 349

**Annexure "5"
Declaration of Independence,
Relevant Relationships and
Indemnities**

Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”)

Union Standard International Group Pty Ltd

(Administrators Appointed)

ACN 117 658 349

(“the Company”)

10 July 2020

Peter Krejci and Andrew Cummins
Joint and Several Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: usg@brifnsw.com.au
Website: www.briferrier.com.au



This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including:
 - i the circumstances of the appointment;
 - ii any relationships with the Insolvent and others within the previous 24 months;
 - iii any prior professional services for the Insolvent within the previous 24 months;
 - iv. any other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our principals, BRI Ferrier (NSW) Pty Ltd and the other members of the BRI Ferrier network across Australia.

A. INDEPENDENCE

We, Peter Krejci and Andrew Cummins, of BRI Ferrier (NSW) Pty Ltd, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Voluntary Administrators of Union Standard International Group Pty Ltd (Administrators Appointed) (“the Company/USG”) in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

I. CIRCUMSTANCES OF APPOINTMENT

This appointment was referred to us by Mr Andrew Jeffers from Shuriken Consulting, the Company’s external accountants. Shuriken Consulting is an accounting firm who we have dealt with from time to time.

Our firm has been referred other matters from Shuriken Consulting, however these matters were referred to us on an irregular basis. Further, we have not received or paid any benefit to Shuriken Consulting with respect to these referrals. Therefore, we are of the view that the referral source will not give rise to a conflict of interest.

Detailed below is a summary of the communication leading to this appointment:

- ▶ On 29 June 2020, Mr Krejci received a telephone call from Mr Andrew Jeffers of Shuriken Consulting regarding his client USG. Mr Jeffers provided some background information on the Company’s affairs referring to ASIC proceedings and the directors concerns around USG’s

solvency. In this telephone conversation, Mr Krejci explained the various options available to the Company and the nature and consequences of an insolvency appointment. Mr Jeffers referred Mr Krejci to the various judgments handed down by the Court in respect of the ASIC proceedings to obtain further background information on the Company.

- On 30 June 2020, Mr Krejci sent Mr Jeffers an email with commentary questioning the Company's Net Tangible Asset position and suggesting that the appointment of a Voluntary Administrator could be warranted if the Company was insolvent or about to become insolvent.
- On Thursday 2 July 2020, Mr Krejci received a phone call from Mr Andrew Jeffers asking him to meet with the director Mr John Martin and CEO Mr Shay Zakhaim on Friday 3 July 2020.
- On Friday 3 July 2020, Mr Krejci met with Mr Andrew Jeffers, Mr John Martin and Mr Zakhaim the purpose of this meeting was to:
 - Physically meet with Mr John Martin and confirm his identity;
 - Obtain sufficient information about the financial position of the Company and to advise the Company, its officers and its advisors on the Company's solvency; and
 - Discuss the potential appointment of an Administrator.
- On Monday 6 July 2020, Mr Krejci received a phone call from Mr Jeffers requesting a further meeting with Mr John Martin and Mr Zakhaim. On the same day, Mr Krejci met with Mr Jeffers, Mr Martin and Mr Zakhaim to discuss the appointment of a Voluntary Administrator and the process generally. I advised Mr Martin that I was prepared to Consent to Act as Administrator.
- On Tuesday, 7 July 2020, Mr Krejci received a phone call from Mr Jeffers requesting that he participate in a teleconference with Mr John Martin, Mr Darren Burns, Mr Zakhaim and the representatives of the Taiwanese shareholders. Mr Krejci participated in the teleconference with the these parties at 12pm that day. Included in this teleconference was Ms Joyce Shen (Company operations manager and translator) and Ms Queena as representative of the Company's shareholders. The purpose of the teleconference was to discuss the appointment of a Voluntary Administrator to the Company and the practicalities of such an appointment for the Company's business.
- On Tuesday, 7 July 2020, Mr Krejci received a phone call from Mr Jeffers requesting that he forward appointment documents for the appointment of a Voluntary Administrator to Mr John Martin.
- On Tuesday, 7 July 2020, Mr Krejci sent an email to Mr John Martin and Mr Zakhaim attaching appointment documents for a Voluntary Administrator.

Neither of us, nor our firm have received any remuneration for the abovementioned correspondence and advice.

These above meetings and correspondence do not impede our independence for the following reasons:

- ▶ The Courts and the Australian Restructuring Insolvency and Turnaround Association’s (“ARITA”) Code of Professional Practice (“COPP”) specifically recognise the need for practitioners to provide advice on the insolvency practice and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- ▶ The nature of the discussions with the Director are such that it would not be subject to review and challenge during the course of the Voluntary Administration;
- ▶ The pre-appointment information provided by us will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration of the Company in an objective and impartial manner; and
- ▶ The Directors obtained their own advice and formed his own views regarding the financial position of the Company.

We have provided no other information or advice to the Company, its Directors or advisors prior to our appointment beyond that which we have outlined in the DIRRI.

II. RELEVANT RELATIONSHIPS (EXCLUDING PROFESSIONAL SERVICES TO THE INSOLVENT)

Neither of us, nor our firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company’s property except as disclosed as follows:

Name	Nature of relationship	Reasons why not an Impediment or Conflict
The Australian Taxation Office (“ATO”) / Deputy Commissioner of Taxation	Principals and Directors of BRI Ferrier around Australia, were, until its expiration at the end of 2014, members of a panel of Court Liquidators established by the ATO and accepted appointments by Australian Courts initiated by the Deputy Commissioner. These Court Liquidators have undertaken to the ATO to accept appointments as Liquidator appointed by a Court under the Corporations Act where the ATO is the applicant creditor, whether the company has assets or not. BRI Ferrier is likely to seek inclusion in any comparable panel should one be established in future.	The ATO is not currently known to be a creditor of the Company, however, this may change as the mater progresses. The ATO is a sophisticated statutory creditor and is administratively bound to act as a Model Litigant. In our experience the ATO does not seek to exert improper pressure on insolvency practitioners in connection with the discharge of their duties to creditors generally. Membership of the panel was not conditional upon any preference or benefit being conferred upon the ATO.

III. PRIOR PROFESSIONAL SERVICES TO THE INSOLVENT

Neither of us, nor our Firm, have, or have had within the preceding 24 months, provided any professional services to the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially the whole of the Company's property in the previous 24 months.

IV. NO OTHER RELEVANT RELATIONSHIPS TO DISCLOSE


There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months, with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially the whole of the Company's property other than disclosed in this DIRRI that should be disclosed.

C. INDEMNITIES AND UP-FRONT PAYMENTS

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute, and have not received any up-front payments.

Dated: 10 July 2020


.....
Peter Krejci
Joint and Several Administrator


.....
Andrew Cummins
Joint and Several Administrator

Notes:

- 1 If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
- 2 Pursuant to Section 436DA(6) of the Corporations Act 2001 we are required to make a replacement declaration of relevant relationships if:-
 - (a) The declaration becomes out-of-date; or
 - (b) The Administrators becomes aware of an error in the declaration.

We are also required to table a copy of any replacement declaration at the next meeting of the company's creditors.

- 3 Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**Union Standard International
Group Pty Ltd
(Administrators Appointed)**

ACN 117 658 349

**Annexure "6"
Initial Remuneration Notice**

INITIAL REMUNERATION NOTICE

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

**UNION STANDARD INTERNATIONAL GROUP PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 117 658 349 (“THE COMPANY”)**

The purpose of the Initial Remuneration Notice is to provide you with information about how our remuneration for undertaking the Administration will be set.

A. REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time based / hourly rates or “Time Cost”

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

B. METHOD CHOSEN

BRI Ferrier normally charges to use a Time Cost basis, because:

- It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;
- The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement
- The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment

- ▶ The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

BRI Ferrier reviews its hourly rates every twelve months. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, we will seek approval.

C. EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table on the following page together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

HOURLY RATES

Title	Description	Rate (excl GST)
Appointee	A Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills & experience to the appointment. Leads the team carrying out the appointment.	\$680
Principal	A Registered Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment.	\$650
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$570
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$525
Manager	An accountant with more than 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to Team Leader.	\$505
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$420
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$360
Senior 2	An accountant with more than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$290
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commenced study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$260
Intermediate 2	An accountant with less than 1 years' experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$235
Senior Administration	Appropriately skilled & undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$220
Junior Administration	Appropriately skilled & undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150

D. ESTIMATED REMUNERATION

We estimate that this administration may cost \$600,000 to \$1,000,000 (excl. GST, disbursements and legal costs, as necessary) to complete as a voluntary administration. This estimate is based on a number of assumptions, including:

- Information provided to me before appointment about the Company's assets, its liabilities and its trading performance is substantially accurate;

- The records of the Company are made available immediately on our appointment in a form permitting examination and investigation;
- All property of the Company is surrendered to us upon appointment;
- All relevant officers comply with their statutory duties to provide information about the Company's affairs;
- There will be no recovery actions requiring the commencement of legal proceedings;
- No appointment is made by a secured creditor; and
- There is no, or minimal, dispute with the creditors regarding the conduct of the administration, adjudication of claims and/or dealing with the Company's property and contracting arrangements.

In addition, this estimate is likely to change depended on the length of the voluntary administration period. At this stage, this is dependent upon:

- The "close out" of client contracts and crystallising their positions;
- The ability to realise the Company's assets; and
- The level of investigation work that may be required by the regulator, ASIC.

Should any of the above circumstances change, we believe that costs will likely increase from our estimate above. However, as mentioned previously, actual remuneration sought to be approved may exceed this estimate and this higher amount must be approved by the Creditors, Committee of Inspection or Court.

We also note that this estimate relates only to the conduct of a Voluntary Administration, and does not relate to any later administration of a Deed of Company Arrangement or Liquidation.

E. DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

Dated this 10th day of July 2020.



PETER KREJCI

JOINT AND SEVERAL ADMINISTRATOR

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

BRI Ferrier

**Union Standard International
Group Pty Ltd
(Administrators Appointed)**

ACN 117 658 349

**Annexure "7"
Remuneration Approval Report**

Remuneration Approval Report

**Union Standard International Group Pty
Ltd**

(Administrators Appointed)
("the Company")

ACN 117 658 349

10 July 2020

Peter Krejci and Andrew Cummins
Joint and Several Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: usg@brifnsw.com.au
Website: www.briferrier.com.au

The logo for BRI Ferrier, featuring the company name in white text on a dark grey rectangular background. A green diagonal line is positioned at the bottom right corner of the rectangle.

TABLE OF CONTENTS

- 1 DECLARATION..... 3**
- 2 EXECUTIVE SUMMARY 3**
- 3 DESCRIPTION OF WORK COMPLETED 4**
 - 3.1 Remuneration for the period 8 July 2020 to 12 August 2020 4
- 4 STATEMENT OF REMUNERATION CLAIM 13**
- 5 LIKELY IMPACT ON DIVIDENDS..... 13**
- 6 DISBURSEMENTS 13**
- 7 SUMMARY OF RECEIPTS AND PAYMENTS..... 14**
- 8 QUERIES & INFORMATION SHEET..... 14**

1 DECLARATION

We, Peter Krejci and Andrew Cummins of BRI Ferrier, have undertaken a proper assessment of this remuneration claim for our appointment as Voluntary Administrators of Union Standard International Group Pty Ltd (Administrators Appointed) ACN 117 658 349 (“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 Administration.

2 EXECUTIVE SUMMARY

This remuneration report details approval sought for the below fees:

Period	Report Reference	Amount (\$, ex GST)
Resolution [1]: Administrators’ remuneration for the period 8 July 2020 to 12 August 2020	[3.1]	\$400,000.00
Sub-total:		\$400,000.00
Resolution [2]: Administrators’ internal disbursements for the period 8 July 2020 to 12 August 2020	[6]	\$4,000.00
Total:		\$404,000.00

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

The total remuneration for the Voluntary Administration is estimated to be \$400,000.00 (ex GST). The amount of remuneration currently sought is in line with the estimate provided to creditors in the Initial Remuneration Notice dated 10 July 2020.

At this time, we do not anticipate seeking approval for any further remuneration during the voluntary administration other than as set out in this report. Should further issues arise as a result of our investigations and we wish to seek further remuneration then we will be required to convene a meeting of the creditors or committee of inspection and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

3 DESCRIPTION OF WORK COMPLETED

3.1 REMUNERATION FOR THE PERIOD 8 JULY 2020 TO 12 AUGUST 2020

The tables below provide a summary of the work completed/to be completed by us and our staff in the Administration.

Company	Union Standard International Group Pty Ltd	Period From	8 July 2020	To	12 August 2020
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier (NSW) Pty Ltd		
Administration Type	Voluntary Administration				

Task Area	General Description	Includes
Assets \$85,000.00 (excl. GST)	Potential Sale of Business and/or Assets	<ul style="list-style-type: none"> Preparing advertisement for sale of business and/or assets on AFR Preparing confidentiality agreement for sale of business and/or assets Preparing Information Memorandum for interested parties regarding the sale of business and/or assets Liaising with interested parties regarding sale of business Preparing and maintaining schedule of interested parties and correspondence Engaging interested parties regarding sale process and responding to their queries Preparing comparatives for offers received Reviewing and considering offers from potential purchasers Reviewing and Finalising Sales Contract Internal meetings to discuss progress of sale Arranging transfer of assets like website, business names, shares, telephone numbers and other items to purchaser Liaising with purchaser regarding suppliers and ongoing provision of various services

Task Area	General Description	Includes
	Assets subject to specific charges	<p>Correspondence to PPSR creditors regarding notification of appointment</p> <p>Reviewing lease documentation</p> <p>Review and identify all assets subject to security interests</p> <p>Liaising with financiers</p> <p>Issuing Notices of Intention not to Exercise Property Rights</p> <p>Determining equity position on each of the asset</p> <p>Preparation and issuance of notice of disclaimers</p>
	Debtors	<p>Liaising with staff regarding collection of debtors</p> <p>Issuing demand letters and commencing recovery action if necessary</p>
	Landlord	<p>Liaising with landlord regarding ongoing occupation of premises</p> <p>Reviewing lease agreements and bonds for properties leased by Company</p>
	Other Assets	<p>Correspondence to money processors requesting funds held in accounts</p> <p>Liaising with money processors regarding release of funds</p> <p>Liaising with CBA regarding bank accounts and term deposits</p> <p>Tasks associated with realising other assets</p>
<p>Creditors \$70,000.00 (excl. GST)</p>	Creditor Enquiries	<p>Setting up dedicated mail inbox for creditor enquiry</p> <p>Receive and follow up creditor enquiries by telephone, emails</p> <p>Maintaining creditor enquiry register</p> <p>Review and prepare correspondence to creditors and their representatives by facsimile, email and post</p> <p>Updating creditors on status of administration</p>

Task Area	General Description	Includes
	Creditor Reports	<p>Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors</p> <p>Preparing and issuing Circular to Creditors regarding Court application for relief from personal liability</p> <p>Preparing relevant annexures for reports, including Remuneration Approval Notice, Notices of Meeting, Declaration of Independence, Relevant Relationships and Indemnities, etc.</p> <p>Preparing COI reports</p> <p>Preparing and issuing detailed Second Report to Creditors regarding investigations</p>
	Committee of Inspection	Liaising with and reporting to members of the COI (formally and informally)
	Dealing with proofs of debt	<p>Receipting and filing Proofs of Debts and Proxies</p> <p>Consider Proofs and supporting documentation received from creditors</p>
	Secured Creditor Reporting	<p>Correspondence with security interest holders disclosed on PPSR Search</p> <p>Review security documents provided</p>

Task Area	General Description	Includes
	First Meeting of Creditors	<p>Sending Notice of Meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting</p> <p>Setting up Zoom Teleconference facilities</p> <p>Issuing Teleconference invitation links to all known creditors and accepting invitations on Zoom</p> <p>Attendance at Second Meeting held at the offices of BRI Ferrier or virtually</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions immediately following meeting</p>
	Second Meeting of Creditors	<p>Sending Notice of Meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting</p> <p>Liaising with creditors regarding their claims and request for supporting documentation</p> <p>Entering and filing Proofs of Debt forms and Proxies received from a variety of creditors</p> <p>Setting up Zoom Teleconference facilities</p> <p>Issuing Teleconference registration links to all known creditors and admitting/rejecting registrations on Zoom</p> <p>Responding to stakeholder queries and questions immediately following meeting</p>
	Proposal for Deed of Company Arrangement	<p>Liaising with Directors and relevant parties regarding a potential DOCA</p> <p>Discussions regarding funding for DOCA</p> <p>Liaising with solicitors regarding DOCA</p>

Task Area	General Description	Includes
Employees \$20,000.00 (excl. GST)	Employees enquiry	Receive and follow up employee enquiries by telephone and in person Maintain employee enquiry register Review and prepare correspondence to employees by email and post
	Calculation of entitlements	Preliminary calculations of employee entitlements Liaising with company management and staff regarding employee entitlement calculations Prepare updated entitlement calculations based on employment contracts and employment standards
	Other employee issues	Liaising with the Department of Jobs and Small Business regarding status of administration Discussion with various employees to work through notice period Preparation of correspondence to employee regarding termination of employment
Trade On \$140,000.00 (excl. GST)	Trade On Management	Conducting initial assessment of Company's financial position Liaising with ASIC with respect to its Australian Financial Services Licence ("AFSL") of the Company Liaising with ASIC in relation to the investigations conducted on the Company and the proceedings conducted by ASIC in the Federal Court of Australia Review of Court documents filed in ASIC proceedings Liaising with pre-appointment solicitors and accountants for the Company/funds to obtain background to the matter initially and subsequently in relation to specific matters Meeting with management and staff to address appointment and trading position

Task Area	General Description	Includes
		<p>Liaising with Shuriken regarding ongoing payroll reporting</p> <p>Organising trade-on insurance requirements</p> <p>Liaising with landlord regarding VA process</p> <p>Dealing with continued occupation of Premises</p> <p>Liaising with utilities and telecommunications to ensure continuation of service</p> <p>Liaising with other key service providers for continuation of service, opening of trade-on accounts and trade-on related issues</p> <p>Liaising with trade creditors in respect of their claims and ongoing service(s) provided</p> <p>Application to Federal Court of Australia for relief from personal liability in respect of client contracts</p> <p>Liaising with solicitors regarding affidavit for application to Federal Court of Australia</p> <p>Prepare and maintain register of investor enquiries</p> <p>Liaising with Shuriken regarding client reports</p> <p>Reviewing daily equity reports and funds reconciliation accounting</p> <p>Reviewing reports on client positions</p> <p>Various discussions and negotiations with shareholder regarding indemnity for client positions</p> <p>Seeking advice on close of client positions and timeframe</p> <p>Issuing notice to clients regarding close of client positions</p> <p>Reconciliation accounting of client close positions and liaising with Shuriken regarding same</p> <p>Reviewing reports on client close positions</p> <p>Attendance to various other stakeholder enquiries</p>
	Processing receipts and payments	Entering receipt and payments into accounting system

Task Area	General Description	Includes
Investigations \$65,000.00	Budgeting and Financial Reporting	Conducting cash flow analysis for trade-on Discussions with management and staff regarding essential suppliers for cash flow analysis Internal discussions regarding administration cash flow and associated employment costs Continuous updates of cash flow projection Reconciling cash flow schedule, actual and accrued expenses
	Conducting Investigation	Conducting ASIC searches on Company and Directors Conducting and summarising statutory searches Collect, list and review physical records of the Company Discussions with staff regarding Company records required Obtain and secure copies of the Company's electronic records Review electronic records of the Company including email correspondence Correspondence with Directors regarding background and financial position of the Company Preparing comparative analysis of available financial statements for the Company Preparing deficiency statement Issuance and follow up of statutory notices to pre-appointment solicitors and accountants for the Company seeking the provision of Company records Liaising with Directors regarding queries of financial statements Consider ROCAP completed by Directors and make further resulting enquiries of Directors and pre-appointment accountant for the Company Review of specific transactions Investigating and considering potential preference claims against third parties

Task Area	General Description	Includes
		<p>Investigating potential voidable transactions</p> <p>Investigating and considering potential insolvent trading claim and quantification of such claim</p> <p>Internal meetings regarding above matters</p> <p>Conducting review of company bank statements</p> <p>Conducting investigations into potential voidable transactions</p> <p>Conducting investigations into potential insolvent trading claim</p> <p>Internal meetings regarding above matters</p> <p>Preparation of investigation file</p>
<p>Administration \$20,000.00 (excl. GST)</p>	<p>ASIC Forms</p>	<p>Preparing and lodging ASIC forms including 505, 5011, etc.</p> <p>Preparing and lodging advertisements of creditor meetings with ASIC</p>
	<p>ATO and other statutory reporting</p>	<p>Notification of appointment</p> <p>Requesting taxation documents</p>
	<p>Bank Account Administration</p>	<p>Preparing correspondence opening accounts</p> <p>Requesting transfer of funds from NAB account</p> <p>Bank account reconciliations</p> <p>Preparing internal forms for receipts and payments processing</p>
	<p>Books and Records/ Storage</p>	<p>Liaising with external IT parties regarding backup of hard drives and security systems</p>
	<p>Correspondence</p>	<p>All other correspondence not discussed above</p>
	<p>Document maintenance/file review/checklist</p>	<p>Filing of documents</p> <p>Review of files from the director, creditors and third parties</p> <p>Updating checklists</p>

Task Area	General Description	Includes
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurance broker regarding initial and ongoing insurance requirements Reviewing insurance policies
	Planning / Review	Discussions regarding status of administration
Total Amount: \$400,000.00 (excl. GST)		

4 STATEMENT OF REMUNERATION CLAIM

By Resolution, we will be seeking approval from the Creditors for the following resolutions:

Resolution: Administrator's Remuneration for the period 8 July 2020 to 12 August 2020

"That the remuneration of the Administrators, their partners and staff for the period 8 July 2020 to 12 August 2020, be calculated on a time basis in accordance with the rates of charge annexed to the Administrators' First Report to Creditors dated 10 July 2020, and approved to an interim cap of \$400,000.00 (plus GST), and that the Administrators be authorised to draw that amount as and when incurred."

At this time, we do not anticipate seeking approval for any further remuneration during the voluntary administration other than as set out in this report. Should further issues arise as a result of our investigations and we wish to seek further remuneration then we will be required to convene a meeting of the creditors or committee of inspection and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

5 LIKELY IMPACT ON DIVIDENDS

The Administrators are entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as an external administrator. The remuneration and disbursements of the Administrators have a priority ranking ahead of creditors.

We are unable to pay our remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court. Approval by Creditors is efficient and timely, and is less costly than an application to the Court.

However, any dividend will ultimately be impacted by the realisations achieved by the Administrators and the value of creditor claims admitted to participate in the dividend. The likely impact of approval of remuneration and disbursements on dividends to creditors is that it will reduce such dividends.

6 DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

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

We advise that to date, we have not been paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements, but must account to creditors. This includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Report.

Accordingly, we will be seeking approval from creditors for the following resolution if the Company is wound up.

Resolution: Administrator’s Internal Disbursements

“That the Administrators be allowed internal disbursements for the period 8 July 2020 to 12 August 2020 at the rates of charge in the Administrators’ Remuneration Approval Report dated 10 July 2020, up to an amount of \$4,000.00 (plus GST) and that the Administrators be authorised to draw that amount as accrued.”

Future internal disbursements provided by our firm will be charged to the administration on the following basis:

Internal Disbursements	Rate (excl. GST) (\$)
Photocopying/Printing	\$0.25 per page
Facsimile	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

7 SUMMARY OF RECEIPTS AND PAYMENTS

To date, there have been no receipts and payments made in the administration.

8 QUERIES & INFORMATION SHEET

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Administrators’ office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association (“ARITA”) has produced a document entitled “Creditors Information Sheet: Approving Remuneration in External Administrations” which can be downloaded from the ARITA website, www.arita.com.au, or can be obtained from this office.

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BRI Ferrier

**Union Standard International
Group Pty Ltd
(Administrators Appointed)**

ACN 117 658 349

**Annexure "8"
Information Sheet on Creditors'
Rights – Voluntary Administration**

Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

**For more information, go to www.arita.com.au/creditors.
Specific queries about the voluntary administration should be directed to the voluntary administrator's office.**

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**Annexure "g"
Insolvency Information Sheet**



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.