

22 March 2013

Bankruptcy Act 1966

Notification of Bankruptcy

Name: Ian Leonard Rankin
Address: 3 Albert Street Mosman Park WA 6012
Estate Number: WA 304 of 2013/7
Occupation: Construction Manager
Date of Birth: 2 March 1959

The above named lodged a Debtor's Petition on the 22 March 2013 and I was appointed Trustee of the Estate on 22 March 2013.

The purpose of this circular is to advise creditors of the Bankruptcy and that further recovery or legal action against the Bankrupt is to be ceased. I have been provided with a Statement of Affairs by the Debtor.

Based on the information to hand, there may possibly be a small dividend declared in the Estate. To assist the Trustee in the administration and investigation of Estate matters, would you please complete the attached Proof of Debt and return it to me as soon as possible.

Pursuant to section 77A of the Bankruptcy Act (1966), if you hold copies of any statements of assets and liabilities, credit applications or other information you feel may assist the Trustee in completing his investigation would you please return those documents at the same time.

If you have any other information which is relevant to this Debtor's estate, would you please provide it to me in writing.

In the meantime, I will be conducting investigations into the Bankrupt's affairs and will circulate creditors within the next 28 days.

For your information I enclose a Declaration of Independence, Relevant Relationships and Indemnities. I also enclose an Initial Remuneration Notice, describing the remuneration basis of trustee and his staff.

Should you have any information or queries regarding the above named please do not hesitate to contact me.

Yours faithfully



Kimberley S Wallman - Trustee

Initial Remuneration Notice

Bankrupt Estate of Ian Leonard Rankin

Estate Number: WA 304 of 2013/7

1.0 Remuneration Methods

As trustee of the above named bankrupt estate, I, Kimberley Wallman, advise pursuant to section 162 of the Bankruptcy Act that there are different methods that may be used to calculate a Trustee's remuneration.

2.0 Remuneration Method chosen

Given the nature of this estate I propose that my remuneration be calculated on a *time basis at hourly rates*. This is the most common method of calculating remuneration due to a Trustee. The Trustee adopts a scale of hourly rates, with a rate for the Trustee and other rates for the various categories of personnel employed by the Trustee. Remuneration is calculated by applying these rates to the time spent on the administration by the Trustee and his employees.

3.0 Explanation of method chosen

The rates for my remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration.

| Title | Description | Hourly rate (ex GST) |
|---------------------------|---|-----------------------------|
| Registered Trustee | <i>Official Liquidator and Trustee. Extensive experience over more than 26 years. Brings his specialist skills to the administration.</i> | \$465.00 |
| Consultant | <i>Official Liquidator and Trustee, or Registered Liquidator. Extensive experience over more than 26 years. Brings specialist skills to the administration.</i> | \$445.00-450.00 |
| Manager | <i>More than five (5) years' experience in corporate and personal insolvencies.</i> | \$220.00 |
| Senior | <i>Three (3) to five (5) years' experience in corporate insolvencies. Continuing. Answers to appointee and supervises intermediate.</i> | \$180.00 - 200.00 |
| Intermediate | <i>One (1) to three (3) years' experience. Required to assist manager and seniors in all aspects and attends to bookkeeping duties of appointments.</i> | \$160.00 – 170.00 |
| Secretary | <i>Less than 1 year experience in insolvencies. Assists in banking duties and general administration duties.</i> | \$130.00 - \$155.00 |

I propose to charge remuneration on a time basis, based on six minute increments, and to calculate the remuneration of myself and my employees by using the hourly rates applicable to the grade or classification set out in the scale of fees charged by HLB Mann Judd (Insolvency WA), the current rates of which are detailed above. I propose to withdraw funds from the bankrupt's estate in respect of such remuneration on no less than a monthly basis.

3.1 Other Remuneration Methods

Other methods that may be used to calculate a Trustee's remuneration are as follows:

- Commission based fee approval, whereby the Trustee's remuneration is based upon money received by the Trustee. The rates of commission are prescribed in the Bankruptcy Act (Reg.8.07).
- Fixed fee based on a quoted fixed amount.
- Contingency fee whereby the Trustee is remunerated in the event that a specific contingent future event occurs or particular circumstances arise.

The commission method of remuneration is considered inequitable, as some assets are easy to realise while others (perhaps less valuable) take more time and effort. Moreover, the commission method makes no allowance for the time which may be required to investigate the bankrupt's affairs.

A fixed fee is only appropriate where all issues that are likely to arise may reasonably be anticipated by the Trustee. Given the nature and complexity of bankruptcy appointments, it is not feasible for the Trustee to anticipate all the possible issues.

A contingency fee is not appropriate as the Trustee, in seeking to achieve the desired outcome, may be perceived as acting in his or her own interests, rather than in the interests of creditors.

3.2 Reasoning for Method chosen

Accordingly, I consider remuneration should be based wholly on time spent as the duties required to be undertaken by the Trustee go beyond asset realisation and encompass a duty to act in the public interest. This may require liaison with creditors and employees and investigations into the affairs of the bankrupt. Furthermore, time based remuneration ensures that creditors are only charged for work that is performed.

4.0 Estimate of Total Remuneration

I expect to claim a total amount of remuneration of approximately \$25,000 in the administration of this estate.

5.0 What can you do if you are dissatisfied with the contents of this notice?

Contact Rob Wallman, of the Trustee's office, on (08) 9215 7900 to discuss why you are dissatisfied with the contents of this notice. If you remain dissatisfied you may complain to ITSA Regulation or seek a change of trustee.

Dated this 22 day of March 2013

A handwritten signature in black ink that reads "Kim Wallman". The signature is written in a cursive, flowing style.

Kimberley S Wallman - Trustee

Declaration of Independence, Relevant Relationships and Indemnities

Ian Leonard Rankin
Estate No: WA 304 of 2013/7

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 that there are no other relationships to declare; and

C. Any indemnities given or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, Kimberley Stuart Wallman.

A. Independence

I, Kimberley Stuart Wallman, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as trustee of Ian Leonard Rankin in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. Declaration of Relationships

i. Circumstances of appointment

I had one meeting on 8 March 2013 with Ian Leonard Rankin prior to my appointment as Trustee on 22 March 2013 for the purposes of:

- Discussing the options available to the debtor from the point of view of Bankruptcy or a Personal Insolvency Agreement and
- Discussing the completion of the Statement of Affairs.

I received no remuneration for this meeting.

The meeting does not affect my independence because there was no advice provided to the Debtor.

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with Ian Leonard Rankin, an associate of Ian Leonard Rankin, a former insolvency practitioner appointed to Ian Leonard Rankin or any person or entity that has a charge on the whole or substantially whole of Ian Leonard Rankin's property.

iii. Prior Professional services to the Insolvent

Neither I, nor my firm, have provided any professional services to Ian Leonard Rankin 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 Ian Leonard Rankin, an associate of Ian Leonard Rankin, a former insolvency practitioner appointed to the Ian Leonard Rankin or any person or entity that has a charge on the whole or substantially whole of Ian Leonard Rankin's property that should be disclosed.

C. Indemnities and up-front payments

I have not been indemnified in relation to this administration, other than any indemnities that I may be entitled to under statute.

22 March 2013



Kimberley Stuart Wallman.

Note:

1. If circumstances change, or new information is identified, I am/we are required under the Corporations Act and the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. 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.

Proof of Debt

Section 84(2), 85(2)

Bankruptcy Act 1966



Australian Government

Insolvency and Trustee Service Australia

Completing a Proof of Debt (POD)

1. When to lodge a Proof of Debt

A trustee of a Personal Insolvency Agreement (PIA) or bankruptcy will request you to lodge a POD where there are funds in the estate to distribute.

A dividend will only be paid to those creditors whose POD has been admitted by the trustee. Correct completion of PODs will **prevent delays in distribution** of funds to the creditors.

Return the completed POD to the trustee **within the prescribed time** as a dividend may be paid without further notice to you.

Note: The trustee may require you to verify the matters contained in your POD by way of a Statutory Declaration. If such a request is made and you fail to provide the Statutory Declaration, then the trustee may disregard your POD.

2. Which debts are provable?

Not all debts are provable, for example

- debts incurred after the date of bankruptcy
- interest that has accrued after the date of bankruptcy
- debts owed by the bankrupt/ debtor's company if they are not supported by a personal guarantee.

Please do not include these in your claim. Your claim may be rejected for these amounts and result in delaying the payment of the dividend.

Further information on provable debts is available by calling ITSA on 1300 364 785, visiting www.itsa.gov.au or an ITSA office, or the trustee.

3. Instructions on completion of the POD

It is **your responsibility** to prove to the trustee that you are owed the debt.

- Answer all questions on the form
- Calculate interest to the date of bankruptcy; or the date the PIA was executed by the Debtor (s) s 187(2)
- Total the amounts and check that your calculations are correct
- Sign and date the POD
- Attach documentary evidence of your claim. Evidence may include copies of:
 - *invoices*
 - *statements*
 - *delivery dockets*
 - *relevant contracts*
 - *personal guarantees given by bankrupt/ debtors*
 - *loan contracts*
 - *judgments.*

4. Separate, joint, and joint and several creditors

If two or more persons have become bankrupt or entered into a PIA together, creditors may have a claim against

- (a) only one of them
- (b) all of them jointly only, or
- (c) all of them jointly as well as in their individual capacities.

It is important that you indicate which situation applies to you (see *Bankrupt/Debtor/s liability* on page 2) so that the trustee is able to admit your claim in the correct estate. This information is generally available from your loan or credit contract document.

Information for specific creditors

5. Secured creditors

Secured creditors must complete *Do you hold any Security* on page 2. A secured creditor can prove for all or part of their secured debt. Where a secured creditor surrenders their security to the trustee, a claim may be made for the whole of the debt. Where a secured creditor sells their security, a claim may be made for the shortfall or conversely the surplus must be given to the trustee. Where a claim is made for the shortfall from the sale of an asset, an accounting for the sale must be attached to the POD. Where the property has not been sold, but a shortfall is anticipated in an eventual sale, the secured creditor can claim for the estimated shortfall amount.

6. Judgment creditors

The trustee may look behind a judgment to obtain further evidence of a debt. If you have obtained a judgment please provide details on page 2. Costs awarded in a judgment obtained prior to bankruptcy may be included.

7. Business/trade creditors

Disclose your **ABN** on page 2 if you are a business creditor. The trustee may be required to withhold tax on any dividend where the business creditor does not disclose its ABN. If the goods or services you supplied was for the bankrupt/debtor's business then you are also required to show the **GST** amount (if any) that is included in your debt on page 3.

8. Other

An executor of a deceased creditor's estate may prove in the bankruptcy in place of the deceased creditor.

Proof of Debt continued over page...

Debtor Details:

Bankrupt/Debtor name/s (if there is more than two

| | | |
|-------|--------------|---------|
| Title | Given Name/s | Surname |
| Mr | Ian Leonard | Rankin |

| | | |
|-------|--------------|---------|
| Title | Given Name/s | Surname |
| | | |

Trading Name

| | |
|-----------------------|-------------------------------------|
| Administration Number | Date of Administration (DD/MM/YYYY) |
| | |

Bankrupt/Debtor/s liability Separate Joint Joint & several

Trustee Details:

| | | |
|-------|------------------|---------|
| Title | Given Name/s | Surname |
| Mr | Kimberley Stuart | Wallman |

Business Address

| | |
|---------------------------|----------|
| Business Address (line 2) | Postcode |
| West Perth WA | 6872 |

| | | |
|----------------|---------------|--------------------------|
| Contact Number | Mobile Number | Email Address |
| 08 9215 7900 | 0411 619 256 | kwallman@hlbinsol.com.au |

Second Trustee Details:

| | | |
|-------|--------------|---------|
| Title | Given Name/s | Surname |
| | | |

Business Address

| | |
|---------------------------|----------|
| Business Address (line 2) | Postcode |
| | |

| | | |
|----------------|---------------|---------------|
| Contact Number | Mobile Number | Email Address |
| | | |

Creditor Details:

Creditor Name

| | |
|----------------|----------|
| Postal Address | Postcode |
| | |

| | |
|--------------------|--------------|
| Creditor Reference | Creditor ABN |
| | |

Contact Information

Name

| | | |
|----------------|------------|---------------|
| Contact Number | Fax Number | Email Address |
| | | |

Creditor Details cont.

Do you hold any security? No Yes Estimated value of security

Description of security property

Have you obtained a judgment? No Yes Judgment amount & costs

Was this a default judgment? No Yes Judgment number & court

| Date debt/s incurred | Details of debt/description (see note 2) | GST (see note 7) | Amount \$ |
|----------------------|---|------------------|-----------|
| | | | |
| | | | |
| | | | |
| | | | |
| | Less: Payments received in reduction of debts | | |
| | Less: Estimated value of security | | |
| | Amount claimed | | |

Creditor declaration: I declare that the bankrupt/debtor/s owe/s the amount claimed by the creditor named above.

Name Signature Date (DD/MM/YYYY)

Note: Lodging a false proof of debt is an offence which is punishable by imprisonment for 3 years: s263(1)(d).

| Admin Use Only | | Trustee Use Only | | | |
|------------------|--|--|----|-----------------------|----|
| Creditor ID | | Amount admitted in estate 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> | | Preferential | \$ |
| Liability ID | | Amount Rejected | \$ | Ordinary | \$ |
| POD No. | | Reason Rejected | | Deferred | \$ |
| SoA Amt. | | | | Total Admitted | \$ |
| Reg'd. in estate | | | | | |
| Date of Reg'n. | | Trustee Signature | | Date (DD/MM/YYYY) | |