

5 June 2014

TO THE CREDITOR AS ADDRESSED

Dear Sir / Madam

Bankrupt Estate of Mark & Joanne Micallef

Please find attached the following;

- Initial Notice of Bankruptcy;
- Initial Remuneration Notice;
- Declaration of Independence, Relevant Relationships and Indemnities
- Report to Creditors;
- Remuneration Approval Notice;
- Proof of Debt, and
- Notice of Proposal to Creditors for approval of Trustee's remuneration.

Yours faithfully



K S Wallman
Trustee for the Bankrupt Estate of Mark & Joanne Micallef
Encls.

4 June 2014

Notification of Bankruptcy

Name: Mark Micallef & Joanne Micallef
Address: 6 Netley Street Morley WA 6062
Estate Number: WA 529 of 2014/3
Occupation: Sales Manager (Mark) & Sales Assistant (Joanne)
Date of Birth: 27 November 1966 (Mark), 9 March 1972 (Joanne)

The above named lodged Debtors' Petitions on the 19 May 2014 and I was appointed Trustee of their Estate on 19 May 2014.

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 Debtors.

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 Debtors' estates, would you please provide it to me in writing.

I have undertaken preliminary investigations into the affairs of the bankrupts and have attached a Report to Creditors which summarises my findings – including a summary of the Statement of Affairs completed by the Bankrupts.

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 Mark & Joanne Micallef
Estate Number: WA 529 of 2014/3

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>	\$240.00 – 290.00
Senior	<i>Three (3) to five (5) years' experience in corporate insolvencies. Continuing. Answers to appointee and supervises intermediate.</i>	\$220.00
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>	\$150.00 – 180.00
Secretary	<i>Less than 1 year experience in insolvencies. Assists in banking duties and general administration duties.</i>	\$125.00 - \$160.00

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 \$31,000 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 4th day of June 2014.



Kimberley S Wallman - Trustee

Declaration of Independence, Relevant Relationships and Indemnities

***Mark Micallef & Joanne Micallef
Estate No: WA 529 of 2014/3***

Previously Trading as Wild Cards & Gifts

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 Insolvents and others within the previous 24 months;
- iii any prior professional services for the Insolvents 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 Mark and Joanne Micallef 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 two meetings with Mark and Joanne Micallef on 4 March 2014 and 1 May 2014 for the purposes of:

- Discussing the options available to the debtors from the point of view of Bankruptcy or a Personal Insolvency Agreement.
- Discussing the completion of the Statements of Affairs.

I received no remuneration for these meetings.

The meetings do not affect my independence because there was no advice provided to the Debtors.

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 Mark or Joanne Micallef, an associate of Mark or Joanne Micallef, a former insolvency practitioner appointed to Mark or Joanne Micallef or any person or entity that has a charge on the whole or substantially whole of Mark or Joanne Micallef's property.

iii. Prior Professional services to the Insolvent

Neither I, nor my firm, have provided any professional services to Mark or Joanne Micallef 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 Mark or Joanne Micallef, an associate of Mark or Joanne Micallef, a former insolvency practitioner appointed to the Mark or Joanne Micallef or any person or entity that has a charge on the whole or substantially whole of Mark or Joanne Micallef'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.

16 May 2014

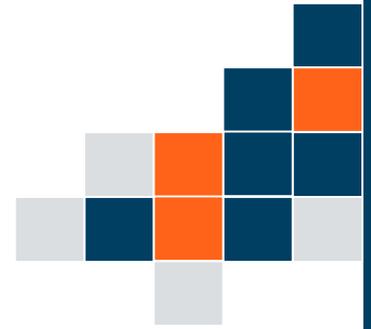


Kimberley Stuart Wallman.

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.



REPORT TO CREDITORS

Mark & Joanne Micallef

**As personal guarantors of certain debts of
Mackarry Pty Ltd (in Liquidation)
formerly trading as
Wild Cards and Gifts Midland and Ellenbrook**

No: WA 529 of 2014/3

5 June 2014

NOTICE OF BANKRUPTCY**Bankruptcy Act 1966 ('the Act')****Mark Micallef & Joanne Micallef
WA 529 of 2014/3**

TAKE NOTE that Mark Micallef & Joanne Micallef of 6 Netley Street, Morley WA 6062, born 27 November 1966 and 9 March 1972, became Bankrupt as a result of Debtors' Petitions lodged by the debtors on 19 May 2014.

I have been informed by the Debtors that their financial difficulties arose as a result of the failure of the Wild Cards and Gifts business in Midland and Ellenbrook, in which they both had a significant number of personal guarantees.

A Statement of Affairs has been filed by the Bankrupt and is summarised below:

	<u>Joint Estate (as per Stmt of Affairs)</u>	<u>Joint Estate (Trustee's estimate)</u>	<u>Separate Estate of M Micallef</u>	<u>Separate Estate of J Micallef</u>
<u>Assets</u>				
Cash at Bank (\$41,232 less \$4,000 for living expenses)	41,232	37,232	0	0
Superannuation (Mark - \$180,000 and Joanne – \$81,000) see note 1 below	0	0	0	0
Vehicle – Ford Territory Sedan 2008 – see note 2 below			0	
Total Assets	41,232	37,232	0	0
<u>Costs</u>				
- Trustee Fees & Disbursements (inc GST)		31,000	0	0
AFSA 6% realisation charge		2,234	0	0
<i>Funds available for Distn</i>		\$3,998	0	0
<u>Liabilities Estimated</u>				
Ordinary Creditors – see note 3	\$336,059	\$336,059	\$92,059	0
Est. Return to Creditors		1.2 cents in \$	0	0

Note 1: Superannuation Funds are usually protected and are therefore not divisible assets.

Note 2: This vehicle has equity which is estimated to be less than the limit allowed of \$7,350 under section 116(2C)(a) of the Bankruptcy Act.

Note 3: The table below lists the creditors as noted in the bankrupts Statement of Affairs and claims received or Trustee's estimate.

<u>Name of creditor</u>	<u>Joint Debt</u>	<u>M Micallef only</u>	<u>J Micallef only</u>	<u>Trustee's estimate</u>
	\$	\$	\$	\$
Alexander Brands	\$ 650.00			\$ 650.00
Angel Imports	\$ 990.00			\$ 990.00
Annabel Trends	\$ 900.00			\$ 900.00
Care & Share	\$ 280.00			\$ 280.00
Carte Blanche	\$ 1,500.00			\$ 1,500.00
Cawsey Menck	\$ 717.00			\$ 717.00
Elka	\$ 600.00			\$ 600.00
For Art Sake	\$ 8,700.00			\$ 8,700.00
Gatto & Co	\$ 2,000.00			\$ 2,000.00
Gibson Gifts	\$ 233.50			\$ 233.50
Gimmicky Gifts	\$ 2,360.00			\$ 2,360.00
Hallmark Cards	\$ 33,000.00			\$ 33,000.00
Hipp	\$ 800.00			\$ 800.00
Intrinsic Enterprises	\$ 500.00			\$ 500.00
Intelx	\$ 600.00			\$ 600.00
Jasnor	\$ 2,500.00			\$ 2,500.00
Jewellery Junction	\$ 536.00			\$ 536.00
Keldan	\$ 667.00			\$ 667.00
Kelly Lane	\$ 2,800.00			\$ 2,800.00
Lawler and Mcgilvray	\$ 3,850.00			\$ 3,850.00
M&C Imports	\$ 384.00			\$ 384.00
MMD	\$ 100.00			\$ 100.00
Mary T Designs	\$ 1,313.00			\$ 1,313.00
Melson Robson	\$ 114,000.00			\$ 114,000.00
MDI Australia	\$ 2,300.00			\$ 2,300.00
Simson Cards	\$ 5,700.00			\$ 5,700.00
Skansen	\$ 347.97			\$ 347.97
Splosh	\$ 1,137.00			\$ 1,137.00
Stylesetter International	\$ 1,200.00			\$ 1,200.00
TAG	\$ 939.72			\$ 939.72
Taylorgraphic	\$ 600.00			\$ 600.00
The Shops at Ellenbrook	\$ 90,000.00			\$ 90,000.00
Tri-colour	\$ 1,000.00			\$ 1,000.00
TSK Giftware	\$ 3,900.00			\$ 3,900.00
Unity Gifts	\$ 605.56			\$ 605.56
Wild Eagle Trading	\$ 99.00			\$ 99.00
Winmark	\$ 750.00			\$ 750.00

Caravel	\$ 1,000.00			\$ 1,000.00
Distinguished Diaries	\$ 650.00			\$ 650.00
Wild Cards & Gifts	\$ 12,000.00			\$ 12,000.00
Compendium	\$ 850.00			\$ 850.00
ATO	\$ 33,000.00			\$ 33,000.00
ANZ Low Rate Mastercard		\$ 55,264.00		\$ 55,264.00
Automated Surveys		\$ 909.68		\$ 909.68
Bankwest		\$ 26,180.34		\$ 26,180.34
Go Mastercard		\$ 9,705.27		\$ 9,705.27
Total	\$336,059.75	\$92,059.29	0	\$428,119.04

Trustee's Comments on the Statement of Affairs

1. Realisation of Assets

The Bankrupts' property vests in the Trustee. Property realised by the Trustee together with any contributions made by the Bankrupt will be distributed amongst creditors.

Certain property is protected by the Bankruptcy Act (i.e. not realisable) For example:

- Necessary household property and personal effects as defined in the Bankruptcy Regulations 6.03(1-6)

A bankrupt may keep tools used to earn an income up to this limit. (as specified in s.116(2)(c)(i)):	\$3,600
A bankrupt may keep vehicles (cars or motorbikes) used mainly for transport up to this limit. The amount refers to the equity in the vehicles (the value of the vehicles less the sum owing under finance). (as specified in s.116(2C)(a)):	\$7,350

- Insurance and superannuation policies.
- Compensation for personal injuries and assets bought with the compensation proceeds
- Funds received from any Rural Adjustment Grant
- Superannuation funds are protected in a Bankruptcy

Searches conducted at the Department of Planning & Infrastructure revealed there was one vehicle in Mark Micallef's name and no vehicles in Joanne Micallef's name. There were no vessels registered in either Debtor's names.

The motor vehicle registered in Mark's name is as follows;

<i>Details</i>	<i>Statement of Affairs Value</i>	<i>Trustees Valuation</i>
	\$	\$
Ford Territory Sedan (2008)	8,000	7,200

The Bankrupts have no real estate property registered in their names, however they sold their family home earlier this year and settlement took place on 14 April 2014. The \$37,232 noted above which was transferred to the Trustee by the Bankrupts were from the proceeds of this sale.

There are no secured creditors listed in the separate or joint estates.

Mr and Mrs Micallef were both previously Directors of Mackarry Pty Ltd (in Liquidation) which traded as Wild Cards & Gifts Midland and Ellenbrook – this company is now in liquidation. Discussions with the liquidator have indicated there is no dividend anticipated.

2. Contributions from a Bankrupt's Income

Bankrupts are obliged to contribute towards his or her estate from income derived during the Bankruptcy. A Bankrupt's income will be assessed every 12 months if their income exceeds a statutory limit set down in the Bankruptcy Act, plus allowances for dependants. Contributions will be enforced by the Trustee.

Based on the Bankrupts' current income and the number of dependants, Mark & Joanne Micallef are not expected to make any contributions in the three year period of their Bankruptcy.

Income Contributions

The Base Income Threshold Amount (BITA) for the purposes of S139K of the Bankruptcy Act as at 20 September 2006 is \$37,537.50 (net of tax) for no dependants.

The Prescribed amount for s139K of the Bankruptcy Act is the BITA used when calculating a Bankrupt's mandatory contributions. It is determined by upward movements in the CPI on the pension rate as calculated in the Social Security Act 1991.

The current Actual Income Threshold amounts (AITA) at the time an assessment is carried out are disclosed below (these figures are net of tax):

Number of Dependants *	Net Income Cut off Point (i.e. after tax)
No Dependants	\$52,543.40
One Dependand	\$62,001.21
Two Dependants	\$66,730.12
Three Dependants	\$69,357.29
Four Dependants	\$70,408.16
> Four Dependants	\$71,459.02

* A Dependand is a person who resides with the bankrupt and who is wholly or partly dependent on the bankrupt for economic support.

3. Creditors

Unsecured

Unsecured Creditors can take no further action against the Bankrupt to recover provable debts. The Creditors only right is to lodge a Proof of Debt in the Bankrupt Estate.

Under Section 58(3) of the Bankruptcy Act, a creditor cannot enforce a remedy or commence or continue an action against the Bankrupt or property of the Bankrupt in respect of a provable debt without the leave of the Court.

Any current legal action such as the issue of a summons or a garnishee must be stopped by the Creditor.

Secured Creditors

Creditors who hold valid security over property of the Bankrupts (such as mortgages or bill of sale etc.) are entitled to sell the goods in order to recover any amounts owing if the Bankrupt is in arrears with her repayments.

There are no secured creditors noted in the Estate of the Bankrupts.

Creditors are advised that secured creditors can claim for losses arising from the sale of the security by lodging a Proof of Debt in the Estate. Should goods be seized or repossessed either now or in the future, an accounting of the sale should be sent to the Trustee.

Ordinarily, a Bankrupt may continue to make payments in respect of a secured debt in order to retain possession of the goods.

Priority Creditors

The priorities for superannuation and holiday pay are capped at \$4,150 for each employee under the Bankruptcy Act with the remainder ranking as an unsecured creditor.

Under Section 109(1)(b) of the Bankruptcy Act, the remuneration of a Controlling Trustee (appointed prior to the date of bankruptcy) which has been approved by Creditors, is a priority payment.

4. Dividends

It appears there may be a small dividend paid to ordinary unsecured Creditors of the joint estate of Mark & Joanne Micallef, however there is no dividend anticipated in the separate estates – this is from funds received in excess of those amounts required to pay the costs and fees of the Administration.

The Bankruptcy Act sets out the charges and fees payable to AFSA for administering a Bankruptcy.

To participate in a dividend, a creditor must lodge a Proof of Debt with the Trustee.

Joint Creditors are requested to complete the Proof of Debt which is attached to this report and return it to me.

5. Trustee's Remuneration

I also write to request approval for Trustee fees for an amount of \$28,001.00, plus GST and plus expenses, under Section 64ZBA of the Bankruptcy Act (where Trustees fees are approved without the need for a creditors meeting). The documentation confirming the work already completed, as well as the anticipated work required to finalise this Bankruptcy, along with the fee calculation is enclosed.

As part of the remuneration approval, I will also be requesting creditors to consider the approval of the following as a special resolution as per Section 109(1)(j)(ii) of the Bankruptcy Act;

“That the remuneration of Kim Wallman and his employees for past fees for the period 5 May 2014 to 16 May 2014, calculated at hourly rates detailed in the report to creditors dated 4 June 2014, is determined in the sum of \$3,037.00, plus GST and expenses, and may be paid forthwith.”

Notice of fee basis

The remuneration of the Trustee (Kim Wallman) is calculated based on the firm charge out rates plus out of pockets plus GST to be drawn on a monthly basis. It is difficult to estimate the totality of the fee at this time, given the three year period of the administration, but I estimate a fee in the vicinity of \$28,00100 plus GST and plus expenses.

As the remuneration is calculated by reference to an hourly rate, the notice includes:

- (i) the type of work undertaken by the Trustee and the Trustee's staff; and
- (ii) the number of hours charged by each person; and
- (iii) the hourly rate charged for each person; and
- (iv) the total remuneration claimed;

Notice Regarding Review of Remuneration Regulation 8.12D - Creditors and the Debtor have the right within 28 days of receiving notice of the Controlling Trustees or Trustees claim for remuneration to request that the claim be reviewed by submitting an Application for Review of Trustee Remuneration Form to the Inspector General.

The Trustee's remuneration is fixed upon time spent on the estate's affairs.

It is our normal practice to have the main creditors' meeting approve the basis of fees, however as it is not my present intention for a meeting to be held, I am seeking fee approval via this proposal to Creditors.

My fees are calculated on time spent at rates which are set out below, and it is recommended that such remuneration be calculated at or below the HLB Mann Judd (Insolvency WA) scale of fees applied to the time spent by the principal appointee, his partners, assistants and staff.

HLB Mann Judd (Insolvency WA)	
Rates as at 1 July 2013	
(excluding GST)	\$
Partner	465
Consultant	445
Manager 1	260
Manager 2	240
Senior	220
Intermediates 1	180
Intermediates 2	150
Secretaries/WP Operators	140
Computer Operators	130

I estimate the level of the Trustee's fees to be \$28,001.00 (plus out of pockets and plus GST).

Section 64U(5A)

The likely impact of the Trustee's remuneration on future dividend payment is 9.2 cents in the dollar.

Bankruptcy Regulation Unit

Statutory information and prescribed rates and forms are available at www.afsa.gov.au.

Further Report to Creditors

Unless the Bankruptcy administration is finalised in an earlier time frame (in which case Creditors will receive a final report), Creditors may expect to receive further periodic reports only as material matters arise, reporting on the Trustee's progress in this Administration.

6. Meeting of Creditors

Creditors may request a meeting be called in certain circumstances. Where only a small proportion of the creditors require a meeting, it should be noted that they may be required to fund the cost of the meeting.

7. Statutory Discharge from Bankruptcy

The statutory period of Bankruptcy commences three years from the date of filing of the Statement of Affairs. This period may be extended to five years or eight years by an objection being entered by the Trustee or Official Receiver.

Annulment

The Trustee may annul a Bankruptcy when:

- All debts and costs of the administration have been paid in full.
- An offer of composition or scheme of arrangement is accepted by creditors in full satisfaction of their debts.

The Court also has the power to annul a Bankruptcy.

8. Creditors' Assistance with Enquiries and Investigations

If creditors have any matters which they suggest the Trustee might investigate or information which might assist the Trustee with his enquiries, would you please advise accordingly.

Antecedent transactions

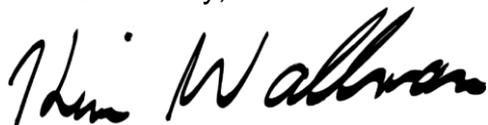
Investigations to date of the Bankrupts' records in the period preceding the appointment of Trustee have so far disclosed no preferential payments to creditors. If this situation changes, Creditors will be advised.

Any enquiries or investigations would be funded from the Estate where conducted.

Reportable Offences

There are no reportable offences, up to this point in time, which have arisen as a result of the Trustee's investigations. If this situation changes, Creditors will be advised.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Kim Wallman". The signature is fluid and cursive, with a large initial "K" and "W".

Kimberley Stuart Wallman

Trustee for the Bankrupt Estate of Mark & Joanne Micallef

Remuneration Approval Notice

4 June 2014

Bankrupt Estate of Mark and Joanne Micallef
Estate Number: WA 529 of 2014/3

In compliance with the Insolvency Practitioners Association of Australia Code of Professional Practice and the requirements of the Bankruptcy Act, as Trustee of the above named bankrupt, I propose to have my remuneration fixed by creditors or the committee of inspection.

This approval is sought for work undertaken, or to be undertaken from 5 May 2014 to the finalisation of the bankruptcy. The remuneration is fixed upon time spent on the estate's affairs. The basis of the remuneration claim is on the hourly rates of the appointee and his staff, as detailed in the Initial Remuneration Notice dated 4 June 2014.

1.0 Description of Work

The tasks which Trustees undertake can be broadly divided into seven categories. These are:

- Assets
- Creditors
- Employees
- Trade on
- Investigation
- Dividend
- Administration

Information on the seven categories (if work done is applicable) is summarised in this report to enable creditors to understand the type and purpose of work being undertaken.

2.0 Disbursements

Disbursements are divided into three types:

- A** disbursements are all externally provided professional services and are recovered at cost. An example of an **A** disbursement is legal fees.
- B1** disbursements are externally provided non-professional costs such as travel, accommodation and search fees. They are recovered at cost.
- B2** disbursements are internally provided non-professional costs such as photocopying and document storage. **B2** disbursements are charges at cost except for photocopying, printing and telephone calls which are charged at a rate which is intended to recoup both variable and fixed costs.

The basis upon which disbursements are currently charged is as follows:-

Disbursement	Amount
Advertising	At cost
Storage & Destruction of Books and Records	At cost
Couriers	At cost
Searches	At cost
Printing (externally sourced)	At cost
Printing & Photocopying (internally sourced)	\$0.50 per page
Faxes	\$1.00 per fax
Postage	At cost
Envelopes (C4 size and above only)	\$0.18 per envelope

Storage costs following the finalisation of the administration are calculated by reference to the current costs plus an allowance to cover anticipated price rises.

Any disbursements paid in this administration will be detailed in the receipts and payments section of the report to creditors. Further information in relation to these disbursements will be provided on request. Creditors have the right to question the incurring of the disbursements and can challenge the disbursements in court.

3.0 Remuneration Proposal

Details of tasks that are currently outstanding, in progress and / or that have been completed during the period 5 May 2014 to the finalisation of the bankruptcy, are as follows:-

3.1 Calculation of remuneration for the period 04 May 2014 to 18 May 2014:

Employee	Position	\$/hour (ex GST)	Total Hours	Total (\$)	Tasks			
					Investigation		Administration	
					hrs	\$	hrs	\$
Wallman, Kim	Trustee	465.00	1.7	\$ 790.50	0.7	325.50	1.0	465.00
Wallman, Robert	Manager	220.00	10.0	\$ 2,200.00	4.3	946.00	5.7	1,254.00
Sargeant, Deborah	Secretary	155.00	0.3	\$ 46.50	0.0	-	0.3	46.50
TOTAL			12.0	\$ 3,037.00	5.0	1,271.50	7.0	1,765.50
GST				\$ 303.70				
TOTAL (including GST)				\$ 3,340.70				
Average hourly rate				\$ 253.08		\$ 254.30		\$ 252.21

Expenses (Disbursements)		Basis of Disbursement Claim	
Fax, 0	\$0.00	Advertising	At cost
Printing	\$0.00	Envelopes (C4 size and above)	\$0.18 per envelope
Postage	\$0.00	Faxes	\$1.00 per fax
Searches	\$0.00	Photocopying & Printing (internally sourced)	\$0.50 per page
Expenses incurred 05 May 2014 to 18 May 2014	\$0.00	Postage	At cost
GST on expenses	\$0.00	Printing (externally sourced)	At cost
TOTAL EXPENSES (including GST)	\$0.00	Storage & Destruction of Books and Records	At cost
		Couriers	At cost
<i>Scale applicable for financial year ending 30 June 2014</i>			

3.3 Calculation of remuneration for the period 19 May 2014 to Finalisation:

Employee	Position	\$/Hour (ex GST)	Total Hours	Total (\$)	Tasks										
					Assets		Creditors		Investigation		Dividend		Administration		
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	
Wallman, Kim	Trustee	465	13.5	6,277.50	2	930	4	1860	3	1395	1.5	697.5	3	1395	
Wallman, Robert	Manager	220	72	15,840.00	8	1760	27	5940	15	3300	5	1100	17	3740	
Clark, Sam	Intermediate	170	1	170.00		0	0.5	85		0		0	0.5	85	
Hunton, Samantha	Intermediate	170	0.5	85.00		0		0		0		0	0.5	85	
Sargeant, Deborah	Secretary	155	7	1,085.00		0	2.5	387.5		0		0	4.5	697.5	
Morley, Jess	Secretary	130	9.5	1,235.00		0	5	650		0		0	4.5	585	
McCann, Georgia	Secretary	80	3.4	272.00		0		0		0		0	3.4	272	
TOTAL				106.9	24,964.50	10	2690	39	8922.5	18	4695	6.5	1797.5	33.4	6859.5
				GST	2,269.50										
TOTAL (Including GST)					27,234.00										
Average Hourly Rate				233.53		269		228.7821		260.8333		276.5385		205.3743	

Estimated Expenses (Disbursements)		Basis of Disbursement Claim	
Fax, 3	\$3.00	Advertising	At cost
Printing, 1500	\$775.00	Envelopes (C4 size and above)	\$0.18 per envelope
Postage, 150	\$150.00	Faxes	\$1.00 per fax
Storage	\$9.50	Photocopying & Printing (internally sourced)	\$0.50 per page
Searches	106.40	Postage	At cost
Expenses incurred	1,053.40	Printing (externally sourced)	At cost
GST on expenses	95.76	Storage & Destruction of Books and Records	At cost
TOTAL EXPENSES (including GST)	1,149.16	Couriers	At cost
<i>Scale applicable for financial year ending 30 June 2014</i>			

3.2 Description of tasks completed during the period 5 May 2014 to 18 May 2014:

Area of work	General Description	Specific Tasks
Investigation 5 hours \$1,271.50	Collection of statement of affairs of Bankrupt	Obtain Statement of Affairs from Bankrupts and review and pursue further inquires
	Collection of Books and Records	Reviewing of books and records
	Searches	Vehicle and Vessel Searches
Administration 7 hours \$1765.50	AFSA Reporting	Preparing documents for submitting to AFSA for Debtor's petition and Statement of Affairs for both Mark and Joanne.
	Document Maintenance/ file review	Filing of documents
	Meeting with Debtors	Discussing options available to them

3.4 Description of tasks in progress and / or completed during the period 18 May 2014 to Finalisation

Area of work	General Description	Specific Tasks
Assets 10 hours \$2,690.00	Non-divisible property	<ul style="list-style-type: none"> • Assessing personal property of the bankrupt • Arrange for sale of assets, if required.
	Income assessments	<ul style="list-style-type: none"> • Preparation of income contribution assessments for each year of the bankruptcy. • Assessing income contributions and request additional information as required. • Pursuing income contributions as required.
Creditors 39 hours \$8,922.50	Creditor Enquiries	<ul style="list-style-type: none"> • Attend to creditor enquiries via email, fax, telephone and mail as required. • Correspondence with the ATO as required.
	Creditor Reports	<ul style="list-style-type: none"> • Prepare and send initial notice to creditors regarding appointment of Trustee to Bankrupt. • Preparation of Initial Remuneration Report, Remuneration Approval Notice and Remuneration Claim Notices. • Preparation of reports to creditors. • Preparation of correspondence to potential creditors inviting lodgement of Proof of Debt. • Review and prepare ongoing correspondence to creditors and their representatives via facsimile, email and post as required
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receive initial notification of creditor's intention to claim. • Receipt of PODs and review. • Request further information from claimants regarding POD if required. • Update and maintain creditor dividend database and claims register.
Investigation 18 hours \$4,695.00	Collection of books and records, statement of affairs of Bankrupt	<ul style="list-style-type: none"> • Preparation of documentation for Bankrupt to complete. • Update job disbursements checklist. • Investigate and check information provided in the debtors statement of affairs. • Preparation of comparative financial statements. • Follow up and discussion with Bankrupt regarding documentation to be completed. • Request further information from the

		<p>Bankrupt in relation to the statement of affairs if required.</p> <ul style="list-style-type: none"> • Collection of books and records of the Bankrupt. • Reviewing books and records of the Bankrupt.
Dividend 6.5 hours \$1,797.50	Processing Proof of Debt	<ul style="list-style-type: none"> • Adjudicate on proofs of debt supplied by creditors. • Maintain POD register Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> • Calculate rate of return to creditors. • Preparation of correspondence to potential creditors advising of intention to declare dividend. • Preparation of Dividend distribution • Preparation of correspondence to creditors enclosing payment of dividend
Administration 33.4 hours \$6,859.50	Bank account Administration	<ul style="list-style-type: none"> • Prepare documentation for opening of bank account. • Preparing correspondence with bank as required. • Manage bank account and account reconciliation. • Arrange closure of account upon finalisation of the Bankruptcy.
	Document Maintenance/File review/checklist	<ul style="list-style-type: none"> • Maintain checklist. • Filing of papers and emails, manage incoming and outgoing emails and mail. • Printing, photocopying, faxing, and scanning. • Sending job files to storage and arrange for destruction as required.
	AFSA Reporting	<ul style="list-style-type: none"> • Preparing of lodgement of Annual Estate • Reconciliation and calculation of Realisations and Interest Charge • Lodgment of Realisation and Interest Charge Return
	Finalisation	<ul style="list-style-type: none"> • Completing Checklists • Finalising WIP

4.0 Resolutions to be put to Creditors

The costs incurred, or to be incurred, are necessary and reasonable having regard to the value and complexity of the administration.

Given the above, I request that creditors approve the following:

“That the remuneration of the Trustee and his staff for the period commencing 5 May 2014 until 18 May 2014 of the bankruptcy, calculated at hourly rates detailed in the Initial Remuneration Notice dated 4 June 2014, be approved in the sum of \$3,037.00 plus GST and expenses, to be drawn from available funds on no less than a monthly basis.”

“That the remuneration of the Trustee and his staff for the period commencing 19 May 2014 until the finalisation of the bankruptcy, calculated at hourly rates detailed in the Initial Remuneration Notice dated 4 June 2014, be approved in the sum of \$24,964.00 plus GST and expenses, to be drawn from available funds on no less than a monthly basis.”

Pursuant to subsection 64U(5A) of the Bankruptcy Act 1966, I advise that I estimate the total remuneration to be \$28,001.00, plus GST and expenses. The likely impact of the Trustee’s remuneration on future dividend payments (if any) is 9.2 cents in the dollar.

Should matters change which prevent me from being able to complete my duties, as the Trustee of the bankrupt for this amount of remuneration, I will report to creditors.

5.0 Receipts & Payments

Please see below a summary of the receipts and payments up to 18 October 2013:

Receipts	
Proceeds from Sale of Assets	\$37,232.38
Total Receipts	\$37,232.38
Total Payments	\$ Nil
Cash at Bank	\$37,232.38

6.0 Queries/Information Sheets

The above information is provided to assist creditors consider the appropriateness of the remuneration claim that is being made.

Creditors should feel free to contact the Trustee's office to seek further information concerning the remuneration claim if they so need.

The IPA have produced a document entitled "*Creditor Information Sheet: Approving remuneration in external administrations*" that can be downloaded from the IPA website www.ipaa.com.au or alternatively a copy can be obtained if you contact this office.

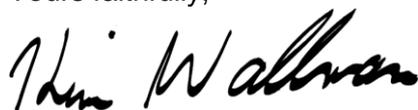
7.0 What can you do if you are dissatisfied with the contents of this notice?

Should you be dissatisfied with the contents of this notice, please do not hesitate to contact Robert Wallman of this office. If you remain dissatisfied, you may abstain or vote against the resolution/proposal for approval of the Trustee remuneration, complain to AFSA Regulation or seek a change of Trustee.

Note that if the resolution/proposal for approval of the Trustee's remuneration is not supported, the Trustee may apply to the Inspector General to decide the remuneration. Further details on this process are contained in the Inspector General Practice Statement 15, available on the website of the Australian Financial Security Authority.

Dated this 4 June 2014

Yours faithfully,



Kimberley Wallman – Trustee

Of the bankrupt Estate of *Mark and Joanne Micallef* WA 529 of 2014/3



PROOF OF DEBT

Bankruptcy Act 1966 Section 84(2), 85(2)

Privacy

The information you are required to provide on this form is collected under, and for the purposes of, the *Bankruptcy Act 1966* or related legislation. The Australian Financial Security Authority has a privacy policy at www.afsa.gov.au/privacy that provides information regarding the collection, storage, use and disclosure of personal information, including how you may: (i) access your personal information; (ii) seek to have that information corrected; and (iii) complain if you feel your privacy has been breached, along with information on how your complaint will be dealt with.

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 AFSA on 1300 364 785, visiting www.afsa.gov.au or an AFSA 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 3. 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 3. Costs awarded in a judgment obtained prior to bankruptcy may be included.

7. Business/trade creditors

Disclose your ABN on page 3 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 4.

8. Other

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

Debtor Details

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

Title	Given name/s	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Title	Given name/s	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

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
<input type="text"/>	<input type="text"/>	<input type="text"/>

Business address

Postcode

Contact number

Mobile number

Email address

Second Trustee Details:

Title	Given name/s	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>
Business address		Postcode
<input type="text"/>		<input type="text"/>
Contact number	Mobile number	
<input type="text"/>	<input type="text"/>	
Email address		
<input type="text"/>		

Creditor Details

Creditor name		
<input type="text"/>		
Postal address	Postcode	
<input type="text"/>	<input type="text"/>	
Creditor reference	Creditor ABN	
<input type="text"/>	<input type="text"/>	
Contact information		
Title	Given name/s	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>
Contact number	Fax number	
<input type="text"/>	<input type="text"/>	
Email address		
<input type="text"/>		
Do you hold any security?	<input type="radio"/> No <input type="radio"/> Yes	Estimated value of security <input type="text"/>
Description of security property		
<input type="text"/>		
Have you obtained a judgment?	<input type="radio"/> No <input type="radio"/> Yes	Judgment amount & costs <input type="text"/>
Was this a default judgment?	<input type="radio"/> No <input type="radio"/> Yes	Judgment number & court <input type="text"/>

Details of Debt/s

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.

Title Given name/s Surname

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 <input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3		Preferential (\$)
Liability ID		Amount rejected (\$)		Ordinary (\$)
POD No.		Reason rejected		Deferred (\$)
SoA Amt.				Total Admitted (\$)
Reg'd. in estate				
Date of Reg'n.				

Signature of trustee Date (DD/MM/YYYY)



NOTICE OF PROPOSAL TO CREDITORS

Pursuant to section 64ZBA of the Bankruptcy Act 1966 ('the Act'), a Trustee may obtain a resolution of creditors without holding a meeting. The main purpose of the section is to reduce the costs to the estate associated with convening a formal creditors meeting when it is not necessary to do so.

Administration Details

Administration Number

Date of Administration (DD/MM/YYYY)

Title

Given Name/s

Surname

Title

Given Name/s

Surname

Creditor Details

Name of Creditor

ABN if applicable

Address

Are you or your related entities related to the debtor? No Yes

If yes, provide details of the relationship below:

Details of any security held:

Do you hold security over any of the debtor's property? No Yes

If yes, estimated value of security

\$

Description of secured property & estimated value of property \$

Statement of reasons for the proposal and the likely impact it will have on creditors if it is passed

Voting on Proposal

In accordance with paragraph 64ZBA(2)(d) of the Act, creditors are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors.

Could you please select the appropriate Yes, No or Object box referred to below:

Yes I approve the proposed resolution

No I do not approve the proposed resolution

Object I object to the proposal being resolved without a meeting of creditors

Please return this document no later than for your vote to be taken into account.

Signature

Please sign and date this document and return a copy to:

facsimile

email

post

Name of creditor/ authorised officer of creditor

Signature

Date (DD/MM/YYYY)



NOTICE OF PROPOSAL TO CREDITORS

Pursuant to section 64ZBA of the Bankruptcy Act 1966 ('the Act'), a Trustee may obtain a resolution of creditors without holding a meeting. The main purpose of the section is to reduce the costs to the estate associated with convening a formal creditors meeting when it is not necessary to do so.

Administration Details

Administration Number

Date of Administration (DD/MM/YYYY)

Title

Given Name/s

Surname

Title

Given Name/s

Surname

Creditor Details

Name of Creditor

ABN if applicable

Address

Are you or your related entities related to the debtor? No Yes

If yes, provide details of the relationship below:

Details of any security held:

Do you hold security over any of the debtor's property? No Yes

If yes, estimated value of security

\$

Description of secured property & estimated value of property \$

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Please return this document no later than for your vote to be taken into account.

Signature

Please sign and date this document and return a copy to:

facsimile

email

post

Name of creditor/ authorised officer of creditor

Signature

Date (DD/MM/YYYY)