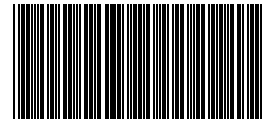




Filed: 25 March 2021 7:47 PM

Form 40  
UCPR 35.1



D0001EBUYQ

### AFFIDAVIT OF David Michael Orr - 25 March 2021

#### COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Corporations List
Registry	Supreme Court Sydney
Case number	2021/00084223

#### TITLE OF PROCEEDINGS

First Plaintiff	The Trustee for Project Volar Creditors' Trust ABN 41124353207
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#### FILING DETAILS

Filed for	The Trustee for Project Volar Creditors' Trust, Plaintiff 1
Legal representative	Timothy James Sackar
Legal representative reference	
Telephone	(02) 9353 4114

#### ATTACHMENT DETAILS

In accordance with Part 3 of the UCPR, this coversheet confirms that both the Affidavit (General) (e-Services), along with any other documents listed below, were filed by the Court.

Affidavit (UCPR 40) (Affidavit of D M Orr of Deloitte sworn 25 March 2021.pdf)

[attach.]

IN THE SUPREME COURT OF NEW SOUTH WALES  
DIVISION: EQUITY  
REGISTRY: SYDNEY  
CORPORATIONS LIST

No. 2021/

IN THE MATTER OF THE PROJECT VOLAR CREDITORS' TRUST ESTABLISHED IN THE  
ADMINISTRATION OF EACH OF VIRGIN AUSTRALIA HOLDINGS LTD & ORS

SALVATORE ALGERI, RICHARD HUGHES,  
JOHN GRIEG AND VAUGHAN STRAWBRIDGE  
IN THEIR CAPACITY AS JOINT AND SEVERAL  
TRUSTEES OF THE PROJECT VOLAR  
CREDITORS' TRUST ESTABLISHED IN THE  
ADMINISTRATION OF EACH OF VIRGIN  
AUSTRALIA HOLDINGS LTD & ORS

Plaintiffs

**AFFIDAVIT**

I, David Michael Orr, of Deloitte Touche Tohmatsu (of which Deloitte Financial Advisory Pty Ltd is a wholly owned subsidiary) (**Deloitte**), at Riverside Centre, 123 Eagle St, Brisbane City Queensland 4000, Registered Liquidator and Chartered Accountant, say on oath:

1. I am a partner in the Restructuring Services practice of the professional services firm trading as Deloitte. I am a Chartered Accountant and a Registered Liquidator and I have practised for more than 20 years as an accountant specialising in insolvency related matters in Australia. A copy of my CV is located behind **Tab 1** of **Exhibit DMO-1**.
2. I refer to the affidavit of Richard John Hughes dated 25 March 2021 (**Hughes Affidavit**) filed in the proceedings.
3. Capitalised terms used in this affidavit have the same meaning as in the Hughes Affidavit unless expressly defined otherwise.
4. I am assisting the trustees of the Trust, being Mr Salvatore Algeri, Mr Richard Hughes, Mr John Greig and Mr Vaughan Strawbridge (together, the **Trustees** and each a **Trustee**) in relation to the adjudication of the debts and claims of creditors arising as a result of the administration of the Virgin Companies.

**Filed on behalf of:** The Plaintiffs  
**Prepared by:** Timothy James Sackar  
**Law firm:** Clayton Utz  
**Address for service:**  
Level 15  
1 Bligh Street  
Sydney NSW 2000  
DX 370 Sydney

**Contact details:**

Tel: +61 2 9353 4200  
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Contact: Cassandra Adams  
Email: kassandra.adams@claytonutz.com  
Ref: 20556/21895/81005835

5. Unless otherwise stated, I make this affidavit based on my own knowledge and belief and from information I and staff members at Deloitte have obtained in the course of my role assisting the Trustees of the Virgin Companies, which I believe to be true.
6. I have shown this affidavit to Mr Hughes and he has confirmed that he agrees with its contents and has consented to it being filed in the proceedings.
7. Exhibited to me at the time of making this affidavit is a bundle of documents to which I make reference in this affidavit marked "DMO-1" (**Exhibit DMO-1**). A reference to a Tab in this affidavit is to a tab in Exhibit DMO-1 unless otherwise stated.

### **Halo Platform - Background**

8. As detailed in paragraph 11 of the Hughes Affidavit, upon their appointment, the Administrators identified 10,247 known creditors of the Virgin Companies. Therefore, the number of persons participating at the Second Meetings could have been up to 10,247 (or higher if other creditors were identified).
9. Having regard to the large number of creditors of the Virgin Companies, I assisted the Administrators, together with other Deloitte staff, to develop and implement a software system and creditor claim and document management platform, referred to as the "Halo Platform" (or simply, "Halo") (**Halo Platform**), to assist the Administrators in:
  - (a) facilitating communications with the large number of creditors;
  - (b) collecting and managing the large number of proofs of debt, proxy forms and supporting documentation; and
  - (c) admitting claims for voting purposes, nomination of proxy forms and voting by creditors in advance of and at the Second Meetings.
10. As detailed in paragraph 21(b) of the Hughes Affidavit, Justice Middleton made the 11 August Orders and 12 August Orders, in order to facilitate the use of the Halo Platform by the Administrators for the purpose of collecting proofs of debt and voting at the Second Meetings. Copies of the 11 August Orders and the 12 August Orders are located behind **Tabs 49 and 50 of Exhibit RJH-1**.
11. Given the scale of the administration of the Virgin Companies and the significant number of creditors, the same challenges that arose in the administration (namely, the provision, collation and adjudication of proofs of debt and the lack of ability, ease and efficiency in being able to conduct and facilitate voting at the Second Meetings) will arise in the context of the Trustees exercising their powers under the Trust Deed (both with respect to proofs of debt and any meetings that may be called). In my opinion, the Trustees (and staff at Deloitte assisting them)

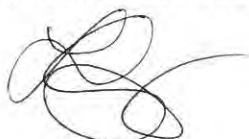



will face challenges in being able to swiftly and efficiently make any payment of dividends payable from the Trust Fund to the Trust Creditors.

12. I make this affidavit in support of the relief sought by the Plaintiffs in the Originating Process filed in these proceedings on 25 March 2021 (**Application**). The orders sought on the Application are designed to provide the Trustees with judicial advice concerning whether they are justified in using the Halo Platform in exercising their powers under the Trust Deed, including in relation to paying a dividend to Trust Creditors, to assist the Trustees in fulfilling their duties under the Trust Deed.

**Overview of the Halo Platform and its use in the external administration of the Virgin Companies**

13. The Halo Platform is a proprietary digital claims management platform that was originally developed by Deloitte to assist organisations to manage whistle-blower disclosures securely and effectively. Deloitte has provided this digital facility to some of Australia's largest corporate businesses and Government departments and instrumentalities. In effect, the Halo Platform is a secure user interface (like a webpage) linked to a database that can be scaled up or down to accommodate the required number of users.
14. Deloitte adapted the Halo Platform for use in the external administration of the Virgin Companies and has further adapted the Halo Platform for use in the adjudication of claims of Trust Creditors and payment of any dividends by the Trustees from the Trust Fund, these adaptations include adding the following capabilities to the Halo Platform:
- (a) Trust Creditors' can access information and receive notifications in relation to the Trustees' adjudication of their proofs of debt and claims;
  - (b) Trust Creditors will be able to communicate with the Trustees through the Halo Platform in relation to the adjudication process, including indicating whether they accept or reject the Trustees' adjudication of their proofs of debt and claims; and
  - (c) bank account information for Trust Creditors can be recorded and stored securely for the purposes of making a payment of dividend.
15. With the benefit of the 11 August Orders and the 12 August Orders, the following capabilities of the Halo Platform were successfully utilised in the external administration of the Virgin Companies for the purpose of facilitating voting at the Second Meetings:
- (a) large numbers of persons claiming to be creditors of the Virgin Companies, including employees, were able to register for a unique account on the Halo Platform and communicate and receive communications from the Administrators, via their user accounts which were connected to their proof(s) of debt or claim;




- (b) registered users were able to lodge an informal or formal proof of debt or claim;
  - (c) claims were able to be lodged on a "bulk" basis;
  - (d) users were able to upload documents, including any documents and particulars in support of a person's claim to be a creditor of the Virgin Companies;
  - (e) users were able to access information in relation to the adjudication of debts and claims by the Administrators for voting purposes and the Administrators were able to communicate with creditors through the platform in relation to that process;
  - (f) secure messages were able to be sent to, and received from, users;
  - (g) users were able to be informed of meetings of creditors in the administrations;
  - (h) a "voting event" was created, which notified creditors of their ability to vote and the list of resolutions on which creditors were able to vote on;
  - (i) creditors were able to nominate special and general proxies to vote on resolutions; and
  - (j) voting for the purposes of the Second Meetings was conducted securely using the platform, including the calculation and declaration of the results of a "live" poll.
16. Voting on resolutions put to creditors at the Second Meetings opened on 25 August 2020 and (with the exception of the USD noteholders) closed live during the Second Meeting.
17. Once voting on the resolutions had closed at the Second Meetings, the Administrators collated and summarised the results of Halo Platform's live poll into a Microsoft Power BI Dashboard (**Power BI Dashboard**). The Power BI Dashboard was then shared with the creditors and observers that were in attendance at the Second Meetings by using the screen-sharing feature available on the Microsoft Teams platform in order to announce and display the outcome of the vote on the resolutions (essentially, in real time). Exhibited at **Tab 2 of Exhibit DMO-1** are copies of the Power BI Dashboard screens that were shared with the creditors and observers that were in attendance at the Second Meetings. I am aware by having reviewed the outcome of the votes made on the Halo Platform, that the results displayed on the Microsoft Power BI Dashboard were the same.
18. Before, during and after the Second Meetings, the Administrators were not, and have subsequently been made, aware of any instances where users of the Halo Platform experienced adverse issues with the use of the Halo Platform. During the course of the administrations of the Virgin Companies, the Administrators caused technology and security specialists from Deloitte, as well as third party speciality IT security contractors, to conduct




extensive user acceptance testing and penetration testing procedures of the Halo Platform to ensure that the Halo Platform was secure and user friendly. No material issues were found as a result of these tests being performed.

19. During the course of the administrations of the Virgin Companies, in particular leading up to and at the Second Meetings, there were no material or substantive complaints received by the Administrators from any user of the Halo Platform regarding the operation of the Halo Platform.

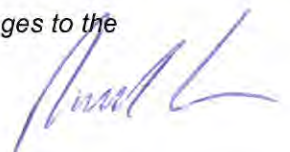
#### **Communication with creditors in relation to the Halo Platform**

20. During the external administrations of the Virgin Companies, creditors received communications in relation to the Halo Platform as follows:

(a) On 11 May 2020:

(i) An email was sent from the Deloitte Halo Platform email address, virginhalo@deloitte.com.au to all creditors (other than employee creditors and customers) for whom or which the Administrators had obtained an email address either from data contained in the Virgin Companies' books and records or as a result of a creditor having sent an email to the Administrators via one of the Virgin Companies' administration emails (the **Creditor Database**). This email:

- A. provided a link to the Virgin Halo website, <https://virgin.deloitte-halo.com/> (**Halo Webpage**);
- B. advised that the Halo Platform will serve as the Administrators' primary tool for communicating with creditors and managing claims during the administration of the Virgin Companies;
- C. advised that, through the Halo Platform, employees and creditors will be able to
- 1) *"Register as a user to provide, verify or update contact information provided to the Administrators;*
  - 2) *Submit claims (proof of debt) or modify previous claims provided. This includes submitting additional documentation to the Administrators; and*
  - 3) *[S]end and receive secure messages to the*

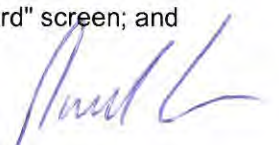
*Administrators about claims submitted or other matters"*

- D. set out an explanation as to how creditors could register in the Halo Platform and access their individual Halo user accounts;
- E. provided a link to the Halo FAQs; and
- F. provided a link to a "Halo Help" form, through which creditors could submit a query to the Administrators.

A copy of this email titled "Virgin Australia Group (Administrators Appointed) | Launch of Halo creditors platform" is provided at **Tab 3 of Exhibit DMO-1**;

(ii) An email was sent from the Deloitte Halo Platform email address, virginhalo@deloitte.com.au to all creditors that the Administrators had pre-registered through the Halo Platform, being those who had submitted a proof of debt by post or email, which the Administrators then manually processed through Halo as at that date. In addition to including information described in paragraphs 20(a)(i)B-20(a)(i)C and 20(a)(i)E-20(a)(i)F above, this email:

- A. informed creditors that their email address had been pre-registered with Halo;
- B. requested that creditors confirm their email address and create a password in the platform; and
- C. provided instructions on viewing and editing claims in the Halo Platform, which stated that:
  - 1) the creditor is able to log in to Halo to submit a proof or debt or modify a previous claim;
  - 2) each claim receives a unique identification number so that the creditor can track its status in the administrations;
  - 3) there may be a time delay before a claim and supporting documentation would be visible to the creditor in the "My Claims Dashboard" screen; and

- 4) once the claim is visible to the creditor, the claim can be edited, updated or supporting documentation submitted.

A copy of this email titled "Virgin Australia Group (Administrators Appointed) | Pre-registration in Halo creditors platform" is provided at **Tab 4 of Exhibit DMO-1**;

- (b) On 28 May 2020, an email was sent from the Deloitte Halo email address, virginhalo@deloitte.com.au to all employees at their Virgin Australia emails (and personal emails where nominated). In addition to including information described in paragraphs 20(a)(i)B-20(a)(i)C and 20(a)(i)E-20(a)(i)F above, this email:
- (i) informed employees that their work email (and their personal email, if on file) had been pre-registered with Halo;
  - (ii) set out an explanation on how employees could access their Halo accounts and create a password;
  - (iii) provided instructions on how employees can view their estimated entitlements and stated that:
    - A. *"At this stage, the entitlement details provided in Halo are for your information only and to provide you with the opportunity to review the balance of the entitlement. This is not a final determination of your employee entitlement balance"; and*
    - B. *"The estimate of entitlements presented will be at a point in time (i.e. 30 April 2020) and will increase or decrease during the course of the Administration as leave is accrued or taken and the Administrators work through other required adjustments".*
  - (iv) provided:
    - A. instructions about how to submit a message or query to the Administrators through Halo;
    - B. the email addresses payroll.queries@virginaustralia.com and payroll@tigerair.com.au, through which employees could also submit a query; and
    - C. advised that for staff who were a member of a union, their






union may be able to assist with their enquiry; and

- (v) attached:
  - A. the Halo FAQs; and
  - B. a copy of the notice posted on the Virgin employee workplace site, which provided further detail about employee entitlements.

A copy of this email titled "Virgin Australia Group (Administrators Appointed) | Pre-registration to view employee entitlements in Halo Platform" together with the attachments to that email is provided at **Tab 5 of Exhibit DMO-1**;

- (c) On 29 June 2020, an email was sent from the Deloitte Halo email address, virginhalo@deloitte.com.au to all creditors (other than employee creditors and customers) identified in the Creditor Database or ROCAP that were not by that time registered on the Halo Platform (based on their email address). In addition to the information described at paragraphs 20(a)(i)A - 20(a)(i)F above, this email:

- (i) requested that creditors register with Halo if they had not already done so; and
- (ii) advised that *"Creditors will need to be registered in the Halo Platform in order to participate in the upcoming vote at the second meeting of creditors (August 2020)"*.

A copy of this email titled "Virgin Australia Group (Administrators Appointed) | REMINDER: Register for Deloitte Halo platform for Virgin Australia" is provided at **Tab 6 of Exhibit DMO-1**;

- (d) On 13 July 2020, a further email was sent from the Deloitte Halo email address, virginhalo@deloitte.com.au to creditors (other than employee creditors and customers) in the Deloitte Halo database and identified in the Creditor Database or ROCAP that were not by that time registered on the Halo Platform (based on their email address). This email:

- (i) requested that these creditors lodge their claims as soon as possible to enable the Administrators to admit them for the purposes of voting at the Second Meetings; and
- (ii) made the following statements:




- A. *"Please note that the amount your claim is admitted for by the Administrators is for voting purposes at the second meeting of creditors. A detailed adjudication process of your claim(s) will occur at a later date when a dividend has been declared by the Administrators for any dividend distribution you may be entitled to"; and*
- B. *"The Report to Creditors will outline the estimated return to creditors and will provide further details with respect to the steps to be taken to complete the sale".*

A copy of this email titled "Virgin Australia | Claims in Deloitte Halo Platform" is provided at **Tab 7 of Exhibit DMO-1**;

21. The Halo Webpage referred to in paragraph 20(a)(i)A above, contains a link to:
- (a) Deloitte's "Voting in Halo – How to Guide" which provided comprehensive instructions in relation to how to:
- (i) register on the Halo Platform;
  - (ii) add a claim;
  - (iii) be admitted for voting purposes at the Second Meetings;
  - (iv) appoint a proxy; and
  - (v) cast a vote at the Second Meetings.

A copy of the "Voting in Halo – How to Guide" is provided at **Tab 8 of Exhibit DMO-1**; and

- (b) Deloitte's "5 Steps for Voting in Halo – Summary Checklist" which provided a short form summary of the "Voting in Halo – How to Guide" referred to above. A copy of the "5 Steps for Voting in Halo – Summary Checklist" is provided at **Tab 9 of Exhibit DMO-1**.

22. The Halo Webpage has also been posted to the Virgin Companies administration website at <https://www2.deloitte.com/au/virgin>.



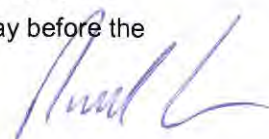

### Orders in the Federal Court Proceedings

23. Pursuant to the 11 August Orders:

- (a) creditors of the Virgin Companies intending to vote at the Second Meetings (other than USD Noteholders) were required to register with the Halo Platform by a specified date (Orders 2 and 5);
- (b) the Administrators were entitled to ascertain who was a creditor of the Virgin Companies, and to admit in whole or in part a creditor's proof of debt or claim for the purpose of voting at the Second Meetings, based only on the books and records of the Virgin Companies and the information provided by any person, or otherwise entered in, the Halo Platform (Order 3);
- (c) with the exception of the USD Noteholders, the Administrators were only required to accept particulars of a debt or claim, an instrument of appointment of proxy and instrument evidencing the appointment of a power of attorney if submitted electronically using the Halo Platform (Orders 4 and 5); and
- (d) the Administrators were justified in utilising the Halo Platform to communicate with creditors (including USD Noteholders who had registered on the platform) in relation to notifications and information about the conduct of the Administration and any proof or particulars of a debt or claim lodged through the Halo Platform, including in relation to the adjudication of a claim and requesting of further evidence (Order 6).

24. Pursuant to the 12 August Orders:

- (a) the Administrators were justified in entering information provided by a person into the Halo Platform and registering that person as a creditor on the Halo Platform (Order 9(a));
- (b) where the Administrators' received particulars of a debt or claim after the "**Administration POD Lodgement Date**" (being the fifth business day before the Second Meetings), the Administrators were justified in disregarding that debt or claim (Order 9(b));
- (c) creditors (or their proxy or attorney) were not able to amend or replace a proof of debt lodged on the Halo Platform after the Administration POD Lodgement Date without the express written consent of the Administrators (Order 10);
- (d) creditors wishing to participate or vote at the Second Meetings were required to lodge a specific proxy form and/or an appointment of power of attorney by the "Administration Proxy Lodgement Date" (being the third business day before the





Second Meetings) (Order 12);

- (e) only those creditors who lodged a specific proxy and/or an appointment of power of attorney by the Administration Proxy Lodgement Date were entitled to participate and vote at the Second Meetings (Order 13);
- (f) requirements under the IPR with respect to the provision of forms and notices in advance of the Second Meetings were satisfied by the Administrators providing a link to electronic forms and notices on the Halo Platform (Order 14); and
- (g) all resolutions put to creditors at the Second Meetings were required to be conducted by a poll and that poll was to be taken by tallying votes cast on the Halo Platform (Order 16).

#### **Registration of creditors on Halo**


- 25. During the administration process, 12,973 creditors representing all known creditors of the Virgin Companies lodged either a formal or informal proof of debt through the Halo Platform for the purpose of voting at the Second Meetings.
- 26. As at the date of this affidavit, all known creditors of the Virgin Companies have registered with the Halo Platform. Based on my review of the books and records of the Virgin Companies and the proofs of debt lodged through the Halo Platform for the purpose of voting at the Second Meetings, this represents all known creditors of the Virgin Companies, (including employees and creditors whose details were pre-registered by the Administrators during the external administration of the Virgin Companies pursuant to the 11 August Orders and the 12 August Orders).
- 27. As at the date of this affidavit, the Trustees are not aware of any other creditors / potential beneficiaries of the Trust that are not registered on the Halo Platform.
- 28. Where creditors were registered on the platform by the Administrators, during the course of the administration they received correspondence from the Administrators notifying them of their pre-registration and requesting that they confirm their email and create a password. These communications are detailed at paragraphs 20(a) (non-employee creditors) and 20(b) (employee creditors) above.
- 29. Any potential Trust Creditor not already known and therefore not already registered on the Halo Platform is able to register as a "new user" to lodge a proof of debt and supporting materials. This can be done via the Halo Webpage. An extract of the Halo Webpage is at **Tab 10 of Exhibit DMO-1**.




30. In addition to providing instructions in relation to registering with the Halo Platform and submitting or updating a formal proof of debt, the Halo Webpage contains a link to Deloitte's prepared answers to frequently asked questions regarding the Halo Platform (**Halo FAQs**). The Halo FAQs address the following:
- (a) the Halo registration process;
  - (b) information privacy, including the management of personal information provided through Halo, for example, how such information will be used, creditor's rights in relation to their personal information and the process for lodging a complaint if a creditor has concerns about how their personal information is being used;
  - (c) managing a Halo Platform user account, including how to request a password reset, change a creditor's contact details, turn off Halo Platform notifications and how to access assistance to using the platform;
  - (d) making a claim, including how to submit a proof of debt and any supporting documentation, how to edit or update a previously submitted claim and how to see which people have been granted access to a creditor's claim (for example, a user's legal or financial advisers);
  - (e) communications between creditors and the Trustees, including that by registering through Halo, the users consent to being contacted by the Trustees through the email address provided; and
  - (f) the manner in which the dividend process under the Trust Deed will proceed and the timeframe of when creditors can expect payments to be made.
31. The Halo Webpage also contains a link to a form titled "Halo Help" by which individuals can submit any queries they may have in relation to the Halo Platform, proofs of debt or proxies.

#### **Lodgment of proofs of debt and adjudication**

32. Prior to the payment of any dividend pursuant to the terms of the Trust Deed, Trust Creditors will have a further opportunity to update and lodge a formal proof of debt or claim for the purposes of adjudication under clause 7.2 of the Trust Deed.
33. The procedure for adjudicating claims is governed by clause 5.2 of the Trust Deed, which applies:
- (a) Subdivisions A, B, C and E of Division 6 of Part 5.6 of the *Corporations Act 2001* (Cth) (**Corporations Act**); and




- (b) regulations 5.6.11A, 5.6.37, 5.6.39 to 5.6.43 (inclusive), 5.6.44 to 5.6.53 (inclusive) and 5.6.55 to 5.6.72 (inclusive) of the *Corporations Regulations 2001* (Cth) (**Regulations**),

as if references to the liquidator in the Corporations Act or Regulations were references to the Trustees and references in the Corporations Act or Regulations to the winding up were references to the Trust Deed, and with such other modifications as are necessary to give effect to the Trust Deed, except to the extent that those provisions are varied or excluded expressly or impliedly by the Trust Deed.

34. Accordingly, the Trustees will take steps to adjudicate claims of Trust Creditors in compliance with the applicable provisions of the Corporations Act and the relevant Regulations. Given the large number of creditors of the Virgin Companies, and accordingly, the large number of expected Trust Creditors (the vast majority of whom or which are expected to have already been identified and registered with the Halo Platform), the Trustees seek orders allowing them to conduct and carry out the adjudication process using the Halo Platform.

35. The Trustees propose to take the following steps with respect to the adjudication process:

- (a) issuing a circular to creditors to all Halo Platform users (**proposed Circular to Creditors**):
- (i) giving notice of the Trustees intention to declare any (interim or final) dividend (**Notice**);
  - (ii) calling for formal proofs of debt to be lodged by a specified date (**POD Lodgment Date**) (being no less than 14 days after provision of the Notice) (**Call for Proofs**);
  - (iii) providing a proposed timeline for the adjudication process and payment of any dividends; and
  - (iv) providing details on how to lodge or amend any previously lodged proofs of debt on the Halo Platform (including the ability to "convert" an informal proof of debt to a formal proof of debt),

which would be in addition to each of the Notice Inviting Formal Proof of Debt or Claim and Notice of Intention to Declare Dividend that will be advertised on the ASIC Insolvency Notices website (**ASIC Notices**). Copies of the proposed Circular to Creditors to be sent via the Halo Platform and the draft ASIC Notices, which will each be updated to reflect the correct dates prior to being advertised on the ASIC Insolvency Notices website, are located behind **Tabs 11, 12 and 13** of **Exhibit**

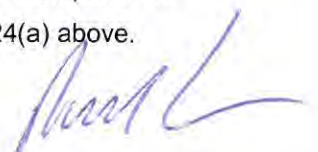
**DMO-1** respectively;

- (b) requiring Trust Creditors to lodge proofs of debt or claim by either:
  - (i) generating a new claim in the Halo Platform by clicking "add claim"; or
  - (ii) converting an existing proof of debt in Halo from "informal" to "formal";
 and
- (c) requesting that Trust Creditors provide bank account details for the payment of any dividend by entering that information on the Halo Platform but only after having their claim admitted for dividend purposes by the Trustees (see paragraph 57 below in relation to additional security measures).

36. Therefore, Trust Creditors who or which have already lodged a proof of debt or claim in the administration of one or more of the Virgin Companies and wish to amend their claim in the Halo Platform, will be required to amend their claim to be a formal proof of debt. Trust Creditors will be able to amend their claim up to the deadline for lodging formal proofs of debt notified to the Trust Creditors in the Call for Proofs. Amendments can be made by the creditor clicking the "Claim" tab on their individual Halo Platform dashboard and following the prompts to update the claim. A step-by-step infographic on how this can be done in the Halo Platform is annexed to the Trustees' proposed Circular to Creditors.

37. It is expected that, after the passing of the POD Lodgement Date as specified in the Call for Proofs, the ability of Trust Creditors to lodge or amend any formal proof of debt will be disabled. To ensure that Trust Creditors are not omitted or deprived of any dividend payable from the Trust Fund in the event that a Trust Creditor does not convert their existing informal proof of debt to a formal proof of debt or claim before the POD Lodgement Date, it is proposed that any such Trust Creditor's informal proof of debt (lodged in the administrations of the Virgin Companies) will automatically be converted to a "formal" proof of debt after the POD Lodgement Date and the Trustees will then proceed to adjudicate the Trust Creditor's claims.

38. While the Trustees expect that the majority of Trust Creditors will utilise the Halo Platform when submitting formal proofs of debt, they will continue to accept formal proofs of debt which are lodged by Trust Creditors in the ordinary course (that is, that are sent to the Trustees via email or post) up to the POD Lodgement Date. Where proofs of debt are not submitted using the Halo Platform, but rather, are sent to the Trustees via email or post, the Trustees propose manually to enter this data into the Halo Platform, in the same manner done during the administrations. Once the data has been entered, the relevant Trust Creditors will then be sent a link to the Halo Platform via email asking them to confirm their registration. Again, this process mirrors what occurred during the external administrations of the Virgin Companies in accordance with Order 9(a) of the 12 August Orders described at paragraph 24(a) above.

39. When adjudicating claims lodged by Trust Creditors through the Halo Platform, the Trustees and their staff will have access to the following information:
- (a) the proof of debt or claim lodged by the creditor in the administrations;
  - (b) the previous amount in which such proof of debt or claim was admitted for voting purposes at the Second Meetings and the Administrators' reasons for that decision;
  - (c) whether any further documentation has been lodged and/or changes have been made to any proof of debt or claim since the Second Meetings;
  - (d) the books and records of the Virgin Companies to validate amounts claimed by creditors; and
  - (e) all documents uploaded by the creditors to support the amounts claimed in their proof of debt or claim lodged for voting purposes for the Second Meetings.

40. Once a Trust Creditor's debt or claim is adjudicated, the Trust Creditor's account on the Halo Platform will be updated and an email notification stating that the claim has been "*updated with an adjudication outcome*" will be issued to the Trust Creditor. The email will include:

- (a) a link to the Trust Creditor's account on the Halo Platform where the Trust Creditor can access further detail about the Trustees' decision; and
- (b) a notice that should a Trust Creditor wish to appeal the outcome of the adjudication process, they will have 14 days from the date of the email to lodge an application with the Court (as defined in the Trust Deed).

A copy of a *pro forma* email proposed to be issued to each registered Trust Creditor is at **Tab 14 of Exhibit DMO-1**.

41. Where a Trust Creditor has lodged more than one claim, the creditor will be able to see the status of each of their claims lodged.

42. In relation to each claim, the Trust Creditors will be provided with information regarding the adjudication under the following headings:

- (a) "*Outcome*" - being the Trustees decision to adjudicate the claim as either "admitted", "partially admitted" or "rejected";
- (b) "*Admitted Amount*" - being the amount admitted with respect to the claim, in Australian dollars;
- (c) "*Basis*" - if the claim has been partially admitted or rejected, the Trustees will detail






the basis of their decision and have the ability to attach any relevant attachments.

A screenshot of the Halo Webpage that the Trust Creditor will be presented with displaying the information described in (a) - (c) above is at **Tab 15 of Exhibit DMO-1**.

43. In circumstances where a Trust Creditor's claim has been rejected or partially admitted, the Trust Creditor will be informed, at various stages, of their ability to appeal the adjudication outcome of their proof of debt adjudication and the time frame for the Trust Creditor to file their appeal with the Court. As mentioned above, a Trust Creditor will be notified:
- (a) at the time they receive an email indicating that an adjudication decision has been made;
  - (b) on the Halo Platform Webpage that displays the adjudication outcome of their claim;
  - (c) if the Trust Creditor indicates that they intend to appeal by clicking the "Intend to Appeal" button on the Halo Platform Webpage that shows the Trust Creditor the adjudication outcome of their claim, the Trust Creditor will be taken to a page which will, again inform them, that they have 14 days from the date they received notification that an adjudication decision had been made to make an application to the Court (and, in that case, the Trust Creditor will be asked to input into a free text box their reason for their intention to appeal to the Court and to click "Send Message"); and
  - (d) after a Trust Creditor has indicated that they intend to appeal the adjudication of their claim, the Trust Creditor will also receive an automatic email from the Halo Platform outlining further how they can formally appeal the adjudication of their proof of debt in accordance with regulation 5.6.54 of the Regulations.

At **Tab 16 of Exhibit DMO-1** is a screenshot of the Halo Webpage that the Trust Creditor will be presented with displaying the items described in (b) and (c) above and at **Tab 17 of Exhibit DMO-1** is a screenshot of the Halo Webpage that will be presented to Trust Creditors who or which have indicated that they intend to appeal the adjudication outcome displaying the message as detailed in (d) above.

44. In order to eliminate any duplication of claims (for example, made by two different Trust Creditors who or which have different interests in the same debt, such as a syndicate financier and a security trustee or facility agent of that syndicate), the Halo Platform contains built-in analytical processes which identify duplicate claims. In circumstances where a "double-claim" exists, the Halo Platform has the ability to "close" this claim. This means that the claim remains in the Halo Platform and the associated users are still able to receive and send




communications through the platform, but the duplicate claim will not be able to be edited and ultimately will not be admitted as a claim in the Creditors' Trust. Where a claim is "closed" on the basis that it is a duplicated claim, the creditor and all of its registered users will be notified by email. This notification takes the following form (by way of example only, whereby the email provided would be the primary user of the claim such as the security trustee in the example given above):

*"Claim VI011516C has been marked as a duplicate of Claim VI011435C. Please contact the following users to gain access to Claim VI011435C.*

*virgincreditor@deloitte.com.au*

*This is a system generated email. Please do not send messages or reply to this email."*

#### **Efficiencies from use of the Halo Platform**

45. The Trustees will need to manage the following logistical steps and administrative processes in adjudicating proofs of debt and arranging for the payment of dividends from the Trust Fund:
- (a) further to paragraph 44 above, while the Trustees have the ability to "close" a "double-claim" (as described in that paragraph 44), this process still requires manual processing by the Trustees and their staff to identify a "double-claim", communicate with the relevant parties and configure the Halo Platform so that the relevant claim is only admitted once;
  - (b) further to paragraph 33 above, the Trustees and their staff need to undertake the adjudication of any proofs of debt or claim in accordance with the terms of the Trust Deed, including the applicable provisions of the Corporations Act and Regulations (which ordinarily relate to a liquidation scenario), which is a very time-consuming task given the number of creditors and potential claims involved; and
  - (c) further to paragraph 40 above, once a claim has been adjudicated, the Trustees are then required to notify the Trust Creditor who lodged the proof of debt as to the outcome of that adjudication (by making the appropriate updates to the creditor's personal account details in Halo). A Trust Creditor whose claim has been rejected or adjudicated for a value which the creditor disagrees with, may seek to challenge that decision or make further enquiries in respect of that decision. That process will need to be undertaken by the Trustees in order for that person, if admitted as a creditor, to vote on any resolution.
46. Prior to paying any dividend from the Trust Fund the Trustees will require sufficient time to adequately to address these matters and to correspond with persons via the Halo Platform on




any questions or requests which arise in relation to the adjudication.

47. Without the assistance of the Halo Platform, I estimate that the adjudication process would take approximately 12 weeks and would require significant resources within Deloitte to complete the adjudication (as detailed in paragraph 50 below).
48. Based on my experience with the Halo Platform, I estimate that with assistance from the Halo Platform, the adjudication process to take approximately 4 weeks or 20 business days.
49. Due to the quantum of claims and the requirement under the Regulations to provide an outcome within 14 days, I consider that it will not be feasible to comply with the timeframe of this requirement without the added assistance of the Halo Platform.
50. Further, with the assistance of Deloitte staff, I have prepared an estimate of the likely costs of managing the proof of debt adjudication process and payment of dividends on a conventional basis, compared with the likely professional and other costs of managing that process through the Halo Platform. In doing so, this estimate takes into account, among other things, the costs and time associated with maintaining and updating a creditor management system, communicating with creditors, adjudicating on proofs of debt, requesting further information from creditors, dealing with any queries and/or formal appeals made by a Trust Creditor in relation to the Trustees' adjudication, collecting and securely storing Trust Creditors' banking details for distribution purposes and the costs of developing and supporting the Halo Platform through the administration period.
51. I estimate that, if done on a conventional basis, the costs of the adjudication process and the payment of a dividend to Trust Creditors will be on the order of \$6,440,812, whereas if done through the Halo Platform, the costs will be about \$2,598,550. This amounts to a cost saving of \$3,842,262 to the Trust Fund if the process is conducted through the Halo Platform. Further, I estimate that, if done on a conventional basis, creditors would receive a dividend from the Trust two months later than if the process is done through the Halo platform.

#### **Security of the Trust Creditors' information**

52. The Trustees recognise and are conscious that information security and privacy is an important matter to take into account.
53. The Halo Platform complies with Deloitte's Global Security standards, which include regular security audits to ensure that the Halo Platform is secure and, that security considerations be made at each stage of the software development lifecycle including requirements gathering, design, development and deployment.
54. Halo complies with Deloitte's Global Security standards, which include regular security audits




to ensure that the Halo Platform is secure. These activities include the following:

- (a) internal security reviews before platform launch and updates;
- (b) regular penetration test performed by in-house and third-party contractors; and
- (c) source code review and testing, to ensure software vulnerabilities are identified and remediated.

55. The Halo Platform stores a range of confidential information, which includes personal information, financial information and customer information of creditors and users. The Halo Platform has a number of security features which protect the data of its users and the integrity of the data contained in the platform. These include, amongst other things:

- (a) end-to-end encryption;
- (b) monitoring and virus protection;
- (c) cloud network firewalling; and
- (d) multifactor authentication by users.

56. Deloitte's security reviews, as well as on-going operations (such as Vulnerability management, virus protection, code reviews etc.) serve to ensure continued compliance to ISO 27001, which is an international standard on how to manage information security.

#### **Bank account details**

57. In addition to the types of confidential information stored on the Halo Platform during the external administration of the Virgin Companies, the Trustees seek orders that:

- (a) they are justified in collecting and storing the bank account details of Trust Creditors for the purposes of paying any dividend payable in accordance with the terms of the Trust Deed; and
- (b) all payments, where the bank account details have been provided, are to be made by direct deposit into the Trust Creditor's nominated and verified bank account.

Any Trust Creditor who is a user on the Halo Platform for a claim that has been admitted by the Trustees will be able to enter their bank account details including SWIFT code (if relevant), however, all users attached to that claim (where there is more than one user, for example, the Trust Creditor's advisers or representatives) will be notified that bank account details have been entered by that user and will be able to view limited information in relation to those account details (see paragraph 60) below.




58. The information provided by Trust Creditors in relation to bank account details will be treated by the Trustees (and their staff) as confidential and accordingly, Deloitte has engaged its IT Services and Security teams to test and review the bank detail process to ensure it complies with various confidentiality and security protocols, including Deloitte's Global Security Standards and Confidential Information Program. In addition to the existing security measures in place on the Halo Platform for the purposes of the administrations of the Virgin Companies and in order to ensure that the bank account details provided are those of the relevant Trust Creditors, the Trustees and their staff will:
- (a) cross check any bank account details provided by Halo Platform creditors against the Virgin Companies' records (if available); and
  - (b) where account details do not match the Virgin Companies' records or no account details are held for that creditor in the Virgin Companies' records, the Trustees will require the creditor to provide further supporting documentation such as a bank statement, or if not available, either a form of confirmation from the Trust Creditor's banking institution that the details are bank account details are accurate, or confirmation of ownership of the Trust Creditors' bank account together with the authorised signatories.
59. The Trustees and their staff have also implemented processes such that only a select few individuals at Deloitte will have access to this information for the purposes of:
- (a) cross-checking the bank account details as described above; and
  - (b) extracting an Australian Banking Association (**ABA**) file, which is a standard document used by Australian banks to process multiple payment transactions simultaneously, for payment of the dividend rather than entering each transaction individually.
60. Other than an individual user who entered the bank account details, and selected individuals at Deloitte to whom access is granted, Deloitte staff and any additional users in connection with a particular claim will be unable to view the complete bank account details for a Trust Creditor, and the only information that will be visible to them through the Halo Platform will be the BSB, bank name, bank branch, account name, last 4 digits of the account number and the SWIFT code (if relevant), for example:
- (a) BSB: [123-456]
  - (b) Account Number: [XXXX-1234]
  - (c) Bank Name: [ABC Bank]
  - (d) Bank Branch: [Brisbane CBD]

(e) Account Name: [Creditor Pty Ltd]

(f) SWIFT Code: [AAAABBCCDDD]

61. In the event that incorrect banking details are entered by the user, or should other users for that claim dispute that the bank details have been entered correctly, Deloitte staff have the capability to 'reset' the banking details for a creditor or specific claims, allowing the creditor and the users attached to a creditor's claims to re-enter the correct banking details.
62. While Deloitte has implemented a number of security measures to ensure the protection of Trust Creditors' personal information, the onus is on the creditor to enter the correct banking details in Halo. Deloitte has however sought to limit the potential impact of 'human error' in entering bank account details by auto populating the BSB, Bank and Branch details from the banking database for Australian financial institutions.



**Justification for Application**

63. In my opinion, for the reasons explained above, the use of the Halo Platform by the Trustees in exercising their powers under the Trust Deed, including in relation to the adjudication of Trust Creditors' claims, will benefit Trust Creditors by achieving the time and cost savings identified above and improving the efficiency and accuracy of the process of adjudicating proofs of debt and arranging for the payment of dividends from the Trust Fund.

**Sworn** at Brisbane  
this 25th day of March 2021

Before me: Zachary P George

Signature of witness

Zack George, Lawyer, Clayton UTZ  
Name and capacity of witness

  
Deponent

And as a witness, I certify the following matters concerning the person who made this affidavit (deponent):

[\*strike out the text that does not apply]

1. \*I saw the face of the deponent.

OR

~~\*I did not see the face of the deponent because he/she was wearing a face covering, but I am satisfied that he/she had a special justification for not removing it.~~

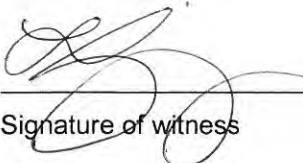
2. ~~\*I have known the person for at least 12 months.~~

OR

\*I confirmed the person's identity using the following identification document:

Drivers License

Identification document relied on  
(may be original or certified copy)

  
Signature of witness