

Form 5011

Corporations Act 2001

s436E, 439A

Corporations Regulations 2001

5.6.11.(2), 5.6.27

Copy of minutes of meeting

Liquidator details

Registered liquidator number

15697

Registered liquidator name

DAVID JOHN FRANK LOMBE

Company details

Company name

FORCE CORP PTY LTD

109 630 079

Section under which minutes are lodged

Date of meeting

29-08-2016

Are the minutes being lodged for a meeting convened under s436E, or s439A of the Corporations Act 2001?

No

Certification

I certify that the attached minutes of meeting are a true copy of the original minutes of meeting signed by the chair of the meeting as identified in the minutes.

Yes

Authentication

This form has been authenticated by
Name DAVID JOHN FRANK LOMBE
This form has been submitted by
Name Christopher WOLLINSKI
Date 01-09-2016

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FIRST COMMITTEE OF INSPECTION MEETING

**FORCE CORP PTY LIMITED
(RECEIVERS AND MANAGERS APPOINTED)
(IN LIQUIDATION)
ACN 109 630 079
("the Company")**

**Held at the Offices of Deloitte Touche Tohmatsu ("Deloitte")
Level 9, Grosvenor Place, 225 George Street, Sydney NSW 2000
on Monday, 29 August 2016 at 11:00am (AEST)**

This is the annexure of 9 pages referred to in the
ASIC Form 5011 signed by me dated 31 / 8 / 2016.

.....
Signature

Present:

David Lombe	Liquidator, Deloitte Touche Tohmatsu
Christopher Wollinski	Deloitte Touche Tohmatsu
William Hanrahan	Deloitte Touche Tohmatsu

Attendance register attached as **Appendix 1**.

Opening of the Meeting:

David Lombe ("the Chairperson") declared the meeting open at 11:10am (AEST).

The Chairperson thanked those present for attending the meeting.

The Chairperson stated that this is the first meeting of the Committee of Inspection ("the Committee") for Force Corp Pty Ltd (Receivers and Managers Appointed) (In Liquidation) and welcomed all attendees to the meeting.

The Chairperson confirmed he was one of the Joint and Several Liquidators of the Company. Joint Appointee Vaughan Strawbridge was not present and the Chairperson passed on his apologies.

Also in attendance were Christopher Wollinski and William Hanrahan of Deloitte who had been assisting the Joint and Several Liquidators with the day-to-day carriage of the Liquidation.

The Chairperson confirmed that all those present at the meeting had signed the attendance register. The Chairperson advised the meeting that Mr Henry Carr from the Department of Employment ("DOE") was attending the meeting by teleconference as an Observer and would not be eligible to participate in voting on the resolutions put forward to Committee members at this meeting. The Chairperson also offered Mr Carr the opportunity to ask questions.

The Chairperson informed those present that the invitation had been extended to Mr Carr due to the significant amounts advanced by the DOE for outstanding employee entitlements under the Fair Entitlements Guarantee ("FEG") scheme. The Chairperson informed Committee members that the DOE takes the creditor position of those employees in the liquidation for monies advanced for their outstanding entitlements in accordance with Section 560 of the *Corporations Act 2001* (Cth) ("the Act").

For those members who had dialled in by telephone, this was taken as confirmation of their attendance.

In Attendance:

Attendance of Committee of Inspection (“Committee”) members as follows:

#	Representative	Creditor Name	Attendance?	By phone/ In person?
1	Sean Reil	Former employee	Yes	In person
2	Simon James / Stuart Terry	Lease Collateral Pty Ltd ATF Specialised Finance Warehouse Trust 1	No	-
3	Trish Griffin	Access Service Australia Pty Ltd	Yes	By phone
4	Ian Johnson	Equity Trustees Ltd ATF Helmsman Capital Fund IIB	Yes	In person
5	Rick Mustillo	Independent Parts & Service Pty Ltd	Yes	In person

The Chairperson noted that Ms Julianne Ashburn was no longer a member of the Committee for the Company.

The Chairperson signed in those present and on the telephone with their consent.

**Appointment of
Chairperson:**

Mr Lombe stated that pursuant to Regulation 5.6.17(1) of the Corporations Regulations, he was the Joint and Several Liquidator and therefore will occupy the position of the Chairperson.

The Chairperson asked if there were any objections to him occupying the Chair.

There were no objections raised by Committee members.

**Time and Place of
Meeting:**

The Chairperson advised Committee members that the meeting was being held at a time and place convenient for the majority of Committee members pursuant to Regulation 5.6.14 of the Corporations Regulations. The Chairperson asked Committee members whether they had any objections.

No objections were raised by Committee members.

Quorum:

The Chairperson stated that as the majority of Committee members are present at this meeting, it was declared that a quorum was present in accordance with Section 549(3) of the Act and Regulation 5.6.16 of the Corporations Regulations.

**Voting on the
Resolutions:**

The Chairperson advised that all motions are to be resolved on the voices. The Chairperson advised that when a motion is called, if those who are in favour of the motion call ‘yes’ and those against ‘no’.

**Confidentiality
Obligations:**

The Chairperson addressed the confidentiality of certain matters that may be discussed with the Committee members from time to time. The Chairperson noted that Committee members should only disclose confidential information with the creditors or employees which they represent and also advise them of the confidentiality of the information.

The Chairperson noted that he will place the minutes of Committee meetings on the Deloitte website and that Committee members can consider anything contained in those minutes as not being subject to confidentiality. A copy of these minutes will also be lodged with the Australian Securities & Investments Commission (“ASIC”).

**Purpose of the
Committee:**

The Chairperson outlined that the purpose of the Committee meeting was to enable a more effective and responsive Liquidation, by allowing the Liquidators to seek prompt consultation with the creditors’ representatives on matters relating to the Liquidation.

The Chairperson outlined the functions of the Committee, including:

- Consulting with and receiving reports from the Liquidators;
- Assisting the Liquidators by acting as a “sounding board” for proposed actions;
- Ability to approve if the Liquidators intend to enter into an agreement on the Company’s behalf that is longer than 3 months;

- Ability to approve if the Liquidators intend to settle and compromise debts owed to the Company over \$20,000; and
- Ability to approve the Liquidators' fees and disbursements.

Tabling of Documents:

The Chairperson tabled the following documents to the meeting:

- Committee of Inspection Circular dated 12 August 2016 including Form 529 – Notice of Meeting; and
- Advertisement posted on the ASIC Insolvency Notices website.

As there were no objections, the Chairperson took the tabled documents as being read.

Update to Committee Members on the winding up:

The Chairperson provided an update to the meeting on the FEG scheme and details regarding tasks completed and monies advanced to employees for outstanding entitlements.

The Chairperson advised the meeting that as Mr Ian Johnson is a Director of the Company, he has a potential or perceived conflict of interest in discussing issues regarding the Liquidators' investigations and voting on the resolution regarding the Liquidators entering into litigation funding agreements with Litigation Lending Services Limited ("LLS") on behalf of the Company. Accordingly, Mr Johnson was asked to exclude himself from the meeting.

Mr Johnson left the meeting at 11:25am.

The Chairperson then presented an update to the Committee on the following topics:

- The Liquidators' investigations to date;
- The rationale, benefits and fee structure of entering into the two separate litigation funding agreements with LLS for the purposes of progressing the alleged insolvent trading claim and unfair preference claims;
- A detailed explanation of the Receipts and Payments of the Administrators and Liquidators for the period 13 July 2015 to 30 June 2016; and
- Pending matters and next steps.

Questions:

The Chairperson invited questions from the Committee.

Members of the Committee asked questions regarding the following issues:

- Further information on the Liquidators' investigations to date including the alleged insolvent trading claim and unfair preference claims;
- Fee structure of the two separate litigation funding agreements with LLS; and
- Estimated recoveries (potential indicative ranges) of proposed actions being brought by the Liquidators, once litigation funding had been secured.

The Chairperson responded to these questions and provided further information including a detailed outline of the litigation lending contractual arrangements and the relevant fees.

The Chairperson asked whether there were any further questions from the Committee members. No further questions were raised by the Committee members at this time.

The Chairperson invited Mr Ian Johnson to re-enter the meeting prior to the resolution being put to Committee members as he wished to put certain matters before the Committee prior to the vote.

Mr Johnson rejoined the meeting at 12:00pm.

Mr Johnson tabled two newspaper articles which he deemed relevant to the discussion, and provided his opinion on litigation funding and the potential outcomes (returns) for creditors.

Prior to the litigation funding agreements resolution being put to the Committee for consideration, the Chairperson requested that Mr Johnson exclude himself from the meeting.

Mr Johnson left the meeting at 12:05pm.

Litigation funding agreements with Litigation Lending Services Limited:

The Chairperson noted that approval would be required from the Committee for the Liquidators to enter into proposed litigation funding agreements with LLS pursuant to Section 477(2B) of the Act and explained further the provisions of the Act.

The Chairperson outlined the rationale and benefits of entering into the proposed litigation funding agreements with LLS for the benefit of progressing the alleged insolvent trading claim and unfair preference claims.

The Chairperson provided details in relation to the funding agreements for the Committee's consideration. Mr Lombe confirmed to the meeting for a second time the fee structure of the two separate funding agreements.

The Chairperson requested for the Committee members to consider and if thought fit approve the following resolution:

"That the Committee of Inspection approve the Liquidators of Force Corp Pty Limited (Receivers and Managers Appointed) (In Liquidation) enter into the litigation funding agreements with Litigation Lending Services Limited for the purposes of pursuing the alleged insolvent trading claim and unfair preference claims in accordance with Section 477(2B) of the Corporations Act 2001 (Cth)."

The resolution was first moved by Sean Reil, a former employee of the Company.

The resolution was seconded by Rick Mustillo, representing Independent Parts & Service Pty Ltd.

Three committee members voted in favour of the resolution. The Chairperson noted Mr Ian Johnson, representing Equity Trustees Ltd ATF Helmsman Capital Fund IIB, was not present for the resolution as he was excluded from the meeting and he abstained from voting.

The Chairperson declared the resolution had been carried on the voices.

Mr Johnson rejoined the meeting at 12:20pm.

Liquidators' additional remuneration for the period 24 November 2015 to 30 June 2016:

The Chairperson referred Committee members to the Remuneration Report, which was annexed to the Committee of Inspection Circular dated 12 August 2016, regarding the proposed resolutions on the Administrators' and Liquidators' professional fees and disbursements. The Chairperson also explained the fee schedules and documents for the benefit of the Committee.

The following resolution in relation to the Liquidators' additional remuneration for the period 24 November 2015 to 30 June 2016 was proposed to the Committee of Inspection of Force Corp Pty Limited (Receivers and Managers Appointed) (In Liquidation):

"That the additional remuneration of the Liquidators, their partners and staff, for the period of the Liquidation from 24 November 2015 to 30 June 2016 is fixed at a sum equal to the additional cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 12 August 2016 of fees equalling \$310,392.50 plus GST, and that the Liquidators can draw the remuneration as required."

The additional fees were explained to the meeting by the Chairperson.

The resolution was first moved by Sean Reil, a former employee of the Company.

The resolution was seconded by Rick Mustillo, representing Independent Parts & Service Pty Ltd.

Four committee members voted in favour of the resolution.

The Chairperson declared the resolution had been unanimously carried on the voices.

Liquidators' disbursements for the period 24 November 2015 to 30 June 2016:

The following resolution in relation to the Liquidators' disbursements for the period 24 November 2015 to 30 June 2016 was proposed to the Committee of Inspection of Force Corp Pty Limited (Receivers and Managers Appointed) (In Liquidation):

"That the disbursements of the Liquidators for the period of the Liquidation from 24 November 2015 to 30 June 2016, as detailed in the Remuneration Report of 12 August 2016, are approved in the sum of \$36,909.53 plus GST."

The disbursements were explained to the meeting by the Chairperson.

The resolution was first moved by Rick Mustillo, representing Independent Parts & Service Pty Ltd.

The resolution was seconded by Sean Reil, a former employee of the Company.

Four committee members voted in favour of the resolution.

The Chairperson declared the resolution had been unanimously carried on the voices.

Administrators' additional remuneration for the period 19 October 2015 to 23 November 2015:

The following resolution in relation to the Administrators' additional remuneration for the period 19 October 2015 to 23 November 2015 was proposed to the Committee of Inspection of Force Corp Pty Limited (Receivers and Managers Appointed) (In Liquidation):

"That the additional remuneration of the Administrators, their partners and staff, for the period of the Administration from 19 October 2015 to 23 November 2015 is fixed at a sum equal to the additional cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 12 August 2016 of fees equalling \$69,191.00 plus GST, and that the Administrators can draw the remuneration as required."

The additional fees were explained to the meeting by the Chairperson.

The resolution was first moved by Rick Mustillo, representing Independent Parts & Service Pty Ltd.

The resolution was seconded by Sean Reil, a former employee of the Company.

Four committee members voted in favour of the resolution.

The Chairperson declared the resolution had been unanimously carried on the voices.

Administrators' disbursements for the period 19 September 2015 to 23 November 2015:

The following resolution in relation to the Administrators' disbursements for the period 19 September 2015 to 23 November 2015 was proposed to the Committee of Inspection of Force Corp Pty Limited (Receivers and Managers Appointed) (In Liquidation):

"That the disbursements of the Administrators for the period of the Administration from 19 September 2015 to 23 November 2015, as detailed in the Remuneration Report of 12 August 2016, is approved in the sum of \$21,149.21 plus GST."

For completeness, the Chairperson noted a date discrepancy in the Remuneration Report dated 12 August 2016, which was annexed to the Committee of Inspection Circular. On page 14 of the Remuneration Report, the date incorrectly stated disbursements previously approved on 14 October 2016, when in fact it should have stated 14 October 2015. The Chairperson apologised for the oversight.

The disbursements were explained to the meeting by the Chairperson.

The resolution was first moved by Rick Mustillo, representing Independent Parts & Service Pty Ltd.

The resolution was seconded by Sean Reil, a former employee of the Company.

Four committee members voted in favour of the resolution.

The Chairperson declared the resolution had been unanimously carried on the voices.

**Ratifying
Professional Fees
and Disbursements
Previously
Approved at the
Committee of
Creditors:**

The Liquidators acknowledged that the Notice for the Committee of Creditors meeting held on 14 October 2015 was distributed to all Committee members as required by Corporations Regulations 5.6.12(1), but that the Notice of Meeting was not publicly advertised in accordance with Corporations Regulations 5.6.14A. The Chairperson provided an explanation of the resolution.

At the Committee of Creditors meeting held on 14 October 2015, Committee members approved \$263,182 plus GST in remuneration for the period 13 July 2015 to 18 September 2015 (inclusive). Disbursements were also approved at the Committee of Creditors' meeting in the amount of \$22,738.43 plus GST.

The Liquidators' therefore requested the Committee to confirm whether they consider the abovementioned meeting to have been appropriately convened, notwithstanding that the meeting was not publicly advertised. For completeness, the Liquidators proposed the following resolution:

"That the Committee of Creditors meeting held on 14 October 2015 was convened pursuant to Corporations Regulations 5.6.14B, being at a time and place convenient to all persons who are entitled to be present and vote at the meeting and therefore all resolutions passed at the meeting were validly resolved."

The resolution was first moved by Sean Reil, a former employee of the Company.

The resolution was seconded by Rick Mustillo, representing Independent Parts & Service Pty Ltd.

Three committee members voted in favour of the resolution. Mr Ian Johnson, representing Equity Trustees Ltd ATF Helmsman Capital Fund IIB, abstained from the resolution and requested further information.

The Chairperson declared the resolution had been carried on the voices.

**Electronic
correspondence:**

The Chairperson asked for nominations from the Committee Members to receive future correspondence by electronic means in accordance with Section 600G of the Act. The Chairperson informed Committee Members that future correspondence would be sent to the nominated email addresses of the Committee members as opposed to by post, and that all correspondence would continue to be subject to the confidentiality regime. The Liquidators proposed the following resolution:

"That the Committee of Inspection, being the recipients' of the Committee correspondence, resolve and thus nominate that correspondence provided to them by the Liquidators in accordance with their membership of the Committee of Inspection be sent to them by electronic means."

The resolution was first moved by Sean Reil, a former employee of the Company.

The resolution was seconded by Rick Mustillo, representing Independent Parts & Service Pty Ltd.

Four committee members voted in favour of the resolution.

The Chairperson declared the resolution had been unanimously carried on the voices.


Any other business: The Chairperson asked if there were any other questions or comments.

No further questions were asked by Committee Members.

Closure: There being no further business, the Chairperson thanked those present for attending declared the meeting closed at 12:35pm.

Signed as a correct record.

Dated this 31st day of August 2016.



David John Frank Lombe
Chairperson

Form 531C

LIST OF PERSONS PRESENT AT THE COMMITTEE OF INSPECTION MEETING

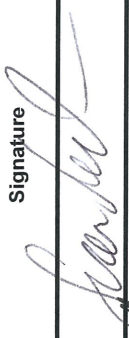



Paragraph 5.6.27(2)(c)
Corporations Regulations

Attendance Register for: **Force Corp Pty Ltd (Receivers and Managers Appointed) (In Liquidation)**
ACN 109 630 079

Meeting Details: First Committee of Inspection Meeting

Meeting date, time and place: Monday, 29 August 2016 at 11:00am (AEST)

The Offices of Deloitte Touche Tohmatsu, Level 9, Grosvenor Place, 225 George Street, Sydney NSW 2000

No.	Member Name	Creditor Name	Signature
1	Sean Reil	Former employee	
2	Simon James / Stuart Terry	Lease Collateral Pty Ltd ATF SFW Trust 1	
3	<i>Trish Griffin</i>	Access Service Australia Pty Ltd <i>(attendee by telephone)</i>	<i>per [Signature] DJ F. Lomte,</i>
4	Ian Johnson	Equity Trustees Ltd ATF Helmsman Capital Fund IIB	
5	Rick Mustillo	Independent Parts & Service Pty Ltd	
	<i>Henry Carr</i>	<i>Observer - Department of Employment (attendee by telephone)</i>	<i>per [Signature] DJ F. Lomte,</i>