

SUPREME COURT OF QUEENSLAND

REGISTRY:
NUMBER:

Brisbane
BS3508/2015

**IN THE MATTER OF LM INVESTMENT MANAGEMENT LIMITED (IN
LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED)**

First Applicant: **JOHN RICHARD PARK AS LIQUIDATOR OF LM INVESTMENT
MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS
AND MANAGERS APPOINTED) ACN 007 208 461 THE
RESPONSIBLE ENTITY OF THE LM FIRST MORTGAGE
INCOME FUND ARSN 089 343 288**

AND

Second Applicant: **LM INVESTMENT MANAGEMENT LIMITED (IN
LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED)
ACN 077 208 461 THE RESPONSIBLE ENTITY OF LM FIRST
MORTGAGE INCOME FUND ARSN 089 343 288**

AND

First Respondent: **DAVID WHYTE AS THE PERSON APPOINTED TO SUPERVISE
THE WINDING UP OF THE LM FIRST MORTGAGE INCOME
FUND ARSN 089 343 288 PURSUANT TO SECTION 601NF OF
THE CORPORATIONS ACT 2001**

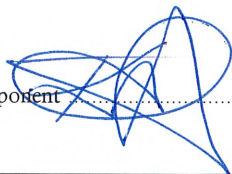
AND

Second Respondent: **SAID JAHANI IN HIS CAPACITY AS RECEIVER AND
MANAGER OF THE ASSETS, UNDERTAKING, RIGHTS AND
INTERESTS OF LM INVESTMENT MANAGEMENT LIMITED
(IN LIQUIDATION) (RECEIVERS AND MANAGERS
APPOINTED) ACN 077 208 461 AS THE RESPONSIBLE ENTITY
OF THE LM CURRENCY PROTECTED AUSTRALIAN INCOME
FUND ARSN 110 247 875 AND THE LM INSTITUTIONAL
CURRENCY PROTECTED AUSTRALIAN INCOME FUND
ARSN 122 052 868**

TWELFTH AFFIDAVIT OF KELLY-ANNE LAVINA TRENFIELD

Page 1

Deponent



Taken by



**TWELFTH AFFIDAVIT OF KELLY-ANNE
LAVINA TRENFIELD**

Filed on Behalf of the Applicants
Form 46, Version 1
Uniform Civil Procedure Rules 1999
Rule 431

Russells

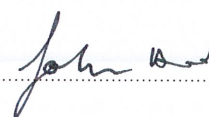
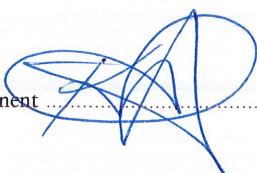
Level 18, 300 Queen Street
Brisbane Qld 4000
Phone: 07 3004 8888
Fax: 07 3004 8899
Ref: SCR:MKR:20190205

KELLY-ANNE LAVINA TRENFIELD of Level 20, Central Plaza One, 345 Queen Street,
Brisbane in the state of Queensland, Registered Liquidator and Chartered Accountant state on
oath:

1. I am a Senior Managing Director in the Corporate Finance and Restructuring Division of FTI Consulting (Australia) Pty Ltd (**FTI**). I have been a Registered Liquidator since March 2007 and since that time I have been appointed to in excess of 200 external administrations.
2. I have the day to day conduct of this proceeding and the liquidation of the Second Applicant (**LMIM**) under the supervision of Mr John Park, the Liquidator of LMIM.
3. I make this affidavit in support of an application for approval of Mr Park's remuneration.

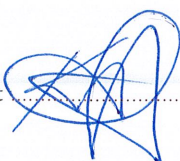
Overview

4. Mr Park has sworn several previous affidavits in this proceeding, relevantly including:
 - (a) an affidavit filed 28 January 2016, being Court File Index (**CFI**) documents numbered 37 to 40 (**the 28 January Affidavit**);
 - (b) an affidavit filed 22 February 2016, being CFI-44; and
 - (c) an affidavit filed 8 March 2016, being CFI-52.
5. In this affidavit, capitalised terms have the same meanings as in those previous affidavits.
6. The background to Mr Park's and Ms Ginette Muller's appointments as Voluntary Administrators and Liquidators of LMIM is set out in those affidavits. I intend to rely on those affidavits at the hearing of this application. This affidavit deposes to some further matters specific to the issues arising in this application.
7. On 17 May 2017, Ms Muller resigned as Liquidator of LMIM. Since then, Mr Park has been the sole Liquidator of LMIM.
8. Now produced and shown to me and marked "**KAT-12**" is an indexed, paginated bundle of copies of documents to which I shall refer in more detail in my Affidavit. References to numbers in square brackets are references to the page numbers of the documents in the bundle "**KAT-12**"



History of Remuneration Applications

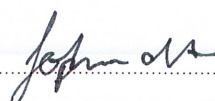
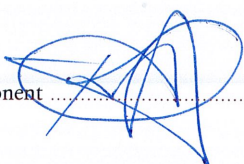
9. On 16 December 2015 and 17 July 2018, Mr Park and Ms Muller applied to this Honourable Court for:
- (a) the determination of their remuneration; and
 - (b) orders permitting that their remuneration be drawn from the funds,
- (the **First Remuneration Application** (CFI 32) and the **Second Remuneration Application** (CFI 131), respectively).
10. The remuneration the subject of the First Remuneration Application included:
- (a) what has been come to be known as “Category 1 Remuneration”, being work that was directly referable to one of the funds in the liquidation up until 1 October 2015; and
 - (b) what has been come to be known as “Category 2 Remuneration”, being work which relates to all of the funds generally, being, in effect, the funds management business of LMIM (i.e. work that was not directly referable to a single fund) in the liquidation up until 1 October 2015.
11. On 17 October 2017, the Honourable Justice Jackson delivered his reasons for judgment in the First Remuneration Application, in *LM Investment Management Limited & Anor v Whyte No 2* [2017] QSC 229.
12. On 17 October 2017, the Honourable Justice Jackson made orders in respect of the First Remuneration Application (**the First Remuneration Decision**).
13. The remuneration the subject of the Second Remuneration Application included:
- (a) Category 1 Remuneration for the period 1 October 2015 to 30 June 2018; and
 - (b) Category 2 Remuneration for the period 1 October 2015 to 30 June 2018.
14. On 2 October 2019, the Honourable Justice Jackson delivered his reasons for judgment in the Second Remuneration Application, in *LM Investment Management Limited & Anor v Whyte* [2019] QSC 245.



15. On 17 October 2019, the Honourable Justice Jackson made orders in respect of the Second Remuneration Application (**the Second Remuneration Decision**).
16. The First Remuneration Application and the Second Remuneration Application did not seek payment for the proportion of fees payable to Mr Park as liquidator from the ICPAIF or the CPAIF because, at the relevant times, those funds did not have any assets available to make payment.
17. In paragraph 40 of Mr Park's 28 January Affidavit, he deposes to the separation from Categories 1 and 2 Remuneration of what I will refer to as "Corporate Remuneration". That remuneration is in respect of work which relates to LMIM in its corporate capacity, or work which would have had to be done in the winding up of any company and that is not referable to either an individual fund or to the funds collectively (**Corporate Remuneration**).
18. In paragraph 36 of the Second Remuneration Decision, Justice Jackson held that Mr Park is not entitled to recover Corporate Remuneration from the assets of the funds because there is no general right to reimbursement from trust property for remuneration for work necessary for the winding up of the company trustee, where that work is not carried out in relation to the relevant trust or relevant trusts.
19. Accordingly, Mr Park seeks order fixing his Corporate Remuneration, but does not seek an order for payment from the funds of Corporate Remuneration for work carried out during the First Relevant Period.

Remuneration the Subject of this Application

20. By this Application, Mr Park is applying for orders:
- (a) fixing Mr Park's Corporate Remuneration as the liquidator of LMIM for the period 1 July 2018 to 31 October 2020 (**the First Relevant Period**);
 - (b) fixing Mr Park's Category 1 Remuneration in respect of the AIF, FMIF and ASPF for the First Relevant Period;
 - (c) fixing Mr Park's Category 1 Remuneration in respect of the ICPAIF and CPAIF for the period 1 October 2015 to 31 October 2020 (**the Second Relevant Period**),



(the First Relevant Period and the Second Relevant Period are collectively referred to as “**the Relevant Periods**”); and

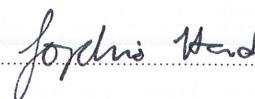
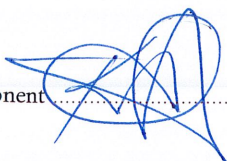
(d) fixing Mr Park’s Category 2 Remuneration for the First Relevant Period,

so that Mr Park’s Category 1 Remuneration for the Relevant Periods may be paid out of the scheme property of AIF, FMIF, ASPF, ICPAIF or CPAIF in appropriate proportions and so that his Category 2 Remuneration may be paid out of the scheme property of the AIF, FMIF and ASPF.

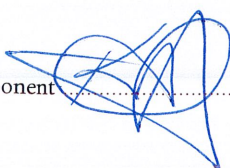
21. In previous applications, the ICPAIF and CPAIF have been excluded from any allocation of Category 2 Remuneration because the only assets of those funds are units in the FMIF, which means that the ICPAIF and the CPAIF already bear a proportion of Category 2 Remuneration. In my view, it is appropriate to exclude ICPAIF and CPAIF from any proposed allocation to avoid the unit holders of those funds, in effect, being charged twice.
22. The Corporate Remuneration work in respect of the winding-up and Liquidation of LMIM was work that was not:
- (a) clearly referable to a particular fund (that being Category 1 Remuneration work);
 - (b) in respect of the funds management business of LMIM or work which related to all of the funds generally (that being Category 2 Remuneration work); or
 - (c) in respect of the FMIF controllerships referred to in paragraphs 233 to 242 of the First Remuneration Decision (that being Category 3 work).

Explanation of Time Recording System

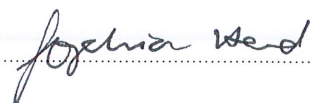
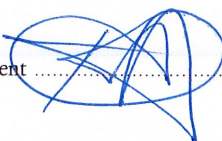
23. FTI maintains an electronic based time recording system.
24. The time recording system is designed to ensure compliance with the Australian Restructuring Insolvency and Turnaround Association (**ARITA**) Code of Professional Practice (**the ARITA Code**) in force from time to time. In respect of the ARITA Code:
- (a) the second edition of the ARITA Code applies in respect of Mr Park’s (previously Mr Park’s and Ms Muller’s) remuneration in respect of the liquidation of LMIM until 31 December 2013;



- (b) the third edition of the ARITA Code applies in respect of Mr Park's remuneration for the liquidation of LMIM from 1 January 2014 to 17 August 2014; and
 - (c) the revised third edition of the ARITA Code applies in respect of Mr Park's remuneration from 18 August 2014 to 31 December 2019; and
 - (d) the fourth edition of the ARITA Code applies in respect of Mr Park's remuneration from 1 January 2020 onwards.
25. Section 23.2.2, Section A, Part 3 of the ARITA Code sets out seven categories which broadly apply to the tasks undertaken by insolvency practitioners, those categories being:
- (a) assets;
 - (b) creditors;
 - (c) employees;
 - (d) trade on;
 - (e) investigation;
 - (f) dividend; and
 - (g) administration,
- (the ARITA Categories).**
26. Chapter 23 of the ARITA Code addresses remuneration reports and includes guidelines as to the information to include in a report to creditors and formats for the various parts of such reports (**Recommended Report**).
27. In this affidavit I have adopted the guidelines and templates of the Recommended Report and, where relevant, will present information in this affidavit in accordance with the Recommended Report.
28. Mr Park, the staff at FTI and I record time on a daily basis. We enter into the time recording system:
- (a) our time in six-minute units;

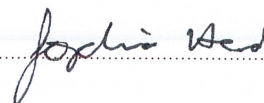



- (b) the duration of the time spent on a task; and
 - (c) the description of the task(s) undertaken.
29. The staff at FTI and I review these time entries regularly. If I consider that a time entry has been incorrectly entered or is not reflective of productive work, then I am able to, and do, either re-allocate the time or write it off. FTI's electronic time recording system involves the categorisation of work through "job codes" and "tasks".
30. The remuneration, the subject of this Application, is calculated based on the hourly rates charged by me and other FTI staff who have worked on the LMIM liquidation.
31. The hourly rates charged by me and other FTI staff in respect of the LMIM liquidation in the Relevant Periods were as follows:
- (a) at page [1] of exhibit "KAT-12" is a copy of a schedule of FTI's standard rates for the period 1 April 2014 to 31 December 2015 for the Brisbane, Melbourne, Perth and Gold Coast;
 - (b) at page [2] of exhibit "KAT-12" is a copy of a schedule of FTI's standard rates for the period 1 January 2016 to 28 February 2017;
 - (c) at page [3] of exhibit "KAT-12" is a copy of a schedule of FTI's standard rates for the period 1 March 2017 to 30 April 2019; and
 - (d) at page [4] of exhibit "KAT-12" is a copy of a schedule of FTI's standard rates for the period 1 May 2019 to 31 March 2020; and
 - (e) at page [5] of exhibit "KAT-12" is a copy of the schedule of FTI's standard rates for the period 1 April 2020 to date.
32. When time is entered for a task on the FTI time recording system, a task description is allocated in accordance with Section 23.2.2 of the ARITA Code within an ARITA Category. Throughout the liquidation of LMIM I have instructed staff to enter time and task descriptions on that basis.



How time and disbursements are recorded during the liquidation

33. In respect of work recorded as Category 1 Remuneration for the liquidation of LMIM in the Relevant Periods (**Category 1 Work**), this time was recorded by me and by the staff at FTI as follows:
- (a) a task or disbursement was identified as being clearly referable to a particular fund (i.e. not being work in respect of all of the funds and not being general liquidation work that had to be carried out in respect of LMIM itself rather than the funds);
 - (b) work or disbursements that were clearly referable to a particular fund would be entered on the job code in respect of that fund. Separate files were opened in respect of AIF, FMIF, ASPF, ICPAIF and CPAIF and job codes were allocated in respect of each of those funds; and
 - (c) for Category 1 Work, an ARITA Category was allocated against that task at the same time as the narration was entered by the FTI staff member (being an activity code).
34. Category 1 Work narrations frequently do not identify the fund in respect of which the work was carried out as it was unnecessary for the fund to be named in the narration, given that there was a job code in respect of each of the Funds.
35. In respect of work recorded as Category 2 Work for the liquidation of LMIM in the Relevant Periods (**Category 2 Work**), this time was recorded by me the staff at FTI as follows:
- (a) a task or disbursement was identified as being work that was in respect of the funds generally (i.e. it was identified as work that was not Category 1 Work);
 - (b) the activity code in respect of the general funds work (i.e. Category 2 Work) was then entered on the LMIM job code 8974; and
 - (c) for Category 2 Work, an ARITA Category was allocated against that task at the same time as the narration was entered by the FTI staff member.
36. On 18 September 2013, I sent an email to all staff of FTI directing them to undertake a detailed review of their fee sheets to ensure that all of their historical time had been

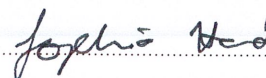
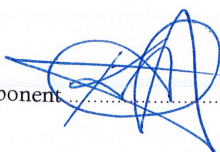


correctly allocated to either corporate or fund work (a distinction I explain below) and instructing them on the manner in which their time was to be recorded into the future.

37. At pages [6] to [7] of exhibit "KAT-12" is a copy of that email.
38. The email attached a spreadsheet which contained:
- (a) instructions for how staff were to distinguish between corporate and fund related work;
 - (b) job codes which were used to identify the appropriate entity to which the work should be attributed; and
 - (c) specific activity codes which were used to identify, within matters relevant to LMIM in its own capacity, whether the work was corporate work or fund related.
39. At pages [8] to [9] of exhibit "KAT-12" is a copy of that spreadsheet.
40. I am satisfied that the instructions set out in the 18 September 2013 email, including the spreadsheet attached to that email, were followed because I:
- (a) reminded staff members from time to time of the process to be followed in order to emphasise the importance of correct allocation and accurate time recording;
 - (b) periodically reviewed time allocations;
 - (c) reallocated time entries to correct categories where necessary; and
 - (d) conducted reconciliations of time ledgers for the purpose of preparing remuneration claims.
41. I am satisfied that those processes have been carried out regularly throughout the liquidation.

How reviews of time recorded are undertaken

42. Throughout the liquidation of LMIM, I have caused FTI staff to manually review all time recorded in respect to all categories of work.

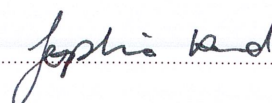
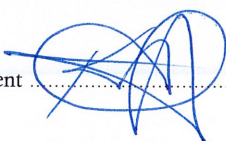


43. The reviews of time recordings were carried out periodically by senior FTI staff at the time of preparation of schedules and when carrying out work in respect of remuneration approval applications.
44. The reviews carried out by me during the liquidation of LMIM were carried out on the following basis:
- (a) time entries were reviewed and corrected to ensure allocation to the correct job code;
 - (b) time entries were reviewed and corrected to ensure correct allocation between Category 1 Work remuneration and Category 2 Work remuneration;
 - (c) when a correction is needed, the reallocation of that time is noted against the correct file codes; and
 - (d) when approval and then payment of remuneration occurred, reconciliations are carried out to ensure that the time entries approved are isolated so there is no duplication of approval.
45. Further, the FTI time recording system does not allow for duplication and when a time entry is billed it is removed from the work in progress ledger and is therefore not available for future billing unless the invoice (and any associated payment) is subsequently reversed. There are stringent processes in place for reversal of a tax invoice.

The Funds' financial position

Australian Income Fund

46. The indicative net asset value of AIF as at 30 June 2018 was \$9,053,509. The estimated unit price as at 30 June 2018 being \$0.24.
47. The indicative net asset value of AIF as at 30 June 2019 was \$9,156,085. The estimated unit price as at 30 June 2019 being \$0.22.
48. At pages [10] to [18] of exhibit "KAT-12" are circulars to the unitholders in AIF dated 19 September 2018, 14 October 2019 and 31 August 2020 respectively which I caused to be published on the website www.lminvestmentadministration.com.



49. As at 30 June 2020 the indicative net asset value of AIF was \$8,026,084.00, the estimated unit price being \$0.19. That amount is arrived at as follows:

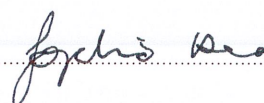
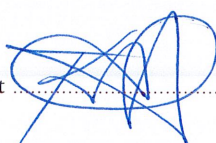
ASSETS	
Cash at Bank	\$8,027,984.00
Total Fund Assets	\$8,027,984.00
Expenses Outstanding	
Fund Specific Payables	\$1,900.00
Total Expenses Outstanding	\$1,900.00
Indicative Net Assets	\$8,026,084.00

50. As at 30 June 2020 there were 725 unitholders in the AIF.

Australian Structured Products Fund

51. The indicative net asset value of each ASPF series as at 30 June 2018 was as follows:

ASPF SERIES	NET ASSET VALUE
1	\$794,610.33
2	\$159,721.78
3	\$110,761.73
4	\$137,656.74
5	\$29,133.92
6	\$4,757.76
7	\$67,530.66
8	\$69,596.31
9	\$81,848.98
12	\$238,327.04

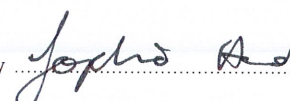
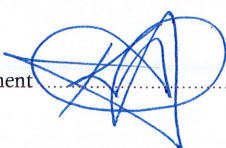


52. At pages [19] to [27] of exhibit “KAT-12” are circulars to the unitholders in ASPF dated 19 September 2018, 14 October 2019 and 31 August 2020 which I caused to be published on the website www.lminvestmentadministration.com. As at 30 June 2019 the indicative net asset value of each ASPF series was as follows:

ASPF SERIES	NET ASSET VALUE
1	\$776,241.07
2	\$155,544.13
3	\$107,791.34
4	\$134,023.17
5	\$28,162.97
6	\$4,396.83
7	\$65,595.26
8	\$67,609.03
9	\$79,553.92
12	\$232,181.32

53. As at 30 June 2020 the indicative net asset value of each ASPF series was as follows:

ASPF SERIES	NET ASSET VALUE
General Account	\$42,599.65
1	\$338,322.15
2	\$67,713.93
3	\$46,894.90
4	\$58,331.32
5	\$12,177.51
6	\$1,816.69



ASPF SERIES	NET ASSET VALUE
7	\$28,498.47
8	\$29,376.43
9	\$34,584.09
12	\$101,109.45

54. As at 30 June 2020 there were 118 unitholders in respect of ASPF.

LM First Mortgage Income Fund

55. Given the appointment of Mr David Whyte as the Receiver of FMIF (**the FMIF Receiver**) I have not provided updates to members of FMIF.

56. At pages [28] to [54] of exhibit “KAT-12” is a copy of the FMIF Receiver’s most recent update to FMIF unitholders, dated 29 September 2020, available on the website www.lmfimf.com. It states that as at 30 June 2020, the FMIF had an estimated net amount available to investors of \$26,907,315.00, arrived at as follows:

DESCRIPTION	
Cash at Bank	\$34,324,670.00
Other Assets	\$223,435.00
Estimated Assets Position	\$34,548,105.00
Returned First Interim Distributions (6.4 cents)	\$3,041,612.00
Payables	\$4,599,178.00
Total Liabilities	\$7,640,790.00
Estimated net amount available to investors as at 30 June 2020	\$26,907,315.00

57. At pages [55] to [61] of exhibit "KAT-12" are circulars to the unitholders in ICPAIF dated 19 September 2018, 14 October 2019 and 7 September 2020 respectively which I caused to be published on the website www.lminvestmentadministration.com. As at 30 June 2020 the indicative net asset value of ICPAIF was \$269,998.00, the estimated unit price being \$0.02. That amount is arrived at as follows:

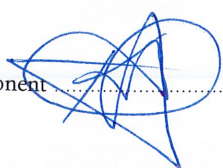
ASSETS	
Cash at Bank	\$269,998.00
Total Fund Assets	\$269,998.00
Expenses Outstanding	
Fund Specific Payables	Nil
Total Expenses Outstanding	Nil
Indicative Net Assets	\$269,998.00

58. As at 30 June 2020 there were 41 unitholders in the ICPAIF.

LM Currency Protected Australian Income Fund

59. At pages [62] to [70] of exhibit "KAT-12" are circulars to the unitholders in the CPAIF dated 19 September 2018, 14 October 2019 and 7 September 2020 respectively which I caused to be published on the website www.lminvestmentadministration.com.
60. As at 30 June 2020 the indicative net asset value of the CPAIF was \$486,699.00, the estimated unit price being \$0.00348. That amount is arrived at as follows:

ASSETS	
Cash at Bank	\$486,699.00
Total Fund Assets	\$486,699.00
Expenses Outstanding	
Fund Specific Payables	Nil



ASSETS	
Total Expenses Outstanding	Nil
Indicative Net Assets	\$486,699.00

61. As at 30 June 2020 there were 2,666 unitholders in the CPAIF.

Corporate Remuneration work performed in the First Relevant Period

62. The principal tasks carried out in relation to Corporate Remuneration work during the First Relevant Period included what might be characterised as ‘general’ liquidation work, such as adjudicating proofs of debt, attending to lodgements with ASIC, preparing reports to creditors of LMIM, and general file and banking administration.
63. I have caused to be prepared a schedule that sets out in chronological order all of the entries in the FTI Consulting time recording system that contain descriptions of the Corporate Remuneration work carried out during the First Relevant Period (**the Liquidation Schedule**). The Liquidation Schedule sets out the name of each FTI staff member, the hours worked by the staff member, the amount charged for each task, an ARITA Category for each task and a narrative of the task that has been carried out. At pages [71] to [124] of exhibit “**KAT-12**” is a copy of the Liquidation Schedule.
64. I have caused to be prepared a table in accordance with Section 23.2.2 of the ARITA Code and Part 4 of the Recommended Report, that characterises and summarises the entries in the Liquidation Schedule by reference to each employee and each ARITA Category (**Liquidation Table**). At page [125] of exhibit “**KAT-12**” is a copy of that table.
65. I summarise the amounts in the Liquidation Table by ARITA Category as follows:

CATEGORY	TOTAL HOURS	AMOUNT (EXCLUDING GST)
Administration	39.20	\$19,930.00
Assets	0.20	\$76.00
Creditors	5.20	\$2,909.50
Dividend	Nil	\$0.00

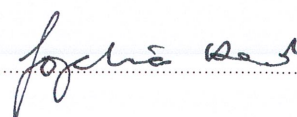
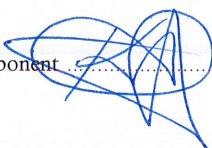
CATEGORY	TOTAL HOURS	AMOUNT (EXCLUDING GST)
Investigations	7.10	\$4,228.50
Trade-on	1.40	\$842.00
Total:	53.1	\$27,986.00

66. There has been no prior approval by either the committee of creditors, committee of inspection, creditors or the Court in respect of this remuneration.

Discrete Corporate Remuneration work carried out during the First Relevant Period

67. The Corporate Remuneration work carried out during the First Relevant Period included the following categories of work (my categorisation):
- (a) the filing of documents, banking, GST reporting, receiving correspondence and sending correspondence and general oversight (**Administration Work**);
 - (b) carrying out work relevant to ASIC investigations, completing supplementary reports as required under section 533 of the Act and liaising with ASIC (**ASIC Work**). This work included investigating possible breaches of the Act and general reporting work to ASIC including preparation of the report, related enquiries and investigations and other attendances;
 - (c) dealing with access to books and records and the preservation of books and records of LMIM (**Books and Records Work**);
 - (d) preparing report to creditors and responding to their general inquiries (**Creditor Liaison Work**);
 - (e) work where LMIM was or is named as a party to court proceedings (**Litigation Work**); there have been several such pieces of litigation;
 - (f) attending to ASIC and other statutory lodgements (**Statutory Compliance Work**); and
 - (g) the management and operations of the business of LMIM as responsible entity of the funds (**Trading Work**).

68. LMIM maintained, prior to the voluntary administration, a policy of insurance that responded to certain claims made against it and its directors and officers (**Insurance Policy**). During the course of the liquidation, a number of claims were foreshadowed, and made, against LMIM and its directors. Mr Park retained Clayton Utz to act for LMIM in respect of LMIM's claims under the Insurance Policy in respect of the various claims.
69. Without descending into detail, the staff of FTI and I have spent considerable time, including working with our lawyers, Clayton Utz:
- (a) dealing with the insurance position in relation to individual claims made against LMIM and the directors;
 - (b) attempting to negotiate commercial settlements of the individual claims that might attract indemnity under the Insurance Policy;
 - (c) attempting to negotiate a commercial settlement of all claims on a global basis; and
 - (d) considering, taking advice on and formulating a formal scheme of arrangement (under section 411 of the Act) utilising proceeds payable under the Insurance Policy.
70. I address the insurance category of work separately because the work was initially, prior to October 2015, quarantined in a separate cost code in the FTI time recording system (code 59). In around October 2015, the quarantined work was characterised in the FTI time recording system as Corporate Remuneration work, on the basis that I did not wish to burden any of the funds separately if there was a prospect of an overall settlement that would include the remuneration and costs being paid from receipts under the Insurance Policy and any global amounts received would benefit creditors of LMIM as well as the funds.
71. Since October 2015 the work has been characterised in the FTI time recording system as Category 2 Remuneration work on the basis that the work would benefit all funds together.



72. Whilst I understand that there might be arguments for and against characterising the insurance work as either Corporate Remuneration work or Category 2 Remuneration work, my current view is that the better characterisation is as Category 2 Work. Given that there is no practical difference, in effect, between the characterisations of these items of work, I proceed with this remuneration application on the basis that it is Category 2 Work.
73. I have caused to be prepared a summary of the Liquidation Schedule and categorised the entries of the work that was done as follows:

WORK CATEGORY	PERCENTAGE	AMOUNT (EXCLUDING GST)
Administration	20%	\$5,566.50
ASIC	20%	\$5,497.00
Books and Records	9%	\$2,541.00
Creditor Liaison Work	13%	\$3,772.00
Litigation	9%	\$2,605.50
Statutory Compliance	14%	\$3,790.00
Closed Fund	15%	\$4,214.00
Total:	100%	\$27,986.00

Reasonableness of Liquidation Corporate Remuneration

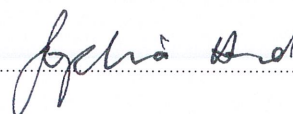

74. I say the following in relation to the Corporate Remuneration work in the Liquidation Schedule:
- (a) the Litigation Work included work in respect of Supreme Court of Queensland proceeding 12317/14 (**the Bellpac Proceeding**) and Federal Court proceeding QUD 596 of 2014, being the proceeding commenced by the Australian Securities and Investments Commission against Peter Charles Drake and other directors (**Drake Proceeding**). This work was necessary in the sense that it could not be avoided because each proceeding was not commenced by LMIM yet LMIM was, to some extent, required to be involved in/respond to the proceeding. Where

possible, Mr Park and I have endeavoured to minimise LMIM's role in each proceeding;

- (b) I supervised that work at that time and believe it was all carried out to a high quality particularly given the responsibilities that LMIM had as responsible entity of the funds;
- (c) the Liquidation of LMIM has been a complex and difficult one, largely due to the appointment of the FMIF Receiver;
- (d) Mr Said Jahani was appointed receiver of the Feeder Funds on 16 November 2015 (**the Feeder Fund Receiver**);
- (e) the 'advisors' (being persons who recommended that members invest in the Funds and to whom LMIM agreed to pay commission) are located all around the world and have made numerous inquiries about the Liquidation; and
- (f) I have reviewed the work undertaken, the time spent on each task and the quantum of remuneration sought for approval and in my view, each task was necessary, undertaken efficiently and required for the purpose of the liquidation.

Category 1 Work performed in respect of the FMIF for the First Relevant Period

- 75. The tasks in respect of FMIF Category 1 Work carried out during the First Relevant Period included work in respect of this proceeding, liaising with the FMIF Receiver in respect of distributions to unitholders, the proof of debt process, the settlement of indemnity claims made in respect of the December 2015 Orders and responding to investor inquiries relevant to the FMIF.
- 76. I have caused to be prepared a schedule that sets out in chronological order all of the entries in the FTI time recording system that contain descriptions of the Category 1 Work for the FMIF that was carried out during the First Relevant Period (**the FMIF Schedule**). The FMIF Schedule sets out the name of each FTI staff member who carried out that work, the hours worked by the staff member, the amount charged for each task, the relevant ARITA category and a narrative of the task carried out. An ARITA Category for each task is also set out in the FMIF Schedule. At pages [126] to [160] of exhibit "KAT-12" is a copy of the FMIF Schedule.



77. I have caused to be prepared a table in accordance with Section 23.2.2 of the ARITA Code, particularly Section B Part 4 of the Recommended Report that characterises and summarise the entries in the FMIF Schedule by reference to each employee and each ARITA Category (**FMIF Table**). At pages [161] of exhibit “**KAT-12**” is a copy of that table.
78. I summarise the amounts in the FMIF Table by the ARITA categories as follows:

CATEGORY	TOTAL HOURS	AMOUNTS (EXCLUDING GST)
Administration	164.70	\$107,648.50
Assets	0.40	250.00
Creditors	48.40	\$27,715.00
Dividend	NIL	NIL
Investigations	46.60	\$29,742.00
Trade-On	1.20	\$700.50
Total:	261.30	\$166,056.00

79. The amount of \$166,056.00 (excluding GST) has not been paid nor has approval previously been sought in respect of those amounts from the Court.

Category 1 Work carried out in respect of the FMIF during the First Relevant Period

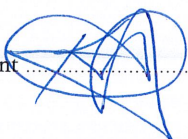
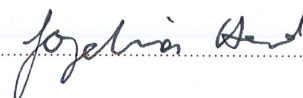
80. The types of work carried out during the First Relevant Period, included the following:
- (a) Remuneration Work, including work in respect of the Second Remuneration Decision and the resulting October 2019 Order and work in respect of these proceedings;
 - (b) Litigation Work, including with respect to:
 - (i) an application filed 10 October 2018 seeking that directions be made regarding the responsibilities of the FMIF Receiver regarding the ongoing winding up of the FMIF and the winding up of the LMIM (**Directions Application**);

- (ii) work required in responding to an application filed 1 February 2019 by the FMIF Receiver, seeking orders that the FMIF Receiver to authorised to make interim distributions from the property of the FMIF of up to \$40 million among the unitholders of the FMIF;
 - (iii) two applications filed 24 January 2020 seeking payment of expenses incurred in connection with Supreme Court proceedings 2166 of 2015 and 12317 of 2014 (**Expenses Applications**);
 - (iv) an application filed on 31 January 2020 by the FMIF Receiver, seeking judicial advice whether to proceed with an appeal against the decision in respect of the *LM Investment Management Ltd (receiver apptd)(in liq) v Drake & Ors* [2019] QSC 281; and
 - (v) an application filed on 11 May 2020 by the FMIF Receiver, seeking orders that the FMIF Receiver's remuneration for the period beginning 1 November 2019 to 30 April 2020;
- (c) Creditor Work, including responding to creditor enquiries and adjudicating proofs of debt, as requested by the FMIF Receiver from time to time; and
 - (d) responding to queries from investors or advisors relevant to the FMIF (**Investor and Advisor Work**), even though the FMIF Receiver was appointed there have still been some such inquiries. It was also necessary to refer enquiries in respect of FMIF to the FMIF Receiver where they were relevant to his role as the receiver of FMIF and the person responsible of the winding-up of the FMIF.

Reasonableness of Category 1 Work in respect of FMIF carried out during the First Relevant Period

81. In relation to the Category 1 Work in respect of FMIF for the First Relevant Period:

- (a) I have endeavoured to limit the correspondence and meetings with the FMIF Receiver to those matters necessarily arising because of our dual appointments;
- (b) the largest part of the work relates to Remuneration Work, which while complicated litigation, was largely successful, and, as events transpired, could not be resolved other than through the Second Remuneration Application;

- (c) it was necessary to review Mr Whyte's circulars and other information which he provided to FMIF investors given that LMIM was the responsible entity for FMIF and had an ongoing role; and
 - (d) there are a large number of members of the FMIF, there being in excess of 5,000 unitholders.
82. The above work undertaken is directly referable to the FMIF rather than to one of the other funds or the other funds generally. The work in respect of the October 2019 Order and the Expenses Applications was directly in respect of FMIF as FMIF was attending to payment in accordance with those orders.

Category 1 Work performed in respect of the AIF for the First Relevant Period

83. The Category 1 Work performed for the First Relevant Period in respect of the AIF related directly to that fund; the work carried out being in respect of the administration, creditors, investigations and trade on ARITA Categories. Major tasks carried out during the First Relevant Period included financial reporting and audit work specific to AIF, liaising with AIF investors, and their advisors and general fund administration tasks and responding to audit enquiries
84. I have caused to be prepared a schedule that sets out in chronological order all of the entries in the FTI Consulting time recording system that contain descriptions of the Category 1 Work in respect of the AIF for the First Relevant Period (**AIF Schedule**). The AIF Schedule sets out the name of each staff member of FTI Consulting who carried out work, the hours worked by the staff member, the amount charged for each task, the relevant ARITA Category and a narrative of the task that has been carried out. An ARITA Category for each task is also set out in the AIF Schedule. At pages [162] to [180] of exhibit "**KAT-12**" is a copy of the AIF Schedule.
85. I have cause to be prepared a table in accordance with Section 23.2.2 of the ARITA Code and particularly Section B, Part 4 of the Recommended Report that characterises and summarise the entries in the AIF Schedule by reference to each employee and each ARITA category (**the AIF Table**). At page [181] of exhibit "**KAT-12**" is a copy of that table.
86. I summarise the amounts in the AIF Table by ARITA category as follows:

CATEGORY	TOTAL HOURS	AMOUNTS (EXCLUDING GST)
Administration	16.30	\$8,961.50
Assets	NIL	NIL
Creditors	10.30	\$4,444.00
Dividend	NIL	NIL
Investigations	1.40	\$823.50
Trade-On	75.20	\$45,692.00
Total:	103.20	\$59,921.00

87. The amount of \$59,921.00 (excluding GST) has not been paid and no prior approval has been sought in respect of that amount from either the Court or otherwise.

Types of Category 1 Work performed in respect of the AIF

88. The types of work carried out during the First Relevant Period, included the following:
- (a) Administration Work including preparation of Business Activity Statements, attending to financial reporting obligations and audit requirements and the payment of invoices specific to AIF properties (those invoices including rates, utilities and other outstanding invoices);
 - (b) Investigative Work including liaising with WMS Chartered Accountants and Cooper Grace Ward to obtain taxation advice regarding the tax liabilities of the AIF;
 - (c) Trade-On Work including financial reporting and audit work specific to the AIF;
 - (d) Litigation Work including responding to legal claims commenced by creditors of the AIF;
 - (e) Responding to investor enquiries regarding their investment in the AIF and in relation to the Fund generally;
 - (f) Remuneration Work including work in respect of this proceeding and the remuneration relevant to the AIF; and

- (g) Preparing circulars to the AIF members in respect of the status of the Fund and calculating the net asset value for the purposes of those circulars.

Reasonableness of Category 1 Work performed in respect of the AIF

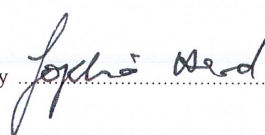
89. In relation to the Category 1 Work in the AIF Schedule:

- (a) As previously deposed, the affairs of LMIM were complex. In respect of the AIF, particular features of complexity included the number of investors in the AIF who made many enquiries and the nature of the assets of the AIF, which included significant foreign currency reserves and loans secured by mortgages;
- (b) The indicative net value of the assets of the AIF as at 30 June 2020 totalled \$8,026,084.00; and
- (c) I have reviewed the work undertaken, the time spent on each task and the quantum of remuneration sought for approval and in my view, each task was necessary, undertaken efficiently and required for the purpose of the liquidation.

90. The above work undertaken was directly referable to the AIF as Category 1 Work. I was involved in and supervised the work in respect of AIF as set out in the AIF Schedule.

Category 1 Work in respect of the ASPF for the First Relevant Period

91. The Category 1 Work performed for the First Relevant Period in respect of the ASPF related directly to that fund; the work carried out being in respect of the administration, creditors, investigations and trade on ARITA Categories. Major tasks carried out during the First Relevant Period included financial reporting and audit work specific to ASPF, liaising with ASPF investors, and their advisors and general fund administration tasks and responding to audit enquiries.
92. I have caused to be prepared a schedule that sets out in chronological order all of the entries in the FTI Consulting time recording system that contain descriptions of Category 1 Work in respect of the ASPF for the First Relevant Period (**the ASPF Schedule**). The ASPF Schedule sets out the name of each of the FTI Consulting staff members who carried out that work, the hours worked by the staff member who carried out that work, the hours worked by the staff member, the amount charged for each task, the relevant ARITA Category and a narrative of the task that had been carried out. An ARITA



Category for each task is also set out in the ASPF Schedule. At pages [182] to [195] of exhibit “KAT-12” is a copy of the ASPF Schedule.

93. I have caused to be prepared a table in accordance with Section 23.2.2 of the ARITA Code and Part 4 of the Recommended Report, that characterises and summarises the entries in the ASPF Table by reference to each employee and each ARITA Category (**the ASPF Table**). At page [196] of exhibit “KAT-12” is a copy of that table.
94. I summarise the amounts in the ASPF Table by ARITA category as follows:

CATEGORY	TOTAL HOURS	AMOUNTS (EXCLUDING GST)
Administration	15.50	\$8,005.00
Assets	NIL	NIL
Creditors	3.40	\$1,387.50
Dividend	NIL	NIL
Investigations	1.30	\$755.00
Trade On	63.00	\$38,519.00
Total:	83.20	\$48,666.50

95. The amount of \$48,666.50 (excluding GST) has not been paid and no prior approval has been sought from the Court for that sum.

Types of Category 1 Work performed in respect of the ASPF

96. The types of work carried out during the First Relevant Period, included the following:
- (a) Attending to bank reconciliation, receipts and payments, fund transfers and other banking administrative tasks;
 - (b) Administration Work including preparation of Business Activity Statements, attending to financial reporting obligations and audit requirements;
 - (c) Investigative Work including liaising with WMS Chartered Accountants and Cooper Grace Ward to obtain taxation advice regarding the tax liabilities of the ASPF;

- (d) Trade-On Work including financial reporting and audit work specific to the ASPF;
- (e) Litigation Work including responding to legal claims commenced by creditors of the ASPF;
- (f) Responding to investor enquiries regarding their investment in the ASPF and in relation to the Fund generally;
- (g) Preparing circulars to the ASPF members in respect of the status of the Fund and calculating the net asset value for the purposes of those circulars and
- (h) Remuneration Work including work in respect of this proceeding and the remuneration relevant to ASPF.



Reasonableness of Category 1 Work performed in respect of the ASPF

97. In relation to the Category 1 Work in the ASPF Schedule:

- (a) ASPF consists of twelve series, the series comprising subscriptions in, inter alia, Australian equities, capped performance notes and notes issued by Deutsche Bank AG. The Category 1 Work in respect of the ASPF was complex given the different investments made in respect of the various series, the investors per series, the different fixed interest returns that applied in respect of the different series and the different maturity dates in respect of those investments;
- (b) The indicative net asset value of the ASPF series as at 30 June 2020 was between \$718,824.94; and
- (c) I have reviewed the work undertaken, the time spent on each task and the quantum of remuneration sought for approval and in my view, each task was necessary, undertaken efficiently and required for the purpose of the liquidation.

Category 1 Work performed in respect of the ICPAIF for the Second Relevant Period

98. The Category 1 Work performed for the Second Relevant Period in respect of the ICPAIF related directly to that fund; the work carried out being in respect of the administration, assets, creditors, investigations and trade on ARITA Categories. Major tasks carried out

during the Second Relevant Period included financial reporting and audit work specific to ICPAIF, liaising with ICPAIF investors, and their advisors and general fund administration tasks.

99. I have caused to be prepared a schedule that sets out in chronological order all of the entries in the FTI Consulting time recording system that contain descriptions of the Category 1 Work for the ICPAIF that was carried out during the Second Relevant Period (**the ICPAIF Schedule**). The ICPAIF Schedule sets out the name of each FTI Consulting staff member who carried out that work, the hours worked by the staff member, the amount charged for each task, the relevant ARITA Category and a narrative of the task carried out. An ARITA Category for each task is also set out in the ICPAIF Schedule. At pages [197] to [221] of exhibit “**KAT-12**” is a copy of the ICPAIF Schedule.
100. I have cause to be prepared a table in accordance with Section 23.2.2 of the ARITA Code, particularly Section B Part 4 of the Recommended Report that characterises and summarise the entries in the ICPAIF Schedule by reference to each employee and each ARITA Category (**ICPAIF Table**). At page [222] of exhibit “**KAT-12**” is a copy of that table.
101. I summarise the amounts in the ICPAIF Table by the ARITA categories as follows:

CATEGORY	TOTAL HOURS	AMOUNTS (EXCLUDING GST)
Administration	39.60	\$19,638.50
Assets	2.30	\$1,339.00
Creditors	14.80	\$6,110.50
Dividend	NIL	NIL
Investigations	16.45	\$9,565.50
Trade-On	43.70	\$21,865.00
Total:	116.85	\$58,518.50

102. The amount of \$58,518.50 (excluding GST) has not been paid nor has a previous approval been sought in respect of those amounts from the Court, or otherwise.

Category 1 Work carried out in respect of the ICPAIF during the Second Relevant Period

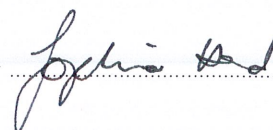
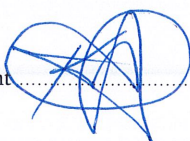
103. The types of work carried out during the Second Relevant Period, included the following:

- (a) Attending to bank reconciliation, receipts and payments, fund transfers and other banking administrative tasks;
- (b) Administration Work including preparation of Business Activity Statements, attending to financial reporting obligations and audit requirements;
- (c) Responding to investor enquiries regarding their investment in the ICPAIF and in relation to the fund generally;
- (d) Preparing circulars to the ICPAIF members in respect of the status of the fund and calculating the net asset value for the purposes of those circulars; and
- (e) Remuneration Work including work in respect of this proceeding and the remuneration relevant to ICPAIF;
- (f) Applying to the Australian Securities and Investments Commission for audit relief; and
- (g) Litigation Work including work in respect of applications filed in Supreme Court proceedings 13534 of 2016, including seeking orders that the LMIM as the responsible entity for the ICPAIF and the CPAIF was justified in entering into a deed of settlement and release compromising the proceeding (**Feeder Fund Proceeding**).

Reasonableness of Category 1 Work in respect of ICPAIF carried out during the Second Relevant Period

104. In relation to the Category 1 Work in the ICPAIF Schedule:

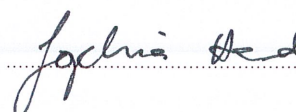
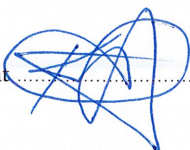
- (a) I have not previously sought approval of remuneration in respect of the ICPAIF for the period 1 October 2015 to 31 October 2020 because:
 - (i) the only assets of the ICPAIF are units in the FMIF; and



- (ii) at the time of the Second Remuneration Application, the ICPAIF did not have any funds available to pay FTT's remuneration for the period from 1 October 2015.
- (b) The ICPAIF has since received the sum of \$364,681.27, which is largely derived from the interim distributions made by the FMIF Receiver from the property of the FMIF. I anticipate that further distributions will be made by the FMIF Receiver, depending upon whether the FMIF Receiver is successful in pursuing various other claims.
- (c) I have reviewed the work undertaken, the time spent on each task and the quantum of remuneration sought for approval and in my view, each task was necessary, undertaken efficiently and required for the purpose of the liquidation.
105. The above work undertaken was directly referable to the ICPAIF as Category 1 Work. I was involved in and supervised the work in respect of ICPAIF as set out in the ICPAIF Schedule.

Category 1 Work performed in respect of the CPAIF for the Second Relevant Period

106. The Category 1 Work performed for the Second Relevant Period in respect of the CPAIF related directly to that fund; the work carried out being in respect of the administration, assets, creditors, investigations and trade on ARITA Categories. Major tasks carried out during the Second Relevant Period included financial reporting and audit work specific to CPAIF, liaising with CPAIF investors, and their advisors and general fund administration tasks and responding to audit enquiries.
107. I have caused to be prepared a schedule that sets out in chronological order all of the entries in the FTT Consulting time recording system that contain descriptions of the Category 1 Work for the CPAIF that was carried out during the Second Relevant Period (**the CPAIF Schedule**). The CPAIF Schedule sets out the name of each FTT Consulting staff member who carried out that work, the hours worked by the staff member, the amount charged for each task, the relevant ARITA Category and a narrative of the task carried out. An ARITA Category for each task is also set out in the CPAIF Schedule. At [223] to [305] of exhibit "KAT-12" is a copy of the CPAIF Schedule.



108. I have cause to be prepared a table in accordance with Section 23.2.2 of the ARITA Code, particularly Section B Part 4 of the Recommended Report that characterises and summarise the entries in the CPAIF Schedule by reference to each employee and each ARITA Category (**CPAIF Table**). At [306] to [307] of exhibit “**KAT-12**” is a copy of that table.

109. I summarise the amounts in the CPAIF Table by the ARITA categories as follows:

CATEGORY	TOTAL HOURS	AMOUNTS (EXCLUDING GST)
Administration	104.20	\$40,266.50
Assets	11.20	\$5,970.00
Creditors	103.30	\$41,156.50
Dividend	NIL	NIL
Investigations	23.05	\$13,165.50
Trade-On	246.20	\$110,986.00
Total:	487.95	\$211,544.50

110. The amount of \$211,544.50 (excluding GST) has not been paid nor has a previous approval been sought in respect of those amounts from the Court, or otherwise.

Category 1 Work carried out in respect of the CPAIF during the Second Relevant Period

111. The types of work carried out during the Second Relevant Period, included the following:

- (a) Attending to bank reconciliation, receipts and payments, fund transfers and other banking administrative tasks;
- (b) Administration Work including preparation of Business Activity Statements, attending to financial reporting obligations and audit requirements;
- (c) Creditor Work including responding to creditor enquiries including regarding the proof of debt process;
- (d) Responding to investor enquiries regarding their investment in the CPAIF and in relation to the Fund generally;

- (e) Preparing circulars to the CPAIF members in respect of the status of the Fund and calculating the net asset value for the purposes of those circulars; and
- (f) Remuneration Work including work in respect of this proceeding and the remuneration relevant to CPAIF;
- (g) Applying to the Australian Securities and Investments Commission for audit relief; and
- (h) Litigation Work including work in respect of the Feeder Fund Proceeding.

Reasonableness of Category 1 Work in respect of CPAIF carried out during the Second Relevant Period

112. In relation to the Category 1 Work in the CPAIF Schedule:

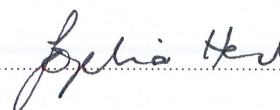
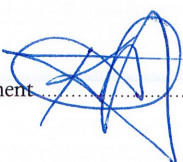
- (a) I have not previously sought approval of remuneration in respect of the CPAIF for the period 1 October 2015 to 31 October 2020 because:
 - (i) the only assets of the CPAIF were units in the FMIF; and
 - (ii) at the time of the Second Remuneration Application, the CPAIF did not have any funds available to pay FTT's remuneration for the period from 1 October 2015.
- (b) The CPAIF has since received the sum of \$4,707,402.56, which is largely derived from the interim distributions made by the FMIF Receiver from the property of the FMIF. I anticipate that further distributions will be made by the FMIF Receiver, depending upon whether the FMIF Receiver is successful in pursuing various other claims.
- (c) I have reviewed the work undertaken, the time spent on each task and the quantum of remuneration sought for approval and in my view, each task was necessary, undertaken efficiently and required for the purpose of the liquidation.

113. The above work undertaken was directly referrable to the CPAIF as Category 1 Work. I was involved in and supervised the work in respect of CPAIF as set out in the CPAIF Schedule.

Category 2 Work in respect of the Funds for the First Relevant Period

114. The principal tasks in respect of the Category 2 Remuneration work during the First Relevant Period included work in respect of:
- (a) work in respect of proceedings commenced against LMIM as responsible entity of the funds;
 - (b) general administration tasks including attending to payments, accounting and reconciliations; and
 - (c) work in respect of the Directions Application.
115. I have caused to be prepared a schedule that sets out in chronological order all of the entries in the FTI Consulting time recording system that contain descriptions of the Category 2 Remuneration work during the First Relevant Period (**LMIM Schedule**). The LMIM Schedule sets out the name of each FTI Consulting staff member who carried out work for that period, the hours worked by that staff member, the amounts charged for each task, the relevant ARITA category and a narrative as to the tasks carried out. At pages [71] to [124] of exhibit "**KAT-12**" is a copy of the LMIM Schedule.
116. I have caused to be prepared a table in accordance with Section 23.2.2 of the ARITA Code, and particularly Section A Part 4, that characterises and summarises the Category 2 entries in the LMIM Schedule by reference to each employee and each ARITA Category (**the Category 2 Table**). At page [308] is a copy of that table.
117. I summarise the amounts of the Category 2 Table by ARITA Category as follows:

CATEGORY	TOTAL HOURS	AMOUNTS (EXCLUDING GST)
Administration	242.90	\$134,408.50
Assets	0.50	\$312.50
Creditors	31.20	\$16,149.50
Dividend	NIL	NIL
Investigations	103.40	\$60,907.00



CATEGORY	TOTAL HOURS	AMOUNTS (EXCLUDING GST)
Trade-On	1.40	\$872.00
Total:	379.40	\$212,649.50

118. The amount of \$212,649.50 (excluding GST) has not been paid nor has prior approval been sought from the Court for this sum.

Types of Category 2 Remuneration work carried out during the First Relevant Period

119. The work carried out during the First Relevant Period which is claimed as Category 2 remuneration included the following:

- (a) Attending to bank reconciliation, receipts and payments, fund transfers and other banking administrative tasks;
- (b) Work in respect of the Australian Financial Services Licence of LMIM; though it has been suspended, some work was necessary including completing submissions to ASIC to allow for the continuation of the suspension of that licence for the winding up of the funds (there being a need to find a new responsible entity if that licence was cancelled);
- (c) Litigation Work in respect of, amongst other things, the Directions Application;
- (d) Creditor Work including responding to creditor enquiries including regarding the proof of debt process; and
- (e) Remuneration Work in respect of the Category 2 Remuneration, including preparation of the LMIM Schedule and the Category 2 Table.

120. I have caused to be prepared a summary of the Category 2 work which is recorded in the LMIM Schedule and categorised the entries as follows:

WORK CATEGORY	PERCENTAGE	AMOUNT (EXCLUDING GST)
Administration	5%	\$10,518.00
Administration – Banking	9%	\$19,842.50

WORK CATEGORY	PERCENTAGE	AMOUNT (EXCLUDING GST)
Administration – Correspondence	1%	\$1,740.50
Advisors	0%	\$1,037.50
ASIC	2%	\$4,268.00
Audit	0%	\$208.50
Books and Records	0%	\$513.00
Creditors	1%	\$1,803.50
Feeder Funds	0%	\$378.00
Funds Management	13%	\$27,143.00
Insurance	2%	\$4,200.00
Investors	1%	\$1,243.00
Litigation	29%	\$61,800.00
Proof of Debts	6%	\$13,240.50
Remuneration	30%	\$64,588.00
Tax	0%	\$62.50
Total:	100%	\$212,649.50

Reasonableness of Category 2 work

121. In relation to the Category 2 work in the LMIM Schedule:

- (a) As set out in paragraph 119(b) above, work in respect of the Australian Financial Services Licence of LMIM was necessary so there could be a continuation of the suspension such that the funds could be wound up (there being a need to find a new responsible entity if that licence was cancelled);
- (b) given the complexity of LMIM's affairs, creditors, investors and advisors themselves often did not know the particular fund in which they were interested; enquiries of that nature were recorded as Category 2 work; and

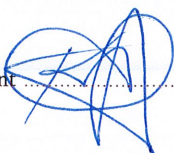
- (c) I have reviewed the work undertaken, the time spent on each task and the quantum of remuneration sought for approval and in my view, each task was necessary, undertaken efficiently and required for the purpose of the liquidation.

Reasonableness of Corporate Remuneration, Category 1 Remuneration and Category 2 Remuneration

122. Wherever possible I delegated work to appropriately qualified staff with the skill and experience to carry out the work necessary in the liquidation, resulting in work being performed by staff at an appropriate hourly rate for each particular task.
123. I have reviewed the work undertaken, the time spent on each task and the quantum of remuneration sought for approval and in my view, each task was necessary, undertaken efficiently and required for the purpose of the liquidation.

Overlap

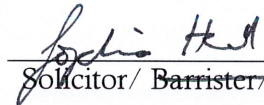
124. As is apparent from the matters set out in this affidavit, there are some categories of work that appear in both Corporate Remuneration and Category 2 Remuneration which have similar descriptions. For example, some investigation work is described in Corporate Remuneration work and other investigations are described in Category 2 Remuneration work.
125. Whilst those labels are identical, the work the subject of those claims was allocated to either Corporate Remuneration or Category 2 Remuneration depending on whether it was specific to the funds as a whole or only to the company itself. There are several other labels of this nature including administration, investigations and trading which are similarly with respect to work which is referable to either the funds as a whole or only the Company itself. These entries have been reviewed and I am satisfied that there is no overlap or double charging.



126. All the facts and circumstances deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my Affidavit.

Sworn by **KELLY-ANNE LAVINA TRENFIELD** on 23 December 2020 at Brisbane in the presence of:


Deponent


~~Solicitor/ Barrister/ Justice of the Peace~~

SUPREME COURT OF QUEENSLAND

REGISTRY:
NUMBER:

Brisbane
BS3508/2015

IN THE MATTER OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED)

First Applicant: **JOHN RICHARD PARK AS LIQUIDATOR OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED) ACN 007 208 461 THE RESPONSIBLE ENTITY OF THE LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288**

AND

Second Applicant: **LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED) ACN 077 208 461 THE RESPONSIBLE ENTITY OF LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288**

AND

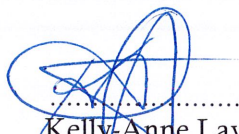
First Respondent: **DAVID WHYTE AS THE PERSON APPOINTED TO SUPERVISE THE WINDING UP OF THE LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 PURSUANT TO SECTION 601NF OF THE CORPORATIONS ACT 2001**

AND


Second Respondent: **SAID JAHANI IN HIS CAPACITY AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING, RIGHTS AND INTERESTS OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED) ACN 077 208 461 AS THE RESPONSIBLE ENTITY OF THE LM CURRENCY PROTECTED AUSTRALIAN INCOME FUND ARSN 110 247 875 AND THE LM INSTITUTIONAL CURRENCY PROTECTED AUSTRALIAN INCOME FUND ARSN 122 052 868**

CERTIFICATE OF EXHIBIT

Exhibit "**KAT-12**" to the affidavit of Kelly-Anne Lavina Trenfield sworn on **23** December 2020



.....
Kelly-Anne Lavina Trenfield
Deponent



.....
Name: _____
Lawyer/Commissioner for Declarations/JP

CERTIFICATE OF EXHIBIT
Filed on Behalf of the Applicants
Form 47, Version 2

Russells
Level 18, 300 Queen Street
Brisbane Qld 4000
Phone: 07 3004 8888
Fax: 07 3004 8899
Ref: SCR:MKR:20190205

SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: BS3508/2015

IN THE MATTER OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED)

First Applicant: **JOHN RICHARD PARK AS LIQUIDATOR OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED) ACN 007 208 461 THE RESPONSIBLE ENTITY OF THE LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288**

AND

Second Applicant: **LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED) ACN 077 208 461 THE RESPONSIBLE ENTITY OF LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288**

AND

First Respondent: **DAVID WHYTE AS THE PERSON APPOINTED TO SUPERVISE THE WINDING UP OF THE LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 PURSUANT TO SECTION 601NF OF THE CORPORATIONS ACT 2001**

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Second Respondent: **SAID JAHANI IN HIS CAPACITY AS RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKING, RIGHTS AND INTERESTS OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED) ACN 077 208 461 AS THE RESPONSIBLE ENTITY OF THE LM CURRENCY PROTECTED AUSTRALIAN INCOME FUND ARSN 110 247 875 AND THE LM INSTITUTIONAL CURRENCY PROTECTED AUSTRALIAN INCOME FUND ARSN 122 052 868**

INDEX OF EXHIBIT

EXHIBIT NO.	DESCRIPTION	DATE	PAGE NOS
1.	Schedule of FTI Consulting standard staff rates for the period 1 April 2014 to 31 December 2015	01.04.2014 – 31.12.2015	1

INDEX OF EXHIBIT

Filed on Behalf of the Applicants

Russells

Level 18, 300 Queen Street
Brisbane Qld 4000
Phone: 07 3004 8888
Fax: 07 3004 8899
Ref: SCR:MKR:20190205

2.	Schedule of FTI Consulting standard staff rates for the period 1 January 2016 to 28 February 2017	01.01.2016 – 28.02.2017	2
3.	Schedule of FTI Consulting standard staff rates for the period 1 March 2017 to 30 April 2019	01.03.2017 – 30.04.2019	3
4.	Schedule of FTI Consulting standard staff rates for the period 1 May 2019 to 31 March 2020	01.05.2019 – 31.03.2020	4
5.	Schedule of FTI Consulting standard staff rates for the period 1 April 2020 to present	01.04.2020 – present	5
6.	Email from Ms Kelly Trenfield to FTI Consulting staff	18.09.2013	6 – 7
7.	LMIM task code schedule	Undated	8 – 9
8.	Circulars issued to the unitholders of the AIF dated 19 September 2018, 14 October 2019 and 31 August 2020	19.09.2018 14.10.2019 31.08.2020	10 – 18
9.	Circulars issued to the unitholders of the ASPF dated 19 September 2018, 14 October 2019 and 31 August 2020	19.09.2018 14.10.2019 31.08.2020	19 – 27
10.	Update from the Receiver to the unitholders of the FMIF dated 29 September 2020	29.09.2020	28 – 54
11.	Circulars issued to the unitholders of the ICPAIF dated 19 September 2018, 14 October 2019 and 7 September 2020	19.09.2018 14.10.2019 07.09.2020	55 – 61
12.	Circulars issued to the unitholders of CPAIF dated 19 September 2018, 14 October 2019 and 7 September 2020	19.09.2018 14.10.2019 07.09.2020	62 – 70
13.	FTI Consulting Liquidation Schedule	01.07.2018 – 31.10.2020	71 – 124
14.	FTI Consulting Liquidation Table	01.07.2018 – 31.10.2020	125
15.	FMIF Schedule for the First Relevant Period	01.07.2018 – 31.10.2020	126 – 160
16.	FMIF Table of the ARITA Categories	01.07.2018 – 31.10.2020	161

INDEX OF EXHIBIT

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17.	AIF Schedule for the First Relevant Period	01.07.2018 – 31.10.2020	162 – 180
18.	AIF Table for the ARITA Categories	01.07.2018 – 31.10.2020	181
19.	ASPF Schedule for the First Relevant Period	01.07.2018 – 31.10.2020	182 – 195
20.	ASPF Table of the ARITA Categories	01.07.2018 – 31.10.2020	196
21.	ICPAIF Schedule for the Second Relevant Period	01.10.2015 – 31.10.2020	197 – 221
22.	ICPAIF Table for the ARITA Categories	01.10.2015 – 31.10.2020	222
23.	CPAIF Schedule of the Second Relevant Period	01.10.2015 – 31.10.2020	223 – 305
24.	CPAIF Table of the ARITA Categories	01.10.2015 – 31.10.2020	306 – 307
25.	LMIM Schedule of the ARITA Categories	01.07.2018 – 31.10.2020	308

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INCOME FUND ARSN 089 343 288**

AND

Second Applicant: **LM INVESTMENT MANAGEMENT LIMITED (IN
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ACN 077 208 461 THE RESPONSIBLE ENTITY OF LM FIRST
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AND

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FUND ARSN 089 343 288 PURSUANT TO SECTION 601NF OF
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AND

Second Respondent: **SAID JAHANI IN HIS CAPACITY AS RECEIVER AND
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APPOINTED) ACN 077 208 461 AS THE RESPONSIBLE ENTITY
OF THE LM CURRENCY PROTECTED AUSTRALIAN INCOME
FUND ARSN 110 247 875 AND THE LM INSTITUTIONAL
CURRENCY PROTECTED AUSTRALIAN INCOME FUND
ARSN 122 052 868**

CERTIFICATE OF EXHIBIT

Part 1 of 2 (pages 1 - 160) of the exhibit “**KAT-12**” to the affidavit of **KELLY ANNE LAVINIA
TRENFIELD** sworn on 23 December 2020.

CERTIFICATE OF EXHIBIT
Filed on behalf of the Applicants

Russells
Level 18, 300 Queen Street
Brisbane QLD 4000
Tel: (07) 3004 8888
Fax: (07) 3004 8899
Ref: MKR:20190205

FTI Consulting Standard Rates effective 1 April 2014
(excluding GST)

Typical classification	Perth Melbourne Brisbane Gold Coast \$/hour	General guide to classifications
Senior Managing Director	600	Registered/Official Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	570	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered/Official Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	560	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered/Official Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	415	Typically an ARITA professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	360	Assists with the planning and control of small to medium administrations. May have the conduct of minor administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	340	Typically ICAA qualified (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large administrations.
Consultant 1	300	Qualified accountant with several years experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	270	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	250	Typically a university undergraduate or graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Administration 2	175	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping or similar skills.
Administration 1	135	Has appropriate skills and experience to support professional staff in an administrative capacity.

The FTI Consulting Standard Rates above apply to the Corporate Finance/Restructuring practice and are subject to review at 1 January each year.

FTI Consulting Standard Rates effective 1 January 2016
(excluding GST)

Typical classification	\$/hour	General guide to classifications
Senior Managing Director	625	Registered/Official Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	575	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered/Official Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	565	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered/Official Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	425	Typically an ARITA professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	370	Assists with the planning and control of small to medium administrations. May have the conduct of minor administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	350	Typically ICAA qualified (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large administrations.
Consultant 1	305	Qualified accountant with several years experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	275	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	255	Typically a university undergraduate or graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	180	Undergraduate in the latter stage of their university degree.
Administration 2	180	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping or similar skills.
Junior Accountant	145	Undergraduate in the early stage of their university degree.
Administration 1	145	Has appropriate skills and experience to support professional staff in an administrative capacity.

The FTI Consulting Standard Rates above apply to the Corporate Finance/Restructuring practice and are subject to review at 1 January each year.

FTI Consulting Standard Rates effective 1 March 2017
(excluding GST)

Typical classification	All Offices \$/hour	General guide to classifications
Senior Managing Director	625	Registered/Official Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	580	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered/Official Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	570	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered/Official Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	440	Typically an ARITA professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	380	Assists with the planning and control of small to medium administrations. May have the conduct of minor administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	360	Typically ICAA qualified (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large administrations.
Consultant 1	315	Qualified accountant with several years experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	280	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	260	Typically a university undergraduate or graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	185	Undergraduate in the latter stage of their university degree.
Administration 2	185	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	155	Has appropriate skills and experience to support professional staff in an administrative capacity.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to review at 1 January each year.

FTI Consulting CF&R Standard Rates effective 1 May 2019 (excluding GST)		
Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

FTI Consulting CF&R Standard Rates effective 1 April 2020 (excluding GST)		
Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	520	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	470	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	430	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

Olivia Briers

From: Trenfield, Kelly <Kelly.Trenfield@fticonsulting.com>
Sent: Wednesday, 18 September 2013 4:38 PM
To: Teixeira, Aline; Weatherley, Andrew; Ubank, Ashleigh; Robson, Benjamin; Nixon, Brendan; Cottam, Brett; Newman, Brittany; Drew, Carly; Halcoop, Caroline; Baskerville, Chris; Stead, Christine; Birnie, Clare; Lau, Damien; Midgley, Daniel; Toomey, David; Zuardi, Eloa; Muller, Ginette; O'Kearney, Glenn; Francis, Ian; Court, James; Rogers, James; Taplin, James; Fox, Jeremy; Jedynek, Jessica; Springate, Joan; Dunn, Joanne; Hutchinson, Joel; Corbett, John; Park, John; Ross, Julie; Flint, Justin; Mahoney, Kate; Dallimore, Kylee; McIntosh, Lachlan; Morcom, Lauren; Cherry, Lisa; Flynn, Marushka; Glennon, Matthew; Wilson, Matthew; Almulla, Mohamed; Jonga, Natasha; Remmelt, Nicholas; Schweizer, Oliver; Williams, Cilla; Lobb, Renee; Zorgdrager, Ryan; McBryde, Sally; Campione, Sharon; Clancy, Stuart; Rumbold, Tracey
Subject: Review of LM Remuneration in detail
Follow Up Flag: Follow up
Flag Status: Flagged

All

As part of our indemnity claim against the assets of MPF/FMIF we need to undertake a detailed review of the fees charged to ensure that these will stand up to a review by either the other practitioners or the Court.

In simple terms we will be seeking to recover our fees (and other costs) from either:

- The assets of the corporate entities (Corporate); or
- Via an indemnity against fund assets (Fund).

This means we need to allocate all of our time to one of these two categories.

Fund Codes

Where time has been charged directly to a fund i.e. 8978 LM First Mortgage Income Fund the process is straightforward and there is little to do other than ensure the entries are consistent and sufficiently detailed. At this stage the time allocated to MIF and MPF is the most relevant but the balance of funds need to be reviewed to ensure they do not contain time entries that are more appropriately charged to one of the other codes.

Corp Codes (8973 & 8974)

However where time has been charged to LMIM or LMA we need to allocate the time between these two categories (Corp or Fund) initially. We then need to pro-rata the time charged to "Fund" so that each of the LM Funds are accountable for their relevant portion. Again the entries need to be consistent and detailed in order to allow this allocation to be relevant. A very basic pre-allocation has been done but this requires a thorough review.

What is required by each person:

- Confirm the time has been allocated to the correct code/matter number i.e. should have been charged to an LM code in the first instance and if so the selected code is correct. If incorrect note the "**Allocation**" column;
- Review your time entries to ensure as much detail as possible is recorded;
- Ensure the task codes are consistent and correct. Details of what is to be used is on the attached schedule. <H:\8974\Fees\Remuneration Allocation and Review\LM Remuneration Structure.xlsx>
- Allocation of entries to "**Administration**" should be as a last resort if there is no other task/activity suitable. **Only in limited instances where "Administration" has been used as a task code as a pre-allocation has been done. Please review these tasks carefully and allocate to either Corp or Fund so that any attributable to Fund activity can be allocated as such;** and

- Ensure the category assigned “Fund” or “Corp” is correct. The initial allocation is based on the assumption the task code allocated is correct. If this is not the case amend the category in the “Allocation” column.

The fees have been broken down into the following time periods:

- Appointment to 30 June 2013 <H:\8974\Fees\Remuneration Allocation and Review\Fees 19.03.2013 to 30.06.2013.xlsx>
- July 2013 <H:\8974\Fees\Remuneration Allocation and Review\Fees 01.07.2013 to 31.07.2013.xlsx>
- August 2013 <H:\8974\Fees\Remuneration Allocation and Review\Fees 1.08.2013 to 31.08.2013.xlsx>

Please review your time entries personally in each file and advise once this has been completed. Please put an “x” in column P if you have changed anything other than the narrative and **highlight** the area changed. The review is to be completed by **27 September 2013**.

Any queries on allocations or what is required please ask.

Regards

Kelly

Kelly Trenfield
Senior Managing Director
Corporate Finance/Restructuring

FTI Consulting
+61 7 3225 4920 direct
+61 7 3225 4999 fax
Kelly.Trenfield@fticonsulting.com

22 Market Street
Brisbane QLD
4000
Australia
www.fticonsulting-asia.com

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What is Corporate

- VA tasks
- Company owned assets
- Pre-appointment creditors - meetings and reporting etc
- Investigations
- LMIM - sale of real property, recovery of cash deposit, overseas subsidiaries
- LMA - loan recovery

What is Fund related

- Trading
- Employees
- Premises/leasing
- Cashflow/reporting
- Suppliers
- Investors

Job	Code	Tasks	Category	Details
LMA	8973	00 - Default	Fund	Relates to operation of the funds management business where that activity is not specific to an individual fund
		A - Administration	Corp	Those administrative tasks related to the Voluntary/Liquidation process - lodgements, notifications of appointment etc; team meetings etc
		B - Assets	Corp	Care, preservation and realisation of the Company's assets
		C - Creditors	Corp	Dealing with pre-appointment creditors of the Company and dealings re creditors meeting and reports etc
		D - Dividend	n/a	
		E - Employees	Fund	There should only be queries in relation to those employees specifically employed by LMIM in the overseas offices
		F - Trading	Fund	Relates to operation of the funds management business where that activity is not specific to an individual fund i.e. leasing, payroll etc
		G - Investigations	Corp	Antecedent investigations or purposes of the report

Job	Code	Tasks	Category	Details
LMIM	8974	LMIM As RE	Fund	Relates to operation of the funds management business where that activity is not specific to an individual fund
		LMIM in its own capacity	Corp	Care, preservation and realisation of the Company's assets
		A - Administration	Corp	Those administrative tasks related to the Voluntary/Liquidation process - lodgements, notifications of appointment etc; team meetings etc
		B - Assets	Corp	Care, preservation and realisation of the Company's assets
		C - Creditors	Corp	Dealing with pre-appointment creditors of the Company and dealings re creditors meeting and reports etc
		D - Dividend	n/a	
		E - Employees	Fund	There should only be queries in relation to those employees specifically employed by LMIM in the overseas offices
		F - Trading	Fund	Relates to operation of the funds management business where that activity is not specific to an individual fund
		G - Investigations	Corp	Antecedent investigations

Notes

Need to be consistent in the use of task codes i.e. only LM specific or A - G.

Use of LM codes only for relevant job i.e. not using LMIM as RE for LMA or Fund codes; not allocating to FMIF work on an AIF asset

Any allocation that can be moved from LMIM or LMA to a fund should be done

Where a tasks may be administrative i.e. finalising a letter need to ensure it relates to an admin task rather than something that could be otherwise apportioned

Job	Code	Tasks -KMAD	Tasks - Carpe Diem	Category	Details
8978	LM First Mortgage Income Fund	1	20	General Fund Administration	General Fund Administration
		2	33	Deutsche Bank Reporting	Deutsche Bank Reporting Cnr Government, Meissners, Weinham & Salisbury Streets, Redland Bay QLD 4165
		3	34	Redland Bay Leisure Life	Cnr Government, Meissners, Weinham & Salisbury Streets, Redland Bay QLD 4165
		4	35	Redland Bay Leisure Life Development Mngr Pty Ltd	19-37 St Crispin's Avenue, Port Douglas QLD
		5	36	St Crispin's Property Pty Ltd	73 Mill Point Road, South Perth WA
		6	37	Eden Apartments Pty Ltd	
		7	38	Young Land Corporation Pty Ltd	Keppel Bay Estate, Tanby Rd, Taroomball, Yepoon QLD
		8	39	Brambleton Pty Ltd	22 View Avenue, Surfers Paradise QLD 4217
		9	5	Lot 111 Pty Ltd	23 Narabang Way, Belrose NSW
		10	41	OVST Pty Ltd	Ocean View Banora Point, 2-4 Terranora Road, Banora Point NSW
		11	7	Greystanes Projects Pty Ltd	Cnr Reconciliation & Picrite Roads, Greystanes NSW 2145
		12	6	Glendenning Developments Pty Ltd	Cnr Owen & Power Streets, Glendenning NSW
		13	44	Carrington Management Pty Ltd (Caboolture South)	15 Adelaide Drive, Morayfield QLD 4506
		14	45	Bridgewater Lake Estate Ltd	Patullos Lane, Roxburgh Park VIC 3064
		15	46	Townsville Commercial Pty Ltd IOR	12-14 Palmer Street, Townsville QLD 4810
		16	4	Green Square Property Developments Pty Ltd	112-122 McEvoy Street, Alexandria NSW
		17	48	Source Student Lodge Pty Ltd	10-24 Faculty Close, Cairns QLD 480
		18	49	Source Developments No 1 (Coomera)	Brygon Creek Road & Gumtree Crescent, Coomera Qld 4210
		19	50	Coulter Developments Pty Ltd & Rocola Pty Ltd	Treviso Mews, Mandurah WA
		20	51	Tall Trees Tanah Merah	3745-3749 Pacific Highway, Slacks Creek QLD 4127
		21	52	Australian International Investment Services P/L	7 Irving Street, Phillip ACT 2606
		22	8	Kingopen Pty Ltd	Cnr Chester Pass, Mercer & Catalina Roads, Albany WA 6330
		23	54	Cameo Estates Lifestyle	30 Janefield St, Mowbray, Launceston TAS
		24	55	Madrers Properties (Resort Corp)	32-34 Marine Pd, Kingscliffe NSW
		25	56	U-Own Storage (Southbank) Pty Ltd	310-314 Lorimer St, South Melbourne VIC
		26	57	LMIM attf LM Managed Performance Fund	Lots 2 and 20 Livistonia Close, Bushland Beach Qld 4318
		27	58	Northshore Bayview St Pty Ltd	20 Bayview Street, Runaway Bay QLD 4216
		28	21	Bellpac Pty Ltd	Princess Highway, Russell Vale NSW (original security)
8975	LM Managed Performance Fund	1	21	Bellpac Pty Ltd	Bellpac Pty Ltd
		2	22	Great Pacific Capital Ltd	Great Pacific Capital Ltd
		3	3	Ekar Property Trust	LM Administration Pty Ltd in its own right & as trustee of the Ekard Property Trust
		4	4	Green Square Property Development Corp Pty Ltd	Green Square Property Development Corporation Pty Ltd
		5	5	Lot 111 Pty Ltd	Lot 111 Pty Ltd
		6	6	Glendenning Developments Pty Ltd	Glendenning Developments Pty Ltd
		7	7	Greystanes Projects Pty Ltd	Greystanes Projects Pty Ltd
		8	8	Kingopen Pty Ltd	Kingopen Pty Ltd
		9	23	Barley Wood Pty Ltd (KPG)	Barley Wood Pty Ltd (formerly known as KPG 13th Beach Stage Pty Ltd)
		10	10	LM Capalaba Pty Ltd	LM Capalaba Pty Ltd
		11	11	Maddison Estate Pty Ltd	Maddison Estate Pty Ltd (formerly LM Coomera JV Pty Ltd)
		12	12	Peter C Drake	Peter C Drake
		13	13	The Lifestyle Investment Company Pty Ltd	The Lifestyle Investment Company Pty Ltd
		14	14	Peregian Beach Pty Ltd	Peregian Beach Pty Ltd
		15	15	Tall Trees Mandurah Pty Ltd	Tall Trees Mandurah Pty Ltd
		16	16	457-459 Lygon St Pty Ltd	457-459 Lygon St Pty Ltd
		17	17	Aalto Apartments Pty Ltd	Aalto Apartments Pty Ltd
		18	18	AJIS Pty Ltd	Australian International Investment Services Pty Ltd
8976	LM Australian Income Fund	19	19	LM Bushlands	LM Bushlands - property located at Livistonia Close, Bushland Beach, Townsville QLD 4818
		20	20	General Fund Administration	General day to day operations
		1	23	Barly Wood Pty Ltd (Known internally as KPG)	Barly Wood Pty Ltd (Known internally as KPG)
		2	24	Landmark Australia Pty Ltd	Landmark Australia Pty Ltd
		3	25	LM Capalaba Pty Ltd & Balmoral Commodities Pty Ltd	LM Capalaba Pty Ltd & Balmoral Commodities Pty Ltd
		4	16	457-459 Lygon St Pty Ltd	457-459 Lygon St Pty Ltd
		5	27	Rich Sea International Pty Ltd (Magna Shores)	Rich Sea International Pty Ltd (Magna Shores)
		6	14	Peregian Beach Pty Ltd	Peregian Beach Pty Ltd
		7	15	Tall Trees Mandurah Pty Ltd	Tall Trees Mandurah Pty Ltd
		8	30	Pearls Edgewater Pty Ltd	Pearls Edgewater Pty Ltd
			20	General Fund Administration	General day to day operations