



Grant Thornton

An instinct for growth™

ACN 151 259 675 (In Liquidation)
(Formerly Image Building Group QLD Pty
Ltd)

ACN 151 259 675 (“the Company”)

Report Pursuant to Section 508 of the Corporations Act 2001

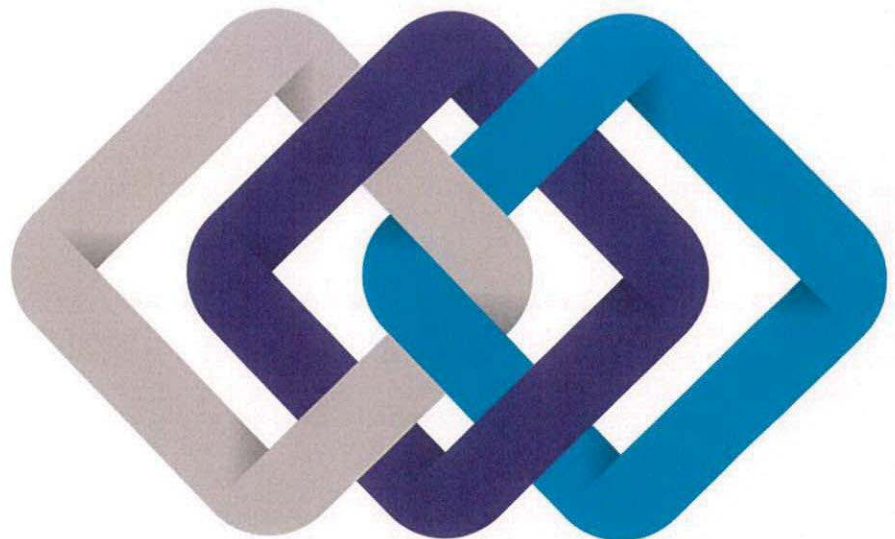
Tuesday, 9 October 2018

Michael McCann

Liquidator

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1. Background

I refer to my appointment as liquidator of the Company on 13 July 2017 and my previous correspondence to creditors including my statutory report to creditors dated 6 October 2017.

The Company is part of a group of companies known as the Members Alliance Group ("MAG"). MAG operated a range of businesses primarily throughout Queensland including, but not limited to, financial services, project marketing, construction and management and letting rights.

The Company was incorporated on 2 June 2011 and operated from "The Rocket", Level 14, 203 Robina Town Centre Drive, Robina QLD 4226. From my initial review, the Company operated to sell house and land packages throughout Queensland (and also in New South Wales and Victoria). As the Company increased in size, it began constructing and developing the housing projects it was selling.

My investigations have identified that the Company may have been insolvent on or before the date when the Company transferred a mortgage book to Mellow Brae Pty Ltd in June 2016, being the Company's main asset. The transfer appears to have been made in lieu of an alleged debt owed to David Domingo, however, the quantum and validity of the debt is uncertain. Mellow Brae Pty Ltd is a company controlled by David Domingo, who is also a director of other MAG entities. This transfer may constitute an insolvent transaction under section 588FC of the Corporations Act (Clth) (the "Act"). As such, it is also a potential voidable transaction under s588FE of the Act as an insolvent and uncommercial transaction.

Further, I am continuing to investigate the potential for a claim against the director for trading whilst insolvent.

I advise that my investigations into the above matters are ongoing.

Other than potential recoveries detailed above, I have not identified any realisable assets of the Company. Any distribution to creditors is dependent upon recoveries from the above potential actions. If I do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt. This formalises creditors' claim in the liquidation and is used to determine all claims against the Company.

2. Conduct of Liquidation

During the period of my appointment I have performed the following:

- Notified relevant stakeholders of my appointment as Liquidator;
- Obtained books and records and electronic servers of the Company;
- Conducted a detailed review into the Personal Property Securities Register ("PPSR");
- Issued notices to the Company's advisors (solicitors and accountants) seeking copies of any Company books and records held as well as copies of their files;
- Undertaken an initial review of the books and records received from the Company's advisors;
- Completed initial investigations into the reasons for the Company's failure and its acts and dealings prior to the winding up;



- Lodged a report pursuant to section 533 of the Corporations Act 2001 (Cth) (the "Act") with the Australian Securities & Investments Commission ("ASIC");
- Received a request from ASIC to lodge a supplementary report pursuant to section 533 of the Act;
- Submitted a funding application to ASIC's Assetless Administration Fund facilitate further investigations to be completed into the Company and for a supplementary report to be completed, as requested;
- Corresponded with unsecured creditors of the Company regarding claims and queries regarding the liquidation; and
- Complied with my statutory obligations, including issuing this report.

3. Outstanding Acts and Dealings

Before I am in a position to finalise this matter, the following tasks will be attended to:

- Undertake a detailed review of the Company's books and records and the records received from the Company's advisors;
- Recover any available assets of the Company;
- Obtain further legal advice in relation to the registered security interests lodged by the Company's advisors on the PPSR and the validity of them;
- Consider and initiate any potential voidable transactions or recovery actions available to me;
- Complete my supplementary report to ASIC as requested, pursuant to section 533;
- Undertake any further investigations that ASIC might request;
- Finalise investigations in the Company's affairs;
- Further investigate uncommercial transactions and seek recovery of same;
- Subject to the recoverability of any Company property and availability of funds, complete a distribution to creditors of the Company, if required;
- Attend to the statutory reporting obligations of the liquidation;
- Finalise the winding up of the Company; and
- Apply to ASIC to have the Company deregistered.

4. Estimated Completion Date

I anticipate that the liquidation process will continue for a further 12 – 24 months, depending on my investigation findings and any further actions required as a result of them.



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5. Summary of Receipts and Payments

The only receipt being \$2 of cash at bank from the Company's pre-appointment bank account. No payments have been made in the liquidation to date.

Should you have any queries with respect to the above, you may also contact Benjamin Sanders of my office on +61 7 3222 0429 or via email on benjamin.sanders@au.gt.com.

Dated this 9th day of October 2018

A handwritten signature in black ink, appearing to read 'Michael McCann', written over the typed name and title.

Michael McCann
Liquidator