



writer / sameh bekhit
date / 10 November 2009

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our ref / 1700 051

your ref /
direct / 08 9420 8282

CIRCULAR TO CREDITORS

To the Creditor as Addressed,

**JAMES COMMODITY EXPORTS PTY LTD (IN LIQUIDATION)
A.C.N. 009 262 588 ("THE COMPANY")**

I refer to my appointment as Official Liquidator of the Company on 13 August 2009.

Please find **enclosed** a Second Report to Creditors, which includes:

- (a) Notice of Second Meeting of Creditors of Company;
- (b) Summary of winding up to date;
- (c) Notice of Intention to Declare a First Dividend to Ordinary Unsecured Creditors; and
- (d) Relevant meeting documents.

If you would like further clarification on any issue raised in this report, please do not hesitate to contact this office prior to the meeting.

Should you wish to attend the meeting of creditors, or are unable to attend and would like to have your vote recorded, please refer to the relevant section of the report, which details the forms you will need to complete to ensure that you may cast your vote at the meeting. If you would like assistance in completing these forms, please contact this office prior to the meeting.

If you have any queries, please contact Mr Markus Fernandez-Kennedy care of this office.

For and on behalf of
The Company

**C Huxtable
Official Liquidator**

SECOND REPORT TO CREDITORS

JAMES COMMODITY EXPORTS PTY LTD
(IN LIQUIDATION)
A.C.N. 009 262 588

(“THE COMPANY”)

Official Liquidator	Carl Huxtable
Appointment Date	13 August 2009
Date of Report	10 November 2009
Meeting of Creditors	30 November 2009
Your Point of Contact	Markus Fernandez-Kennedy
Reference	1 700 051

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ATTACHMENT (TO BE RETURNED TO THIS OFFICE)

MEETING DOCUMENTS

Form 532 – Appointment of Proxy
Form 535 – Formal Proof of Debt or Claim (General Form)
Electronic Communication Form

This Report is prepared in accordance with the Insolvency Practitioners Association of Australia's 'Code of Professional Practice'.

Executive Summary

As you may be aware, the director of the Company passed away earlier this year. As a sole director Company, no formal mechanism was available to voluntarily resolve the Company's affairs in light of Mr James' passing.

Accordingly, an application was made to the Supreme Court of Western Australia and I was appointed Official Liquidator of the Company on 13 August 2009.

A First Report was sent to creditors on 21 August 2009 notifying creditors of my appointment and advertising the first meeting of creditors.

Since the first meeting of creditors, significant work has been undertaken in regards to investigation, asset realisation and finalisation of the Company's financial statements.

This report provides creditors with an update as to the progress of the Liquidation.

1. NOTICE OF MEETING

Form 529
Section 473(4)
Corporations Act 2001

NOTICE OF MEETING OF CREDITORS OF COMPANY

JAMES COMMODITY EXPORTS PTY LTD
(IN LIQUIDATION)
A.C.N. 009 262 588

Notice is now given that a meeting of creditors of the Company will be held at the offices of
summerscorpate, Level 2, 56 Ord Street, West Perth WA 6005
on 30 November 2009 at 11.00 AM.

AGENDA

1. To update creditors on the progress of the Liquidation;
2. To consider the approval of the Liquidator's further remuneration as detailed in the report to creditors dated 10 November 2009; and
3. To consider any other business that may be lawfully brought forward.

Dated: 10 November 2009



C Huxtable
Liquidator

If you wish to attend by telephone, please advise this office no later than 5 pm on Friday 27 November 2009.

2. PROGRESS OF LIQUIDATION

2.1 Receipts and Payments

The Company's receipts and payments for the period from 13 August 2009 to 5 November 2009 have been as follows:

Assets	Notes	Estimated Value	Actual Amount Realised	Estimated Remaining
National Australia Bank Ltd ("NAB") Cheque Account	1	399,541	399,541	-
NAB US Dollar Account	1	267,373	267,373	-
Accounts Receivables	2	1,332,480	-	-
Shares	3	932,161	1,558,853	-
Office Equipment	4	39,957	-	20,000
Patriot Haines Hunter Boat	5	85,000	-	80,000
Scooters	6	10,000	-	10,000
Director Loan	7	Unascertained	-	Unascertained
Interest Income		-	2,176	Unascertained
Total Receipts		3,066,512	2,227,943	110,000

Payments		Estimated Amount	Actual Amount Paid
Liquidator's Fees	8	95,000	86,876
Liquidator's Costs	8	Unascertained	6,122
Cost of Exercising Option to Buy New Shares	3	42,000	42,000
Conversion of Contributory Shares to Ordinary Shares	3	52,500	52,500
Shares Trading Brokerage Fees	3	Unascertained	28,625
Payroll Expenses	9		10,468
Lease Expenses	9		4,258
Hire Purchase Final Payment	5		1,566
Boat Storage	5		1,410
Other expenses (Insurance, Bank Charges and Motor Vehicle)	9		766
Total Payments		189,500	234,592

Balance Held as at 5 November 2009	1,993,351
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\$900,000 will be placed on term deposit in the coming weeks

Notes:**1. Bank Accounts**

The Company's NAB Cheque account had a credit balance at the date of appointment of \$399,541.12 and was used by the Liquidator in the course of winding down the activities of the Company. The account was closed on 3 November 2009 and the balance transferred to the Liquidator's account.

The Company's US dollar account had a credit balance at the date of appointment of US\$229,733.77. The account was closed on 9 September 2009, a balance of AU\$267,373.02 transferred to the Liquidator's account.

2. Account Receivables (Trade Debtors)

Based on the Company's books and records as at my appointment, it appeared that a debtor had failed to make payment of an account in the amount of \$1,332,480. I requested payment from the debtor, following which evidence of payment was provided. I subsequently located the payment within a 'suspense' account in the Company's records.

A comprehensive review of debtor recovery actions was conducted, my findings indicating that all significant debtors had paid their accounts prior to my appointment.

3. Shares

I provide a summary of share realisations below:

<i>Share</i>	<i>Estimated Value at Appointment</i>	<i>Actual Realised</i>
SFR (Contributing Shares)	717,500	1,297,487
Less Contribution	-52,500	-52,500
SFR (New Share Option)	-	89,500
Less New Share Purchase	-	-42,000
ACS Options	200	150
MPA	750	750
NKP	13,750	15,000
ODY	8,000	5,500
SRM	660	800
WHE	87,188	106,918
GGE	1,760	1,100
MAB	940	1,280
BMY	26,100	19,820
BMY Options	3,400	850
DMA	8,500	15,750
FAR	14,000	3,900
Total	830,248	1,464,304

The Company was entitled to participate in a new offer of shares immediately following my appointment for every 10 shares held in Sandfire Resources NL ("SFR") at \$1.20 per option. I exercised the options and acquired 35,000 new shares for \$42,000.

In order to sell the SFR Contributing shares, an additional 15 cents per share had to be paid to SFR. \$52,500 was paid to SFR to convert the 350,000 contributing shares to ordinary shares.

The SFR shares, whilst initially trading in the region of \$1.80 at my appointment, were realised for amounts ranging between \$2.40 and \$4.00.

All other shares were sold after consulting with the relevant brokers and, in regards to larger parcels, realised progressively as deemed appropriate given market conditions and prevailing prices.

The Company's share portfolio at appointment was valued at \$830,248. All the Company's shares have now been realised and were sold, after broker's costs of \$28,625 for a net amount of \$1,435,679.

By exercising various rights and options and then selling those shares within a year, the Liquidator may have triggered certain capital gains tax events which will be paid from the proceeds of sale once a tax return is prepared and lodged. In maximising the realisation of the shares for the benefit of creditors, this tax liability was inevitable.

4. Office Equipment

A minimal amount of office equipment was recovered from the Company's premises and will be realised shortly. A number of other items of plant and equipment have been identified and I am in the process of locating these items.

5. Patriot Haines Hunter Boat

The Company had a Hire Purchase agreement with NAB in respect of the vessel and the final payment was made on 26 August 2009.

In an effort to minimise costs, the Company's boat was removed from storage at the Perth Flying Squadron Yacht Club ("Yacht Club") and relocated to the Aquastack facility in Henderson. During the relocation process the boat was cleaned and maintenance conducted on the boat's trailer. The Aquastack facility provides constant security monitoring and easy access to the boat in the event a valuation is required. The boat's storage costs for the Liquidator's period were paid in full to the Yacht Club.

6. Scooters

The Company's ownership of two Vespa scooters is the subject of further investigations as it may form personal assets of the director. Whilst ownership remains unconfirmed, the administrator of the director's estate has agreed that the scooters be sold and the funds held aside pending a decision as to ownership of those items.

7. Director Loan

Investigations into the Company's account have revealed a loan to the Company's director, however the amount of the loan will not be confirmed until the financial statements are completed. Recoverability of this debt will not be confirmed until further assessment of the director's personal estate has been undertaken by the Administrator of the estate.

8. Liquidator's Fees and Costs

Liquidator's remuneration and disbursements are summarised in section 5 of this report.

9. General Trading Expenses

As previously advised, I retained the Company's employee to finalise the accounts and affairs of the Company for ease of transition to the winding up. All activity was formally ceased on 31 October 2009 and all costs of employment and leasing paid for the relevant period.

Payroll expenses include payment of pre appointment Leave entitlements and will be further identified in future reports.

2.2 Demeter Cormack

At my appointment, a number of foreign exchange contracts were registered to the Company and a sum of money representing profits from foreign exchange contracts that had already been closed out was held in a suspense account with the NAB. Demeter Cormack Pty Ltd ("DC") alleged that the proceeds were its property on the basis of a verbal agreement between Mr James and DC. Mr James had allegedly been assisting DC in its start up as a new entity.

After considerable correspondence with DC's legal representation and analysis of the information provided by it in relation to the alleged agreement, which included:

- (a) Copies of DC invoices;
- (b) Copies of foreign exchange contracts;
- (c) Email correspondence from NAB alluding to a proposed novation;
- (d) A purported novation of some of the contracts; and
- (e) Other information

I sought legal advice as to whether the information in my possession at that time would be sufficient to determine the ownership of the proceeds.

I was advised to seek further information or declarations as, in the absence of any written correspondence between the Company and DC or any other evidence, there was insufficient written documentation for the Liquidator to determine DC's ownership of those proceeds.

Whilst continuing my detailed investigation of the Company's banking and accounting records, I discovered within the Company's records transactions between the parties that had occurred prior to the director's passing that dealt with some of the contracts that had already been paid out by the bank.

The evidence showed that the Company would book foreign exchange contracts on its own facility for future deliveries. On payment by a DC client to DC in US dollars, DC would forward to the Company the US dollar amount, the Company would convert that amount under a foreign exchange contract and repay the equivalent Australian dollar amount to DC from the Company's normal trading account. In other words, DC would pay the Company US dollars and receive AU dollars in return.

The information gained from my investigations coupled with the information provided by DC gave rise to sufficient evidence upon which I formed a view that the proceeds were the property of DC and directed the bank to deal with those funds accordingly.

2.3 Assignment of Sub Lease and Premises

The Company entered into a sub-lease in regard to an office premises in Nedlands which it previously shared with DC. On Mr James' passing, the Company's employee relocated from this premise to an alternative casually leased premise. I communicated with all parties and assisted by executing an assignment of the sub-lease to DC. The Company held a Telstra account in relation to the sub-leased premises and this account was jointly utilised by DC. After being made aware that DC was utilising this account I had the account assigned to DC at its request.

2.4 Assessment of Claims

To date I have conducted a number of detailed investigations into various creditor claims received by me. These investigations have involved establishing the ownership of particular items of plant and equipment claimed to be owned by a creditor, assessing the validity of and applying various set offs to relevant creditor claims and reconstructing creditor accounts where the Company's records have been at odds with the information provided by creditors.

This process has also involved a significant investigation into transactions recorded in the Company's MYOB "suspense" account. These transactions had not been allocated against relevant creditor or debtor invoices and reconciliation and explanation of these transactions was provided to the Company's external accounts so that the Company's accounts may be reconciled and financial statements prepared for the 2008 / 2009 financial year. A further reconciliation is being prepared in regard to transactions related to a major creditor and this will be provided to the Company's external accounts shortly with a view to finalising the accounts.

2.5 Priority Dividend

A dividend to Priority Creditors (employees) was declared on 4 November 2009. All priority claims, with the exception of a minor portion of the director's leave entitlements, were admitted for priority distribution and payment of these amounts (\$11,742.78) will be made in full in the coming days.

3. OUTSTANDING ISSUES

3.1 Investigation

The Liquidator is required to investigate the Company's business, property, affairs and financial position and, in the event any breaches of the *Corporation Act 2001* ("the Act") are discovered or a return of less than 50 cents in the dollar is likely, a report to the Australian Securities and Investments Commission ("ASIC") must be lodged. I may lodge a report for statistical purpose voluntarily.

Further investigation is required to determine whether a report must be lodged, however, *preliminary* indications are that a return of greater than 50 cents in the dollar is likely.

With the director passing, reporting breaches of the Act will not result in any further action by ASIC.

3.2 First Dividend to Ordinary Unsecured Creditors

Preparation of the first dividend to Ordinary Unsecured Creditors will be conducted in the following weeks.

This dividend is not final as assets of the Company remain unrealised, as well as some unpaid tax liabilities arising as a result of the Liquidator's realisation of shares. Funds will be set aside for payment of any liability arising during the Liquidation period.

On the completion of the Liquidation there will be a final dividend to creditors, however, another interim dividend may be declared pending realisations.

3.3 Other Activities

- (a) Finalise investigation and advise Company accountants in regards to suspense account transactions and consider whether a report to ASIC is required for breaches of the Act;
- (b) Recovery from director's personal estate;
- (c) Realisation of Plant and Equipment;
- (d) Sale of the scooters and boat;
- (e) Distribution to creditors;
- (f) Provide 6 monthly reports to ASIC;
- (g) Hold any annual general meetings / provide annual reports to creditors; and
- (h) Finalise the winding up.

4. INTENTION TO DECLARE DIVIDEND TO ORDINARY UNSECURED CREDITORS

Form 547

Subregulation 5.6.65(1)

Corporations Act 2001

**NOTICE TO CREDITOR OR PERSON CLAIMING TO BE A CREDITOR OF
INTENTION TO DECLARE A FIRST DIVIDEND
TO ORDINARY UNSECURED CREDITORS
JAMES COMMODITY EXPORTS PTY LTD (IN LIQUIDATION)
A.C.N. 009 262 588 ("THE COMPANY")**

A First Dividend to Ordinary Unsecured Creditors is to be declared on 20 December 2009 for the Company.

You are listed as a creditor in the Company's records, or you are known to me to claim to be a creditor, but your debt or claim has not yet been admitted.

You are required formally to prove your debt or claim on or before 3 December 2009. If you do not, you will be excluded from the benefit of the dividend.

Dated: 10 November 2009



**C Huxtable
Official Liquidator**

In the event you have lodged a claim, please confirm with this office that it has been received

5. LIQUIDATOR'S REMUNERATION

5.1 Summary of Liquidator's Remuneration

Remuneration up to 4 November 2009	76,635.00
Internal Legal Remuneration	2,023.50
Estimated Remuneration to end of Liquidation	50,230.00
Total Remuneration	128,888.50
Plus GST	12,888.85
Total Cost including GST	141,777.35
Less Previously Approved Remuneration	95,000.00
Estimated Future Remuneration	46,777.35
Approval sought for additional remuneration of	45,000.00

summerscorporate Charge Rates			
Position / IPA Classification	Employee	Hourly Charge Rate (\$)	Reference
Administrator / Liquidator	Carl Huxtable	420	1
Senior Business Analyst	Markus Fernandez-Kennedy	200	2
Junior Business Analysts	Sameh Bekhit	130	3
	Kelwin Goh		

5.2 Liquidator's Actual Remuneration (13 August 2009 to 4 November 2009)

Refer to charge Rates	1	2	3
Tasks	Hours	Hours	Hours
Appointment	2.50	0.40	2.70
Essential Services	-	6.70	9.20
Insurance	0.10	1.60	3.90
Meetings	5.40	15.10	3.50
Circulars	2.60	2.40	25.40
Debtors	0.40	-	4.80
Asset Realisations	14.30	12.50	18.10
Investigations	40.90	42.60	61.70
Employees	1.80	5.40	10.50
Secured Creditors	1.00	0.30	1.10
Proof of Debt	0.60	0.30	1.20
Unsecured Creditors	0.80	7.20	11.00
Trade On	4.70	0.60	10.20
Banking	1.60	0.30	6.40
ASIC	0.20	1.20	1.00
Tax	0.10	0.40	5.90
Other, filing administrative	2.90	2.90	2.30
Total Hours	79.90	99.90	178.90
Total Cost	33,398.00	19,980.00	23,257.00

Total Hours	Total Cost (\$)	Average Hourly Rate (\$)
5.60	1,481.00	264.46
15.90	2,536.00	159.50
5.60	869.00	155.18
24.00	5,743.00	239.29
30.40	4,874.00	160.33
5.20	792.00	152.31
44.90	10,859.00	241.85
145.20	33,719.00	232.22
17.70	3,201.00	180.85
2.40	623.00	259.58
2.10	468.00	222.86
19.00	3,206.00	168.74
15.50	3,420.00	220.65
8.30	1,404.00	169.16
2.40	454.00	189.17
6.40	889.00	138.91
8.10	2,097.00	258.89

358.70	76,635.00	213.65
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Description of Work Completed by Task Classification

Appointment (5.60 hours / \$1,481.00)

- Attending to the provision of the appointment notice to relevant parties.
- Liaison with the Supreme Court and defendant lawyers in relation to the appointment and the Orders of the Court.
- Correspondence with the Administrator of Mr James' Estate in regard to the appointment.

Essential Services (15.90 hours / \$2,536.00)

- Attending to arranging the termination of essential services.
- Attending to the assignment of the sub-lease.
- Attending to the assignment of the Telstra account to Demeter Cormack.

Insurance (5.60 hours / \$869.00)

- Identification of the Company's various insurers.
- Notification of insurers of the appointment.
- Arranging for workers compensation insurance cover.
- Arranging insurance for the boat and scooters.
- Attending to the cancellation and refund of the workers compensation insurance.

Meetings (24.00 hours / \$5,743.00)

- Meetings with the Company's employee in regard to the appointment, termination and required tasks.
- Preparation for and attendance at the First Meeting of Creditors.
- Preparation of minutes of the First Meeting of Creditors.
- Team meetings in regards to the progress of the Liquidation and the allocation of work tasks.

Debtors (5.2 hours / \$792.00)

- Review debtor correspondence.
- Review debtor payments and outstanding invoices.
- Preparation of letters to debtors regarding the recovery of outstanding amounts.
- Follow up on relevant debtors regarding the recovery of debts.

Asset Realisations (44.90 hours / \$10,859.00)

- Identification of and liaison with security registers and brokers.
- Dealing with new share offers, exercising share options and converting relevant securities.
- Review and monitoring of security portfolio and correspondence with brokers regarding the sale of securities.
- Investigation into the Company's ownership of the Vespa scooters.
- Attend to the relocation and secure storage of the Company's boat.
- Attend to the maintenance of the boat trailer.
- Attend to the transfer of the Company's USD and AUD trading accounts.
- Secured the Company's office equipment.

Circulars (30.40 hours / \$4,874.00)

- Preparation of the First Report to Creditors.
- Attending to the mailing of the First Report to Creditors.
- Preparation of the Second Report to Creditors.

Investigations / Books and Records (145.20 hours / \$33,719.00)

- Recover and inventory the Company's books and records.
- Obtain electronic records relating to the Company from Demeter Cormack.
- Attend to backing up the Company's electronic data.
- Investigation into the existence of Company's assets.
- Investigation into the securities and security brokers utilised by the Company.
- Analysis of the securities owned by the Company.
- Investigation into the Company's foreign exchange contracts and the alleged agreement to novate remaining contracts to Demeter Cormack.
- Investigation into the Company's accounting records and unallocated transactions recorded in its suspense account.
- Analysis and reconciliation of major unsecured creditor accounts and claims.

Employees (17.70 hours / \$3,201.00)

- Review the draft contract of the Company's employee.
- Correspondence with the employee regarding the terms of ongoing employment during the Liquidation.
- Correspondence with the employee regarding the termination of employment.
- Liaison with the employee regarding day to day tasks and work flows.
- Analysis and calculation of employee entitlements.
- Correspondence with relevant superannuation funds.

Secured Creditors (2.40 hours / \$623.00)

- Various correspondence with the Company's secured creditor regarding the appointment and the facilities operated by the Company.

Proof of Debt (2.10 hours / \$468.00)

- Entry of proofs received onto the computer system.
- Calculation and payment of Superannuation Guarantee Charge amounts owed by the Company.
- Review and adjudicate the various proofs received.
- Dealing with unsecured creditor claims.
- Dividend to Employees.

Unsecured Creditors (19.00 hours / \$3,206.00)

- Correspondence with unsecured creditors of the Company regarding the progress of the Liquidation.
- Investigation of Company records to identify potential unsecured creditors.
- Entering creditors' details on the computer system.
- Maintain the creditors' schedule as and when advised of additional creditors, changes of address, on receipt of proofs of debt, etc.

Trade On (15.5 hours / \$3,420)

- Liaising with the landlord regarding the Company's premises.
- Payment of lease on premises for the Liquidation period.
- Correspondence with the Company's employee regarding work tasks.
- Security trading and the processing of payments and receipts from the purchase and sale of securities.
- Termination of Employee and cessation of activity.

Banking (8.30 hours / \$1,404.00)

- Open a new bank account for the Liquidation.
- Attend to the recording of all receipts and payments during the course of the Liquidation.
- Bank reconciliations.
- Identification of and deal with pre-existing direct debit transactions.
- Liaise with the National Australia Bank and BankWest regarding various account issues.

ASIC (2.40 hours / \$454.00)

- Preparation and lodgement of appointment documents.
- Preparation and lodgement of disclaimers.
- Preparation and lodgement of minutes of First Meeting of Creditors.
- Correspondence with ASIC in regards to the inability to submit a Report as to Affairs.

Tax (6.40 hours / \$889.00)

- Compliance with reporting obligations to the Australian Taxation Office ("ATO").
- Dealing with the Office of State Revenue.
- Liaising with the Company's external tax accountant.
- Liaising with the ATO in relation to the Company's taxation liabilities, past lodgements and various client activity centres.

Other (8.10 hours / \$2,097.00)

- General correspondence, document maintenance and file reviews.
- Attending to all other matters with due care and attention.

5.3 Internal Legal Remuneration

summers legal is a multidisciplinary law firm pursuant to the Legal Practices Act 2003 and is able to provide both legal and insolvency services. This unique relationship allows the Liquidator to obtain legal advice from summers legal in a timely and more cost effective manner.

In regards to these costs, the Insolvency Practitioners Association of Australia Code of Professional Practice states:

"A Practitioner may engage internal non-insolvency professional services only after proper commercial consideration to that decision has been given such that an engagement is in the interests of creditors and the efficient conduct of the administration. This includes non-insolvency professional services provided by another practice within a federated practice structure or associated practice.

The point to consider is whether the benefit of the engagement fee will be received by the Practitioner, the Practitioner's firm or an entity related to the Practitioner or perceived to be related to the Practitioner. These items are remuneration"

12.9.2 IPAA Code of Professional Conduct

In accordance with the Code of Professional Conduct, I summarise the summer legal costs incurred in the Liquidation.

Position	Partner	Snr. Assoc	Articled Clerk	Secretary
Name	Mabel Chua	Paul Dewar	Ben Bauert	Deborah Smith
Hourly Rate	450	420	200	155

Tasks	Hours	Hours	Hours	Hours	Total Hours	Total Cost (\$)	Average Hourly Rate
Assessment and advice in regards to claim by DC to proceeds of foreign exchange contracts	1.60	2.40	1.40	0.10	5.50	2,023.50	367.91

Total Hours	1.60	2.40	1.40	0.10	5.50		367.91
Total Cost (excl GST) (\$)	720.00	1,008.00	280.00	15.50		2,023.50	

5.4 Estimated Liquidator's Remuneration for the period from 4 November 2009 to the completion of the Liquidation

Refer to charge rates 5.1	1	2	3
Tasks	Hours	Hours	Hours
Essential Services	-	-	1.00
Insurance	-	1.00	1.00
Meetings	4.00	4.00	4.00
Circulars	10.00	15.00	30.00
Asset Realisations	15.00	25.00	20.00
Investigations	10.00	25.00	10.00
Employees	-	-	1.00
Secured Creditors	-	-	-
Proof of Debt	1.00	2.00	3.00
Unsecured Creditors	-	-	2.00
Banking	-	-	2.00
ASIC	5.00	5.00	-
Tax	5.00	5.00	5.00
Other, filing administrative	3.00	-	10.00
Total Hours	53.00	82.00	89.00
Total Cost	22,260.00	16,400.00	11,570.00

Total Hours	Total Cost (\$)	Average Hourly Rate (\$)
1.00	130.00	130.00
2.00	330.00	165.00
12.00	3,000.00	250.00
55.00	11,100.00	201.82
60.00	13,900.00	231.67
45.00	10,500.00	233.33
1.00	130.00	130.00
-	-	-
6.00	1,210.00	201.67
2.00	260.00	130.00
2.00	260.00	130.00
10.00	3,100.00	310.00
15.00	3,750.00	250.00
13.00	2,560.00	196.92
224.00		224.24
	50,230.00	

Description of Work to be Completed by Task Classification

Essential Services (1.00 hour / \$130.00)

- Finalisation of the assignment of the sub-lease.
- Attending to various account queries of essential service providers.

Insurance (2.00 hours / \$330.00)

- Attending to the completion of the wages declaration and workers compensation insurance refund.
- Arranging for the cancellation of the Company's various insurance policies.
- Organising for insurance cover repair work to be completed on the damaged Vespa scooter.

Meetings (12 hours / \$3,000.00)

- Preparation for and attendance at the second Meeting of Creditors.
- Preparation for and attendance at the final Meeting of Creditors.
- Preparation of minutes of the final Meeting of Creditors.
- Team meetings in regards to the progress of the Liquidation and the allocation of work tasks.

Circulars (90.00 hours / \$19,600.00)

- Preparation of the Second Report to Creditors.
- Attending to the mailing of the second Report to Creditors.
- Preparation of interim reports.
- Preparation of the Final Report to Creditors.
- Attending to the mailing of the Final Report to Creditors.

Asset Realisations (40.00 hours / \$8,800.00)

- Valuation of the boat, scooters and plant and equipment.
- Investigation into the Company's ownership of the Vespa scooters.
- Realisation of the Vespa scooters.
- Ongoing maintenance and possible in specie distribution.
- Recovery of as yet unaccounted for plant and equipment.
- Recovery of loan account of director.

Investigations / Books and Records (35.00 hours / \$8,500.00)

- Investigation into the loan accounts operated by the Company.
- Investigation into unallocated and unidentified transactions.
- Analysis of the Company's claim against the Director's Estate.
- Analysis and reconciliation of major unsecured creditor accounts and claims.
- Reconciliation of the Company's MYOB accounts.

Employees (1.00 hour / \$130.00)

- Finalise any employee related affairs.

Proof of Debt (6.00 hours / \$1,210.00)

- Entry of proofs received onto the computer system.
- Review and adjudicate the various proofs received.
- Dividend distributions as appropriate.

Unsecured Creditors (2.00 hours / \$260.00)

- Correspondence with unsecured creditors of the Company regarding the progress of the Liquidation.
- Dealing with unsecured creditor claims.
- Entering creditors' details on the computer system.
- Maintaining the creditors' schedule as and when advised of additional creditors, changes of address, on receipt of proofs of debt, etc.

Banking (2.00 hours / \$260.00)

- Attending to the recording of all receipts and payments during the course of the Liquidation.
- Bank reconciliations.
- Liaison with the National Australia Bank and BankWest regarding various account issues.

ASIC (2.00 hours / \$620.00)

- Preparation and lodgement of minutes of Second Meeting of Creditors.
- Preparation and lodgement of minutes of Final Meeting of Creditors.
- Preparation and lodgement of statements of accounts with ASIC.
- Comply with other lodgements as required under the *Corporation Act 2001*.
- Preparation of minutes of the second Meeting of Creditors.
- Preparation of annual report.
- Preparation and lodgement of request for deregistration and resignation of Liquidator.

Tax (10.00 hours / \$5,100.00)

- Compliance with reporting obligations to the ATO.
- Liaising with the Company's external tax accountant.
- Liaising with the ATO in relation to the Company's taxation liabilities.
- Review and lodge tax return for Liquidation period.

Other (5.00 hours / \$650.00)

- General correspondence, document maintenance and file reviews.
- Attending to all other matters with due care and attention.

5.5 Disbursements

Disbursements and office costs associated with the performance of the Liquidator's tasks (such as photocopying, printing, facsimiles, postage and externally provided professional services) will be recovered in addition to the remuneration and paid for from the assets of the Company.

Disbursements and office costs are charged at their cost to the Liquidator (i.e. with no mark up).

A summary of these costs will be provided from time to time with reports to creditors however I do not anticipate these to exceed \$10,000.

5.6 Queries and Information Sheets

Creditors interested in obtaining further information relating to corporate insolvency issues should note that relevant information sheets can be accessed through the Australian Securities and Investments Commission website:

<http://www.asic.gov.au/asic/asic.nsf/byheadline/Information+for+creditors?openDocument>

I also previously provided creditors with the information sheet produced by the Insolvency Practitioners Association of Australia in respect of Liquidator remuneration. A copy may be requested from this office.

6. MEETING OF CREDITORS OF COMPANY.

6.1 Notice

This Report is accompanied by a Form 529, Notice of Meeting of Creditors of Company.

6.2 Purpose

The primary purpose of the meeting is to update creditors on the progress of the liquidation, for creditors to consider the Liquidator's request for further remuneration as detailed herein and to consider any other business that may be lawfully brought forward.

6.3 Voting

Each resolution put to the vote at a meeting of creditors must be decided on the voices (numbers) (i.e. all those in favour say "aye", all those against, say "nay").

Please note however, that a poll can be demanded, before or on the declaration of the result of the voices (Regulation 5.6.19). A poll is simply the recording of votes in writing (both numbers and value). The results of a poll override the results of the vote on the voices.

In a deadlock the Chairperson may exercise his or her casting vote for, or against, the resolution (Regulation 5.6.21(4)).

6.4 Form 532 – Appointment of Proxy

Please read below to ensure that you are entitled to cast your vote at the meeting of creditors.

- (a) A Form 532, Appointment of Proxy ("Proxy") is enclosed for your attention. A creditor may use this form to appoint a natural person over the age of 18 as his or her proxy to attend and vote at the meeting.
- (b) A new Proxy form is required for each meeting of creditors. This means, that even if you lodged a Proxy with the Administrator / Chairperson at a previous meeting, a new Proxy will be required for this meeting if you wish to cast your vote. The only exception is where a meeting is adjourned, in which case it is the same meeting being held on a different date.

Type of Creditor	Person Attending Meeting	Proxy Required (Yes / No)
Natural Person (i.e. Joe Bloggs)	Joe Bloggs	No
	Person other than Joe Bloggs	Yes
Business (i.e. Joe Bloggs trading as XYZ)	Joe Bloggs	No
	Person other than Joe Bloggs	Yes
Partnership	Joe Bloggs – Partner	No
	Person other than a Partner	Yes
Company (i.e. XYZ Pty Ltd trading as ABC)	Any Person	Yes

- (c) To assist you with determining whether you will be required to complete this form for the meeting, please refer to the table above
- (d) When appointing a person as your proxy, you may choose:
 - (i) General Proxy – which gives the proxy discretion as to how he or she votes; or
 - (ii) Special Proxy – which specifies the manner in which the proxy is to vote on a particular motion, and the proxy is not entitled to vote on the resolution except as specified on the form.
- (e) For creditors that are companies, please note that the Proxy does not need to have the company seal affixed however, the Proxy must be signed by (Section 127):
 - (i) two (2) directors of the company; or
 - (ii) a director and a company secretary of the company; or
 - (iii) for a proprietary company that has a sole director who is also the sole company secretary – that director. In this event the director must write next to their signature the words “I am the sole director and sole company secretary of the company”.

If you are uncertain as to whether you are required to complete a Proxy or would like assistance with completing your Proxy, please contact this office prior to attending the meeting. It is requested that your Proxy be lodged with this office one (1) business day prior to the meeting.

6.5 Form 535 – Formal Proof of Debt or Claim (General Form)

Please read below to ensure that you are entitled to cast your vote at the meeting of creditors.

- (a) A Form 535, Formal Proof of Debt or Claim (General Form) (“Proof”) is enclosed for your attention. Please note that a person is not entitled to vote at the meeting unless this form is lodged with the Administrator or the Chairperson.
- (b) A Proof is not specific to a meeting of creditors. Therefore, if you have lodged a Proof previously in this administration, no further Proof is required for this meeting. If you are unsure as to whether you have lodged a Proof, please do not hesitate to contact this office.
- (c) Supporting Documentation.
 - (i) Please attach invoices, statements and other documentation to substantiate your claim.
 - (ii) If you have a claim for outstanding employee entitlements, please attach a worksheet showing how the entitlements have been calculated.

- (iii) If someone disputes your claim at the meeting, having documentation attached to your Proof will assist the Chairperson in admitting your claim for the full amount for which you are entitled to vote.
- (iv) If you attach documentation to substantiate your claim now, you will not encounter problems in the future (i.e. lost or archived records) in the event that a dividend is paid.

If you would like assistance with completing your Proof, please contact this office prior to attending the meeting of creditors. It is requested that your Proof be lodged with this office one (1) business day prior to the meeting.

Should you have any queries, please contact Markus Fernandez-Kennedy, of this office.

For and on behalf of
The Company



C Huxtable
Official Liquidator

**MEETING DOCUMENTS
&
ELECTRONIC COMMUNICATION**

**Form 532 – Appointment of Proxy
Form 535 – Formal Proof of Debt or Claim (General Form)
Electronic Communication Form**

APPOINTMENT OF PROXY

JAMES COMMODITY EXPORTS PTY LTD (IN LIQUIDATION) A.C.N. 009 262 588

I/We	Creditor Name			
Of	Creditor Address			
a creditor / contributory / debenture holder / member of James Commodity Exports Pty Ltd (In Liquidation) in the sum of		\$		
Appoint	Name, address & description			
or in his or her absence	Name, address & description			
as *my*/our *general*/special proxy to vote at the *meeting of *creditors/*contributories/*debenture holders/ *members/*joint meeting of members and creditors to be held on 30 November 2009 or at any adjournment of that meeting. <i>(If a special proxy complete the next box, or if insufficient space, attach directions for each resolution).</i>				
		For	Against	Abstain
That the further remuneration of the Liquidator be fixed at \$XX,000 (including GST) as detailed in the report to creditors dated 10 November 2009				

* Strike out if not applicable

Signature:	Dated:
Print Name:	Occupation/Title:
Address:	
Telephone:	Facsimile:
Email:	

CERTIFICATE OF WITNESS

(This certificate is to be completed only if the person giving the proxy is **blind or incapable of writing**. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy).

I, _____ (name), of _____ (address), certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked at the instrument.

Signature:	Dated:
Print Name:	Occupation/Title:
Address:	
Telephone:	Facsimile:

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of	JAMES COMMODITY EXPORTS PTY LTD (IN LIQUIDATION) A.C.N. 009 262 588
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1. This is to state that the Company was on 13 August 2009, and still is, justly and truly indebted to:

Creditor Name	
Creditor Occupation (if prepared by employee or agent of creditor)	
Creditor Address	
ABN (N/A, if not required)	
FOR \$Amount owing (Dollars & Cents)	\$

Particulars of the debt are:

Date	Consideration (state how the debt arose)	Amount \$ c	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: (insert particulars of all securities held. If the securities are on the property of the Company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount \$ c	Due Date

*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

*3. I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

* Do not complete if this proof is made by the creditor personally.

Signature:	Dated:
Print Name:	Occupation/Title:
Address:	
Telephone:	Facsimile:
Email:	

**JAMES COMMODITY EXPORTS PTY LTD
(IN LIQUIDATION)
A.C.N. 009 262 588**

REQUEST FOR UPDATE OF CREDITOR CONTACT DETAILS

Should creditors wish to update their details on the Official Liquidator files, please complete the following and fax to +618 9420 8223, or send to James Commodity Exports Pty Ltd (In Liquidation), C/- PO Box 7767 Cloisters Square, Perth Western Australia 6850

CREDITOR NAME:	
TRADING OR BUSINESS NAME:	
A.C.N. :	
A.B.N. :	
ADDRESS:	
POSTAL ADDRESS:	
CONTACT NAME:	
TELEPHONE:	
FAX :	
E-MAIL:	
PREFERRED METHOD OF CONTACT :	

ELECTRONIC COMMUNICATION

The Corporations Amendment (Insolvency) Act 2007 inserts provisions allowing the Administrators/Liquidators to send notices and associated attachments to creditors/members via electronic means where the creditor/member has advised the Administrators/Liquidators accordingly.

In that regard, I would appreciate you completing and returning this sheet to my office as soon as possible. If you do not return this form, you will continue to receive notices/reports via prepaid post.

I, _____, of _____
(insert creditor name) (insert physical address)

advise that I would like to receive future correspondence from the Liquidator of JAMES COMMODITY EXPORTS PTY LTD (IN LIQUIDATION) via my preferred method of contact as listed above:

Signed Print Name Position/Role Dated