

MINUTES OF A MEETING OF COMMITTEE OF INSPECTION OF CULLEN GROUP AUSTRALIA PTY LTD (IN LIQUIDATION) ACN 131 442 843 HELD BY TELECONFERENCE ON 28 MARCH 2018 AT 9:00AM.

PRESENT

Michael Caspaney – Liquidator & Chairperson

Via telephone:

John Goddard (Aaromat Fencing & Balustrade Pty Ltd)

Saskia Callinan (MBrick Pty Ltd)

Diann Elliott (Reo-force Steelfixing Contractors Pty Ltd)

Karen Clark (SEQ Formwork and Hire)

Julie Jones (Team Rock Anchor Queensland Pty Ltd)

Observer:

James Currie from the Liquidator's office

Apologies:

Anthony Karam (Tilermade Pty Ltd)

APPOINTMENT OF CHAIRPERSON

It was resolved that Michael Caspaney be appointed Chairperson of the meeting.

QUORUM

The Chairperson declared that a quorum was present pursuant to division 80-5(6) of the Insolvency Practice Rules (*IPR*) in that a majority of members of the committee was present. The Chairperson declared the meeting as open at 9:08am.

INTRODUCTION & UPDATE

The Chairperson advised that the meeting had been called in accordance with the Notice of Meeting dated the 16 March 2018, the meeting having been advertised in the Australian Securities Investment Commission ("**ASIC**") Insolvency Notices web site <https://insolvencynotices.asic.gov.au> on the 16 March 2018. The Notice of Meeting was tabled.

ASSET REALISATIONS AND DISCUSSIONS

Recent updates

The Chairperson notified the members of the Committee of Inspection that Ms Melissa Cunniffe from Melcun Constructions Pty Ltd has voluntarily resigned from the Committee of Inspection.

The Chairperson noted that all settlement monies had now been receipted in relation to the 70-78 Bay Tce Pty Ltd and another 4 entities referred to as the 'David Pearce entities' claims.

The Chairperson also noted that he was attending mediation tomorrow in relation to an unfair preference claim transaction which was currently being pursued in the Magistrates Court of Queensland.

The Chairperson provided an update in relation to the public examinations. He had been recently notified that the official administering the government grant is the Commissioner of

the Queensland Building and Construction Commission (QBCC). Further updates would be provided as the matter progresses.

Purpose of this meeting

The Chairperson noted that the purpose of this meeting was in relation to the execution of a Deed of Settlement between the Chairperson, the company and Mrs Linda Cullen, who is the spouse of the director, Mr Wayne Cullen. Based on the company's records, there were amounts due to the company totalling \$74,341.95 (inclusive of GST) relating to unpaid variations from a unit within the Bay Terrace development. The settlement terms are confidential however, the claim was settled for a lesser amount than specified above. He considered the settlement was in the best interest of the creditors for the following reasons:

- He conducted a review of Mrs Cullen's personal asset and liability position which did not indicate she had capacity to pay the amount in full. The amount the claim was settled for appeared to be a 'best case' scenario;
- In order to progress the matter, he would be required to take this matter before the Courts which would have increased the legal costs and Liquidator's costs considerably and resulted in a lower return to creditors; and
- There was no certainty that the claim would be successful if the claim was taken before the Courts. There was a risk that pursuing the claim further would result in a lower return or no return at all.

The Chairperson confirmed that as part of the settlement terms of release, there was particular care to ensure that Mrs Cullen did not receive relief from any future exposure should any other claims be identified or brought against her going forward.

SETTLEMENT WITH DEBTOR

Resolution 1

The Chairperson explained to those present that a debtor had agreed to terms of settlement on an amount outstanding. However, the claim had a compromised amount of more than \$20,000 and also the settlement arrangement exceeded 3 months after the date of the execution of the settlement Deed. Therefore, the Chairperson required the Committee's approval before the terms of the settlement could become unconditional. The following resolution was put to the Committee:

"That pursuant to section 477(2A) and 477 (2B) of the Corporations Act 2001, the Liquidator be permitted to enter into a deed of settlement with Mrs Linda Cullen regarding the settlement of a debt where the compromise on that debt is greater than \$20,000 and the settlement terms exceeded 3 months till the debt was discharged."

It was moved by: Team Rock Anchor Queensland Pty Ltd
Proxy in favour of: Ms Julie Jones
Seconded by: Reo-Force Steelfixing Contractors Pty Ltd
Proxy in favour of: Ms Diann Elliott

The resolution was carried unanimously.

The resolution was carried.

The meeting was closed at 9:26am.

Signed as a correct record.

DATED this 28^h day of March 2018.

M. Casper

CHAIRPERSON