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**Lift Capital Partners Pty Limited
Lift Capital Nominees No.1 Pty Limited
(Administrators Appointed)
("Lift or the Companies")**

2nd Creditors' Meetings

Tony McGrath

Joseph Hayes

12 November 2008



Agenda

1. Formalities
2. Second Creditors Meeting: 16 July and subsequent action
3. Report to Creditors
4. General Discussion
5. Future of Companies
6. Administrators Remuneration
7. Any other Business



Formalities

- + Chairperson
- + Introductions
- + Corporations Regulations
 - Quorum
 - Attendance and convening of meetings
 - Voting: investors are entitled to vote in respect of LCN and LCP
 - Time and place of meetings
 - Proxies
 - Purpose of meetings



Second creditors meeting: 16 July and subsequent action

- + Second creditors meeting held on 16 July:
 - Comprehensive report to creditors dated 4 July 2008;
 - Supplementary Report dated 11 July 2008 – Original DOCA proposal;
 - Creditors approved adjournment for 43 business days to 15 September 2008 to obtain further information on DOCA proposal; following which
 - Administrators began consultation with ML - formulation of Enhanced DOCA proposal dealing with Lift client claims;
 - Status of original DOCA proposal.

- + ML requested Administrators seek from the Court an extension of the second creditors meeting beyond 15 September to allow discussion around an Enhanced DOCA:
 - The Administrators, in consultation with the committee of creditors, sought and obtained court approval for a 2 month extension of the second creditors meeting to 12 November 2008.



Report to Creditors

- + Deed of Company Arrangement (“DOCA”)
- + Estimated return to unsecured creditors
- + Client Administration and return of securities
- + Court declarations update
- + Major Client Group
- + Alternative courses of action and recommendation



Deed of Company Arrangement (“DOCA”)

- + *Early August 2008:* Administrators proposed DOCA outlined to ML:
 - Releases to ML from Lift Clients;
 - Additional funding equivalent to 12 cents in the dollar on admitted claims of about \$220m; and
 - Threshold acceptance rate of 70%.
- + Discussed with ML nature of claims and advantages of Enhanced proposal:
 - Balancing of views regarding prospects of litigation;
 - Timely outcome; and
 - Limit alternative litigation against ML.



Deed of Company Arrangement (“DOCA”) - continued

- + *Late August 2008:*
 - ML advised offer under consideration;
 - Could see benefits, but required more time;
 - Requested 2 month extension of meeting;
- + *September 2008/October 2008:*
 - Court approval obtained, dialogue with Committee creditors advised by circular;
 - Regular discussions with ML thereafter;
- + *November 2008:*
 - Provided Supplementary Report 4 November 2008 on discussions to date – proposal expected.



Deed of Company Arrangement (“DOCA”) - continued

- + *7 November 2008: Received proposal:*
 - Private and confidential, without prejudice proposal;
 - Included contribution and numerous preconditions;
 - Preconditions unacceptable to Administrators and major creditors;
 - Elapsed time, extent of preconditions, declining returns and quantum of return (given revised views on claims) all contributing factors;
 - NSW Proceedings and WA Proceedings will inform creditors on key issues;
 - Administrators advised ML that without amendment, a proposal not acceptable;
 - ML withdrew Enhanced DOCA Proposal on 10 November 2008.



Estimated returns to unsecured creditors

- + The expected return to creditors has reduced from 60 to 69c/\$ at 11 July 2008 to 43 to 50c/\$ today.
- + Key factors:
 - Change in assumptions regarding loan repayments available from Category 2 clients who will set-off loan against ML Securities;
 - Decrease in the value of the residual shares at Merrill Lynch and impact of alternative outcomes in NSW Proceedings;
 - Approach to recovery of Bravura Solutions loan and corresponding reduction in client claims.
- + Change in estimated returns a key factor driving approach to ML Enhanced DOCA



Estimated returns to unsecured creditors (continued)

Estimated return to creditors

	Liquidation Scenario 11/07/08 \$M	Liquidation Scenario A 31/10/08 \$M	Liquidation Scenario B 31/10/08 \$M
Assets			
ML Surplus Securities	28	19	-
BVA shares/loan repayment	45	20	20
Cash loan repayments	68	41	36
Cash/option proceeds	6	6	6
	<hr/> 147	<hr/> 86	<hr/> 62
Less: costs of administration/operational costs	(10)	(10)	(10)
	<hr/> 138	<hr/> 76	<hr/> 52
Liabilities			
Unsecured creditors			
Client equity (claims)	217	147	116
Trade creditors	3	3	3
Provision for unknown claims	10	-	-
	<hr/> 230	<hr/> 150	<hr/> 119
Return to creditors (¢ in the \$)	60¢	50¢	43¢

Source: Administrators' estimates



Client Administration - return of securities

- + 258 of 367 Category 1 clients have had their securities returned and loans repaid:
 - All Category 1 clients with loans have been asked to repay / refinance their loans or, alternatively, instruct Administrators to redeem securities to repay loans;
 - Outstanding loans will now be called in;
- + Revision to Category 2 creditor forecast loan recoveries since last report, following changes to assumptions relating to set off :
 - Lower Category 2 recoveries compared to earlier reports;
 - Discretionary approach to returning Category 2 securities;
 - Certain Category 2 clients have had their Identifiable Securities returned prior to set-off where we consider there to be no risk, from a loan recovery perspective, to the general body of Lift's creditors;
- + Forecast loan recoveries on target for receipts of \$41M.



Client Administration - return of securities (continued)

Category 1 clients loan repayments

	Number of Category 1 clients #	Estimated 25 October 2008 to 12 November 2008 \$M
Loans collected in full	138	15.2
Loan partially collected	14	1.0
Outstanding refinances	58	8.8
Outstanding redemptions	23	3.4
Outstanding instructions	6	0.6
Total Category 1 client loans	239	29.0
Add: Category 2 and 3 loans		12.0
Total client loan repayments		41.0



ML Securities/Court Declarations - Update

- + 122 listed stocks with market value of \$32m (BVA: \$13M, other \$19M) as at 27 October 2008 currently held by MLIA pending determination of ownership.
- + Court application seeks declarations as to ownership of 3 of those stocks (including the Bravura shares), should give guidance as to ownership of all stocks.
- + Proceedings commenced on 11 November 2008.
- + It is expected that the Court Declarations will result in one of three outcomes:
 - ML will return the cash equivalent of the securities to Lift;
 - ML will return the securities to Lift; or,
 - If ML is compelled to return the securities to Lift, then the court has been asked to make declarations as to whether the particular securities in question are the property of Lift or belong to the relevant Lift clients involved in the proceedings.
- + Lift's submissions and evidence were provided to the Court on 11 November 2008.
- + Hearing provides a number of outcomes for Lift clients



Major Client Group

- + At appointment, the Major Client Group owed Lift Capital \$32m.
- + We have issued multiple letters of demand and engaged in extended negotiations with the Major Client Group's lawyers.
- + Mr Famularo has now been issued a s596B summons by the Administrators:
 - The s596B summons will allow the Administrators to examine Mr Famularo under oath about his assets, capacity to meet the Administrators demands for payment and his actions regarding Lift Capital.
- + The Administrators are investigating the conduct of Merrill Lynch in selling down the Major Client Group's securities after the date of our appointment:
 - We have requested ML clarify their relationship with the major client group and articulate the sell down process, examination summons will be issued if necessary.
- + Settlement remains favoured outcome.



Lift and Lift Clients – Potential claims

- + Potential breach of the Corporations Act (section 437D);
- + Potential breach of the Corporations Act (s440B);
- + Potential claim that the creation of the charge gave rise to an unfair preference under s588FA of the Corporations Act;
- + Potential claim that the charge could be void against a liquidator of Lift under s588FJ of the Corporations Act;
- + Potential claim that Lift's contract arrangements with ML are voidable on unconscionable conduct grounds; and
- + Potential claims under the ASIC Act or Trade Practices Act.



Update from Chris Duffield of Dixon Advisory

- + Invite Chris Duffield to present to the meeting.



Administrators' recommendation

Pursuant to section 439A of the Corporations Act 2001, Administrators are required to provide opinion as to whether:

- + it would be in the creditors interests for Lift Capital to execute a DOCA; or,
- + it would be in the creditors interests for the administration to end; or,
- + it would be in the creditors interests for Lift Capital to be wound-up.

Summary of Administrators recommendations

- + Best interests of all creditors to vote in favour of winding-up:
 - Lift entities are insolvent and cannot be returned to its directors; and,
 - no Deed of Company Arrangement available for recommendation.



General Discussion

+ Questions from the floor

- State your full name and the name of the creditor that you are representing



Committee of Inspection / Creditors

“That a Committee of Inspection be formed for Lift Capital Partners Pty Limited, with the following to be members of the Committee”

.....representing.....

.....representing.....

.....representing.....

.....representing.....



Administrators' remuneration: Summary of work undertaken:

- + Assessment of client profile and determined categories;
- + Communication to stakeholders;
- + Convene and hold 8 Committee meetings and lodge minutes;
- + Completed Administrators investigations;
- + Distributed securities to Category 1 & 2 clients;
- + Court Declarations regarding how securities are to be treated;
- + Determined and progressed Major Client Group claim;
- + Recovery of Bravura loan;
- + Negotiated DOCA proposals with Merrill Lynch / Directors;
- + Pursued Lift Capital debtors as at appointment; and,
- + Attended to employee, operational and statutory matters.



Administrators' Remuneration - Independent review

Remuneration was reviewed by Independent Insolvency Expert from PPB. Expert concluded:

- + The remuneration reports complied with the requirements of Section 449E(7) of the Act in that they provide enough information to make an informed assessment, a description of major tasks, and the costs of the major tasks;
- + The remuneration reports Complied with the Applicable principles of the IPA guidelines;
- + The information should be sufficient for creditors to make an informed decision;
- + The remuneration is reasonable having regard to the requirements of the Administration; and
- + A copy of the report was posted on the websites today.



Administrators' Remuneration Summary – Lift Capital Partners Pty Ltd

	Actual 10 April 2008 to 24 October 2008 \$	Estimated 25 October 2008 to 12 November 2008 \$	Total \$
Remuneration	3,332,336	350,000	3,682,336
Less Discount (15%)	(499,850)	(52,500)	(552,350)
Total	\$2,832,486	\$297,500	\$3,129,986



Administrators' Remuneration Summary – Lift Capital Nominees No.1 Pty Ltd

	Actual 10 April 2008 to 24 October 2008 \$	Estimated 25 October 2008 to 12 November 2008 \$	Total \$
Remuneration	21,978	5,000	26,978
Less Discount (15%)	(3,297)	(750)	(4,047)
Total	\$18,681	\$4,250	\$22,931



Resolutions for remuneration

Lift Capital Partners Pty Limited (Aqua Voting Slip)

- A) ***“That the remuneration of the Administrators as Voluntary Administrators of Lift Capital Partners Pty Ltd for the period from 10 April 2008 to 12 November 2008 in the sum of \$3,129,986, excluding GST, is fixed and approved for payment”***

Lift Capital Nominees No.1 Pty Limited (Grey Voting Slip)

- B) ***“That the remuneration of the Administrators as Voluntary Administrators of Lift Capital Nominees No.1 Pty Limited for the period from 10 April 2008 to 12 November 2008 in the sum of \$22,931, excluding GST, is fixed and approved for payment”***



Resolution for LCP future

In response to a nomination for Liquidator received prior to the Creditors meeting, the following resolution was proposed:

“That Lift Capital Partners Pty Limited be wound-up and Martin Green and Peter Krejic of Ferrier Green Krejci Silvia be appointed as joint and several liquidators”



Resolution for LCN future

In response to a nomination for Liquidator received prior to the Creditors meeting, the following resolution was proposed:

“That Lift Capital Nominees No.1 Pty Limited be wound-up at the close of this meeting and Martin Green and Peter Krejic of Ferrier Green Krejci Silvia be appointed as joint and several liquidators”



Future work for Administrators / Liquidators

- + Continue processing Identifiable Securities to Category 1 and Category 2 clients;
- + Continue, review and apply the NSW Proceedings;
- + Debt collection and possible litigation against all client accounts with outstanding loan balances after applying set-off, post 12 November 2008;
- + Investigate actions against ML, including public examination of ML directors and officers;
- + Commence examinations of Mr Famularo;
- + Debt collection and litigation against the BVA loans;
- + Monitor WA Supreme Court proceedings;
- + Adjudicate all clients and unsecured creditors claims;
- + Declare and distribute dividend(s) to unsecured creditors; and
- + Tax determination.