

Preliminary Report to Creditors

Section 19 of the Bankrupt Act 1966 (The Act)
10 August 2012

Tony Barakat
NSW 4753 of 2012/1
(Bankrupt Estate)

Scott Pascoe & Andrew Scott
Joint & Several Trustees
Appointed: 3 August 2012

General Information

Name:	Tony Barakat
Aliases:	None
Date of Birth:	15 August 1961
Address:	110 Duntroon Avenue, Roseville Chase, NSW, 2069
Previous Address:	21 Loorana Street, Roseville Chase, NSW, 2069
Occupation:	Lawyer

Executive Summary

- We have identified property of the bankrupt of approximately \$1,550,000; cash at bank, shares and motor vehicles, and are taking immediate steps to secure and realise these assets.
- We have good prospects of recovering a lump sum contribution made by the bankrupt to his Superannuation fund of \$500,000.
- We have good prospects of recovering transfers of property and/or contributions made by the bankrupt of \$1,325,000 to a joint mortgage secured over property (now unencumbered) held in the name of his wife, Karen Barakat.
- We are continuing to investigating the financial affairs of a large number of entities associated with the bankrupt to identify any recovery actions.

Future Actions

The strategy for the future conduct of the Bankrupt Estate is to:

- Issue a report in approximately 6 weeks identifying recoveries and providing an update on investigations
- Convene a meeting of creditors in October 2012.
- Examine the bankrupt in Court

Likelihood of Dividend

A dividend is expected to be paid to creditors from this bankrupt estate. The timing and amount of the dividend will be advised at a later date. The amount of dividend is dependent on the realisation of the assets as discussed in this report.

Documents Enclosed

- Declaration of Independence, Relevant Relationships and Indemnities
- Proof of Debt Form

Background

Tony Barakat is a solicitor and formerly a partner in the Law firm known as Keddies Law Partnership. The other partners were Russell Keddie and Scott Roulstone.

Following action commenced by many former clients of Keddies Law Partnership a Creditors Petition was filed against the bankrupt on 11 July 2012. Mr Barakat filed his debtor's petition with ITSA on 3 July 2012. Each of the partners has now declared themselves bankrupt.

Application was made by a creditor in the Supreme Court of NSW freezing certain assets of the bankrupt. We understand this order does not prevent the frozen assets from vesting in the trustees and that the Orders will lapse on the next return date.

Statement of Affairs

The bankrupt's Statement of Affairs (**SOA**) was accepted by Insolvency & Trustee Service Australia on 3 August 2012. A summary is detailed below:

Statement of position

Description	Note	SOA	ERV
		\$	\$
Assets			
<i>Non-Divisible Assets</i>			
Tools of Trade		Nil	Nil
Superannuation and life insurance policies	1.1	2,940,000	500,000
Motor Vehicles	1.2	Nil	50,000
Sub-Total		2,940,000	550,000
<i>Divisible Assets</i>			
Cash at bank	2.1	503,000	503,000
Shares	2.2	1,000,068	1,000,000
Debtors	2.3	1,215,853	Unknown
Trademark rights	2.4	5,000	Unknown
Sale, Transfer of property	3.1	1,100,000	1,100,000
Assets contributed towards	3.2	4,800,000	225,000
Sub-Total		8,623,921	2,828,000
Total Assets		\$11,563,921	\$3,378,000
Liabilities			
153 Unsecured Creditors	4.1	17,214,783	17,214,783
Secured creditor	4.2	323,000	Nil
Total Liabilities		\$17,537,783	17,214,783
Net Deficiency [subject to the costs of the administration]		(\$5,973,862)	(\$13,836,783)

Assets and Liabilities

Assets

1.1 Superannuation and life insurance policies

The bankrupt disclosed he holds the following superannuation fund:

<i>Name of fund</i>	<i>Type</i>	<i>Regulated</i>	<i>Balance (\$)</i>
Barakat Superannuation Fund	Superannuation	Yes	\$2,940,000

Funds held by the bankrupt in a regulated Superannuation fund are generally protected, unless contributions were made after 28 July 2006 with the intention to defeat creditors pursuant to Section 116(2)(d) of the Act.

The bankrupt has disclosed he has made the following lump sum payments to the superannuation fund in the last 5 years:

<i>Date Paid</i>	<i>Amount Paid (\$)</i>
FY 2008	45,833
FY 2009	58,333
FY 2010	25,000
FY 2011	22,917
FY 2012	500,000

Our preliminary view is the lump sum payments for the period 2008 – 2011 are unlikely to be recoverable as the pattern of contributions appears consistent. We understand the lump sum payment in 2012 in the sum of \$500,000 was paid from proceeds of the Slater and Gordon transaction. In our view this payment(s) is likely to be recoverable under s128B of the Act.

We have requested the bankrupt produce Annual Superannuation Statements, Operating and Financial statements and Audit reports for the Superannuation Fund to review the information disclosed and confirm whether any other transactions exist which may be recoverable.

1.2 Motor vehicles

The bankrupt disclosed the following vehicles were given away in the last 5 years:

<i>Motor vehicle</i>	<i>To whom</i>	<i>Date transferred</i>	<i>Amount worth (\$)</i>	<i>How much did you receive \$</i>
Subaru	Gift to son	2 April 2012	20,000	Nil
BMW	Gift to daughter	2 March 2012	15,000	Nil
2002 Mercedes	Gift to wife	2 April 2012	20,000	Nil
Total			50,000	Nil

We have advised the bankrupt the transfers of the motor vehicles are voidable under the Act. With the bankrupt's agreement we have arranged for an independent valuer to inspect each vehicle in the next 7 days to determine market values.

Upon receipt of valuations we will be requesting each recipient to compensate the bankrupt estate for the market value of the vehicles. The bankrupt has indicated he is prepared to assist in this process.

2.1 Cash at bank

The bankrupt disclosed the following bank accounts in his SOA:

Financial Institution	Branch	Account Number	Joint Account	Current Balance (\$)	ERV \$
Westpac	Private Bank	190171	No	5,000	Nil
National Australia Bank (NAB)	Private Bank	609084304	No	503,000	503,000
Total				\$508,000	\$503,000

We have contacted all major financial institutions to freeze accounts held in the name of the bankrupt. Responses are pending. We have taken specific steps to contact NAB and have confirmed the balance in this account is approximately \$503,000. We have issued urgent instructions to NAB to forward the funds to our office.

The bankrupt is entitled to retain funds for his day to day living expenses and as such the Westpac account will not be realised.

The bankrupt disclosed in an interview that he was also a joint signatory on an account held with Commonwealth Bank of Australia (CBA). We are uncertain of the balance of this account at this stage or the bankrupt's proportion.

The bankrupt has also disclosed funds of \$6,000 were deposited in his solicitors trust account in June 2012 for future legal expenses. We have written to these solicitors requesting details of any funds held in their trust account.

2.2 Shares

The bankrupt disclosed his holdings in the following shares:

Company	Note	No of shares	Date acquired	SOA (\$)	ERV \$
Slater and Gordon Limited	2.2.1	563,064	2011	1,000,000	1,000,000
Baratone Investments Pty Ltd	2.2.2	1		No commercial value	
Barasup Pty Limited	2.2.2	1		1	
Monotone Investments Pty Ltd	2.2.2	1		1	
Vanair Pty Ltd	2.2.2	51		51	
Duntroon Pty Ltd	2.2.2	12		12	
Riseyork Pty Ltd	2.2.3	10		Unknown	
Redfern Property Holdings Pty Ltd	2.2.2	333		No commercial value	
Kedsec Pty Ltd	2.2.2	3		3	
Total				\$1,000,068	\$1,000,000

2.2.1 Slater and Gordon Limited

The bankrupt disclosed the shares in Slater and Gordon Limited were deferred consideration he received from the sale of the Keddies Law Partnership legal practice. The bankrupt advised the shares are held in escrow with staged release dates. We have notified the share registry of our appointment and requested

an urgent trading hold be placed. We are investigating any restrictions that may apply to these shareholdings and will update creditors once known. Based on the closing trading price of these shares taken from the ASX, the shares have a current gross value of \$1,086,713. We have adopted the bankrupt's value at this stage for simplicity.

2.2.2 Other companies

We understand these companies were incorporated to act in a trustee capacity and have not traded or held assets in their own rights. On this basis the value of shares appears to be worthless however we will be conducting investigations into each entity to confirm the bankrupt's statement.

2.2.3 Riseyork Pty Ltd

The bankrupt is a joint shareholder in Riseyork Pty Limited with his wife Karen Barakat. We understand this company is not the trustee of a trust. From our preliminary review of financial accounts provided by the bankrupt it appears the assets in this entity are loans and unpaid trust distributions. The value of these shares will depend on the ability to recover these assets. We intend to conduct further investigations.

2.3 Debtors

The bankrupt disclosed the following debtors in his SOA:

<i>Name of Debtor</i>	<i>Note</i>	<i>Date debt created</i>	<i>Amount of debt (\$)</i>	<i>Amount likely to be received(\$)</i>
Anthony Ghalloub	2.3.1	2009 - 2011	200,000	Unknown
Karoda Trust	2.3.2	Dec 2009	761,081	Uncertain
Tony Barakat Pty Ltd	2.3.3	2011	4,772	Nil
John Sukari	2.3.1	July 2011	250,000	Unknown
Total			\$1,215,853	Unknown

2.3.1 Ghalloub and Sukari

The bankrupt has advised these debtors are relatives to whom he loaned money when they were experiencing financial difficulties. We have requested the bankrupt provide books and documents relating to each debtor to assist our investigations. We have conducted real property searches on each debtor and they appear to own real property.

Upon receipt of records substantiating each debt we will issue demands to each debtor and if necessary instruct solicitors to recover the debts if commercial.

2.3.2 Karoda Trust

The bankrupt has stated this entity was one of three trusts which hold interests in fast food outlets known as "Le Wrap". We understand some of the stores are subject to franchise agreements and others owned outright. We have requested further information from the bankrupt and the accountants for the trust to investigate this entity further. From our preliminary review of some financial accounts provided by the bankrupt it appears the sole asset in this Trust is equity in a joint venture which we presume is related to the "Le Wrap" business. The financial accounts confirm the loan owing by the bankrupt in this amount. We intend to conduct further investigations into this entity and issue a demand to repay this debt.

2.3.3 Tony Barakat Pty Ltd

The bankrupt has advised this entity was established in approximately 2005 as part of a restructure of the former Keddies Law Partnership, which was sold in January 2011. The bankrupt advised there is no

prospect of recovering this debt. From our preliminary review of some financial accounts provided by the bankrupt it appears the only assets and liabilities for this entity are other related entity loans. There is also a deficiency in net assets. The financial accounts confirm the loan owing by the bankrupt in this amount. It appears unlikely at this stage any commercial recoveries will be made from this debt.

2.4 Trademark rights

The bankrupt disclosed the following other items of value in his SOA:

Description of Asset	Location of Asset	Jointly owned	ERV (\$)
Trade Mark "LE WRAP"		No	5,000

The bankrupt disclosed he is the holder of the trade mark as a result of having been involved in the initial establishment of the business. We understand "Le Wrap" is a fast food franchising business operated by various trusts. We are uncertain as to how the bankrupt has calculated the estimated realisable value. We have requested the bankrupt provide documents relating to his ownership of this trademark. Upon receipt we will attempt to sell our interest in the trademark if commercially viable.

3.1 Sale, Transfer of property

The bankrupt disclosed the following transfer of real property in his SOA during the last 5 years:

What did you sell	To whom	Date transferred	Amount worth (\$)	How much was it sold for \$
21 Loorana Street, Roseville Chase NSW	Declan and Jo-Anny Rye	12 March 2012	2,200,000	Money went to pay a joint loan with my wife
Total			2,200,000	

The bankrupt disclosed this property was his former matrimonial home owned with his wife as joint tenants. The bankrupt has stated the net proceeds of sale of \$2.2million were paid to NAB in partial satisfaction of the joint mortgage held by the bank over another property at Unit 1502 / 60-61 Macquarie Street, Circular Quay, NSW. Searches indicated this property is registered solely in the name of Karen Barakat. This property is discussed further at 3.2.

It is our preliminary view the transfer of the bankrupt's half interest in the matrimonial home of \$1,100,000 is likely to be recoverable. We have requested books and documents from the bankrupt and other parties to the transaction to conduct further investigations.

3.2 Assets contributed towards or helped purchase

The bankrupt disclosed the following in his SOA:

Description of Asset	Name of person who has this asset	What is it worth? \$
Unit at 1502, 60-61 Macquarie Street, Circular Quay NSW	Karen Barakat	4,800,000
Total		\$4,800,000

As noted at Section 3.1 net proceeds of approximately \$2,200,000 from the sale of the former matrimonial home at 21 Loorana Street, Roseville Chase were paid to NAB who had a first registered mortgage over this property. In addition, the bankrupt disclosed an additional payment of \$225,000 was made by him to NAB to discharge the remaining balance owing.

Searches of the records of the NSW Land Titles Office reveal this property was purchased in 2007 for an amount of \$4,800,000. We have not obtained a current valuation on the property at this stage. Although the NAB mortgage is still registered on title the NAB has advised a discharge of mortgage was signed and forwarded to the Bankrupt and Karen Barakat. We intend to carry out further investigations to determine the bankrupt's contributions to the property. We have in the interim also issued a notice to NAB to obtain books relating to their mortgage, including loan statements, since inception of the facility.

Liabilities

4.1 Unsecured creditors

The bankrupt disclosed the following unsecured creditors in his SOA:

Creditor Name	Nature of Debt	Amount (\$)
Various	Unsecured claims by former clients of the Keddies Law Partnership	11,529,342
Australian Taxation Office	Income Tax payable	2,392,307
Kedsec Unit Trust	Loan	3,075,442
Slater and Gordon Limited	Guarantee & Indemnity	Unknown
Legal Services Commission	Cost order	50,000
Maria Santangelo	Legal action	Unknown
Trent Reid	Legal action	15,000
Jonson Business Consulting	Legal action	Unknown
Mr Paunescu	Legal action	Unknown
Ask Funding Limited	Legal funding	56,000
Riseyork Pty Limited	Loan account	14,292
Cost Partners	Legal costs	51,400
Lexes Lawyers	Legal costs	31,000
Total		\$17,214,783

To reduce costs we have appointed agents, Link Market Services, to manage the receipt of Proof of Debt Forms. Creditors who wish to formalise their claim in the bankrupt estate should complete and return the attached Proof of Debt to Link Market Services using the contact details provided.

As the bankrupt and his former partners are jointly and severally liable for claims made by former clients of the Keddies Law Partnership, we intend to liaise with each trustee and adopt a commercial approach to adjudicating on these claims to minimise these costs.

4.2 Secured creditor

The bankrupt disclosed the following secured creditor in his SOA:

Secured creditor	Amount owing (\$)	Type of security	Description of secured asset
Grocon Property Trust	Balance under lease	Rental bond	\$230,000 cash bond

The bankrupt advised this secured creditor relates to a bank guarantee held by the landlord of the former operating premises of the Keddies Law Partnership at 52 Goulburn Street, Sydney. It is a joint lease between the three former partners. Although the premises are presently tenanted, the bankrupt advised there is an annual shortfall of approximately \$100,000 which the three partners had been meeting

personally. The lease term expires in 2014 and the bankrupt disclosed that repayments are presently up to date.

As all three former Keddies Law Partnership partners are now bankrupt, it is likely the landlord will now call on the security bond and in the event the bond does not fully cover the landlord's claim, any shortfall will be provable as a debt in the bankruptcy.

Businesses

The bankrupt disclosed the following businesses in his SOA:

<i>Business name</i>	<i>Notes</i>	<i>Type of business</i>	<i>Nature of Business</i>	<i>Date Commenced</i>	<i>Date ceased</i>
Keddies Law Partnership	5.1	Partnership with Scott Roulstone and Russell Keddie	Legal practice		11/01/2011
Barton Lawyers	5.2	Sole trader	Legal practice	1/01/2012	N/A

5.1 *Keddies Law Partnership*

This was the former law firm the bankrupt operated in partnership with Russell Keddies and Scott Roulstone. The bankrupt disclosed the partnership was sold through a corporate structure (Keddies The Insurance Law Specialists Pty Ltd) to Slater & Gordon Limited on 11 January 2011 for consideration of \$32million. Documentation provided by the bankrupt indicates he received net consideration of \$5,719,502 from the sale, including shares in Slater and Gordon of \$1,000,000 (Note 2.2.1).

We have requested the bankrupt provide further books and documents in relation to the sale to verify this information, including, a reconciliation of how the sale proceeds were disbursed. We will also require Slater and Gordon to provide books and documents relating to the sale.

5.2 *Barton Lawyers*

The bankrupt disclosed he is carrying on this legal practice as a sole trader under the name Barton Lawyers. The bankrupt has indicated the business has only been trading for a short time and has a small amount of office equipment necessary to operate the business.

A bankrupt is allowed to retain tools of trade to the value of \$3,550. The business is the bankrupt's source of income. We have requested the bankrupt provide further information on the business, particularly the level of income he expects to derive, and intend to conduct further investigations.

A search of the records held with the Business Names Register confirms the business name was registered by the bankrupt in December 2011.

The bankrupt is required to "show cause" to the Law Society to be allowed to continue to practise as a solicitor whilst bankrupt.

It is an offence for a bankrupt to operate a business under a name other than his own, without disclosing to every person with whom he has dealings his true name and the fact that he is an undischarged bankrupt. It is also an offence for an undischarged bankrupt to borrow money or buy goods on credit exceeding a total of \$5,068 (indexed), without disclosing the bankruptcy. The penalty for these offences is imprisonment for three years. The bankrupt has been made aware of restrictions pursuant to section 269 (1)(b) of the Act.

Companies

The bankrupt has disclosed in his SOA his involvement as a director or in a management role in a large number of companies. A schedule summarising each company is contained at Annexure A. The bankrupt has indicated that many of these companies do not trade or trade only as trustees for trusts. ASIC searches confirm the companies disclosed by the bankrupt and one additional company, Corporation 888 Pty Limited, which we will investigate.

We have issued notices to the companies' accountants seeing books and documents for these entities. Further investigations will be undertaken to determine the value of the bankrupt's shareholdings and whether any assets have been transferred to these companies by the bankrupt.

An undischarged bankrupt is disqualified from managing a company pursuant to section 206B(3) of the Corporations Act.

Trusts

The Bankrupt disclosed that he has been a unit holder or beneficiary of the following trusts in his SOA:

<i>Trust name</i>	<i>Type of Trust</i>	<i>Activity</i>	<i>Value of Assets owned by Trust (\$)</i>
Kedsec Unit Trust	Unit	Investment activities	4,355,884
Barakat Family Trust No. 1	Discretionary	Joint venture property development	Nil
Le Wrap Franchising No.1 Trust	Discretionary	Food Retail/Franchise	271,907
Monotone Investment Trust	Discretionary	Property Investments	2,037,000
The Vanair Trust	Discretionary	Family Trust	2,673,757
Karoda Family Trust	Discretionary	Joint Venture	836,966
Barakat Family Trust No.2	Discretionary	Family Trust	Nil
Duntroon Family Trust	Discretionary	Investment	Unknown

We have requested the bankrupt and accountants for the above trusts produce books and documents for each trust. Further investigations will be undertaken to determine whether the bankrupt has transferred any assets to these trusts which may be recoverable under the Bankruptcy Act.

Investigations

To date we have undertaken the following investigations:

Searches of NSW Land & Property Information

We enclose as Annexure B search results for all properties owned by either the bankrupt or his wife, Karen Barakat. We are advised the properties in which the bankrupt is shown as a registered proprietor are held in the capacity as trustee for the Barakat Superannuation Fund. We have requested the bankrupt provide information to confirm these details. In the interim we have instructed solicitors to register caveats against the bankrupt's interest in the various properties.

ASIC Searches

We refer to the Annexure A which contains details of companies in which the bankrupt has held office holder positions and/or been a shareholder.

Veda Advantage

We have forwarded notice of the bankruptcy to Veda Advantage and are currently awaiting results of our enquiry into the bankrupt's credit history.

Roads and Maritime Services

We have requested a search of the RTA and Maritime Services database and are currently awaiting the results.

Income Contributions

Based on the information disclosed in the SOA the bankrupt is not presently likely to be liable for Compulsory Income Contributions for the period 3 August 2012 to 2 August 2013. The bankrupt disclosed his sole source of income is from the legal practice Barton Lawyers (5.2).

We have requested the bankrupt provide further information to substantiate the disclosed level of income. We will conduct further investigations upon receipt of this information and continue to monitor the bankrupt's income periodically.

Examination of Bankrupt

The bankrupt's affairs are complex and involve a large number of companies and trusts. There are a number of transactions, described above which require further investigations. We are likely to conduct Public Examinations of the bankrupt and related parties after we have gathered relevant books and documents.

Discharge

A bankrupt is automatically discharged from bankruptcy 3 years from the date on which the Statement of Affairs was filed, unless an objection is lodged by the Trustee. The objection has the effect of extending the bankruptcy to either five or eight years from the date the bankrupt files a Statement of Affairs. Based on the date on which ITSA accepted the SOA, the bankrupt will be eligible for discharge on **4 August 2015**.

Meeting of creditors

We have not convened a meeting of creditors at present as we are still conducting our initial investigations and urgent enquires. We intend to issue a report in **September 2012** with a view to holding a meeting of creditors in **October 2012**.

Notwithstanding the above timeframes, we will advise creditors as soon as practical of any material matters that come to our attention.

Purpose

We advised this report constitutes formal Notice to Creditors in accordance with Section 19 and Regulation 4.14(1) of the Act.

This report:

- Summarises initial investigations based on the SOA.
- Details our independent investigations conducted to date including enquiries made to third parties and statutory bodies.

If creditors have any information which differs significantly from what is stated in this report, knowledge of any assets of the bankrupt or claims that can be made to recover funds then they should convey that information to us.

Contact details

Contact: Link Market Services
Phone: +61 2 8280 7153
Email: ppbb@linkmarketservices.com.au
Website: www.ppbadvisory.com

DATED this 10th day of August 2012



Scott Pascoe and Andrew Scott
Joint & Several Trustees in Bankruptcy
Tony Barakat (Bankrupt Estate)

Any queries regarding the ongoing administration of the estate should firstly be addressed to the Trustee. If, however, you are not satisfied with the Trustee's response, you may address further queries to the Bankruptcy Regulation Unit, Level 4, 201 Elizabeth Street, Sydney NSW 2000, Telephone (02) 8233 7800, Facsimile (02) 8233 7890.

General information about the bankruptcy process is available on the website of the Insolvency Trustee Service of Australia at www.itsa.gov.au.

Annexure A

Summary of entities associated with Tony Barakat

Company	Registered Address	Director in the past 2 years	Secretary in the past 2 years	Is this a Trustee Company ?	Name of Trust	Total No of Shares Issued	Shares held by Tony Barakat	Shares held by Karen Barakat
Baratone Investments Pty Ltd ACN 077 354 502	C/- Younis & Co Pty Ltd Unit 8, 142 James Ruse Drive ROSEHILL NSW 2142	Yes	No	Yes	The Barakat Family Trust No.1	4	1	-
Barasup Pty Limited ACN 152 992 062	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2000	Yes	Yes	Yes	Barakat Superannuation Fund	2	1	1
Monotone Investments Pty Ltd ACN 087 903 820	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2001	Yes	Yes	Yes	The Monotone Investment Trust	1	1	-
Vanair Pty Ltd ACN 003 621 618	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2002	No	No	Yes	The Vanair Family Trust	100	51	49
Duntroon Pty Ltd ACN 146 081 138	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2003	Yes	Yes	Yes	The Duntroon Family Trust	12	12	-
Karoda Enterprises Pty Ltd ACN 112 213 920	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2004	No	No	Yes	The Karoda Family Trust	2	-	2
Le Wrap Franchising No. 1 Pty Ltd ACN 116 207 357	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2005	No	No	Yes	Le Wrap Franchising No 1 Family Trust	2	-	2
Legal Cost Auditors Pty Ltd ACN 155 547 005	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2006	Yes	Yes	Unknown	-	10	-	10
Riseyork Pty Ltd ACN 055 383 812	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2007	Yes	No	Unknown	-	18	9	9
Tony Barakat Pty Ltd ACN 100 758 969	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2008	No	No	No	-	1	-	-
ACN 100 759 368	HLB Mann Judd (NSW) Pty Ltd Level 19, 207 Kent St SYDNEY NSW 2009	No	No	No	-	3	-	-
Kedsec Pty Limited ACN 003 649 956	25 Attunga St WOOLLAHRA NSW 2025	No	No	Yes	Kedec Unit Trust	9	3	-
Corporation 888 Pty Ltd ACN 096 172 977	Rotary House 43 Hunter St PARRAMATTA NSW 2150	Yes	No	Unknown	-	5	-	-
K B R Legal Costing Consultants Pty Limited ACN 095 073 957 (Deregistered)	99 Redfern St REDFERN NSW 2016	No	No	No	-	N/A	1	-
Redfern Property Holdings Pty Ltd ACN 087 514 921 (Deregistered)	10 Wiston Gardens DOUBLE BAY NSW 2020	Yes	No	Yes	Redfern Property Holdings Unit Trust	N/A	333	-
Newtowne Investments Pty Ltd ACN 084 902 643 (Deregistered)	Younis and Co 541 Church St NORTH PARRAMATTA NSW 2151	No	No	Yes	The Barakat Family Trust No.2	N/A	-	-

Previous Shareholdings

Company	Registered Address	Director in the past 2 years	Secretary in the past 2 years	Is this a Trustee Company ?	Name of Trust	Total No of Shares Issued	Shares held by Tony Barakat	Shares held by Karen Barakat
Keddies The Insurance Law Specialists Pty Ltd ACN 119 864 881	Slater & Gordon 485 La Trobe St MELBOURNE VIC 3000	Yes	No	No	-	N/A	50,100	-

Annexure B

Summary of Property owned by the bankrupt

Property	Purchaser/s	Capacity Advised	Date Acquired	Purchase Price	Date Transferred/Sold	Sale Price
97-99 Redfern St REDFERN NSW 2016	RW & SS Keddie Pty Ltd (1/3 share) Booklack Pty Ltd (1/3 share) Tony and Karen Barakat (1/3 share)	Superannuation fund	28 June 2012	\$ 1,820,000.00	N/A	\$ -
93A Redfern St REDFERN NSW 2016	RW & SS Keddie Pty Ltd (1/3 share) Booklack Pty Ltd (1/3 share) Tony and Karen Barakat (1/3 share)	Superannuation fund	3 December 2007	\$ 1,850,000.00	N/A	\$ -
95 Redfern St REDFERN NSW 2016	RW & SS Keddie Pty Ltd (1/3 share) Booklack Pty Ltd (1/3 share) Tony and Karen Barakat (1/3 share)	Superannuation fund	11 October 2007	\$ 1,772,000.00	N/A	\$ -
26 Loorana St ROSEVILLE CHASE NSW 2069	Elias Barakat and Karen Barakat (equal shares)	Beneficially held	24 October 2002	\$ 1,080,000.00	N/A	\$ -
1298 George Downes Dr KULNURA NSW 2250	Karen Barakat	Beneficially held	7 December 2001	\$ 825,000.00	N/A	\$ -
20 Malga Ave ROSEVILLE CHASE NSW 2069	Karen Barakat	Beneficially held	30 July 2002	\$ 1,287,000.00	N/A	\$ -
1502 / 61-69 Macquarie St SYDNEY NSW 2000	Karen Barakat	Beneficially held	25 January 2007	\$ 4,800,000.00	N/A	\$ -
Units 7 - 13 6-8 Holden St ASHFIELD NSW 2131	Booklack Pty Ltd Tony Barakat and Karen Barakat	Superannuation fund	9 January 2004	\$ 2,100,000.00	2 February 2012	\$ 2,100,000.00
21 Loorana St, ROSEVILLE CHASE 2069	Tony Barakat and Karen Barakat	Beneficially held	29 April 1994	\$ 175,000.00	2 April 2012	\$ 2,200,000.00

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

TONY BARAKAT
NSW 4753 OF 12/1
(THE DEBTOR)

This document requires the Practitioner/s appointed to an insolvent entity to make declarations as to:

- A. their independence generally
- B. relationships, including
 - i. the circumstances of the appointment;
 - ii. any relationships with the Insolvent and others within the previous 24 months;
 - iii. any prior professional services for the Insolvent (no time limit);
 - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner

This declaration is made in respect of us, our partners, PPB Advisory and the related entities covered by the extended definition of firm

A. Independence

We, Scott Pascoe and Andrew Scott of PPB Advisory, Level 46, MLC Centre, 19 Martin Place, Sydney NSW 2000 have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint & Several Trustees in Bankruptcy of the Debtor in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

i. Circumstances of appointment

We had 2 meetings with the Debtor and his advisers, on 30 July 2012 and the 2 August 2012 for the purposes of:

1. Understanding the financial situation of the debtor;
2. Forming a preliminary view of the solvency of the debtor
3. Explaining the consequences of insolvency; and
4. Clarifying the alternative courses of action in the case of insolvency.

These meetings do not affect our independence as we and our related entities are not related to the Debtor and have no prior dealings outside the initial meetings.

The advice was restricted to the limitations imposed by Principle 2 of the Code of Professional Practice in relation to pre-appointment advice. Also, the advice provided is unlikely to be subject to review during the administration and would not impact on compliance with our statutory and fiduciary duties. It is for these reasons the advice does not, in our opinion, give rise to a conflict of interest or duty.

We did not receive any remuneration for this advice

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons why not an Impediment or Conflict
Australian Taxation Office ('ATO'),	Various Practitioners within PPB Advisory are members of the ATO's, WC's, SRO's and the Major Bank's panel of Insolvency Practitioners and receive nominations to act from same for insolvency appointments.	There are no matters of which we are aware which give rise to a conflict in this appointment. In particular, being a member of the various panels does not constitute a conflict as our previous relationship with same has not been and is not in relation to the Debtor's affairs or related parties of the or the Debtor.

There are no other prior professional or personal relationships that should be disclosed.

iii. Prior Professional services to the Insolvent

Neither we, nor our Firm, have provided any professional services to the Debtor.


iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Debtor, an associate of the Debtor, a former insolvency practitioner appointed to the Debtor or the Debtor's property that should be disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated 10th day of August 2012



SCOTT DARREN PASCOE



ANDREW JOHN SCOTT

NOTE:

1. *If circumstances change, or new information is identified, we are required under the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*