

SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: 11998/17

In the matter of: **DANFX TRADE PTY LTD (ACN 613 185 345) & ors**

Applicant: **AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION**

First Respondent: **DANFX TRADE PTY LTD (ACN 613 185 345)**

Second Respondent: **DANFX INVESTMENT HOLDINGS PTY LTD (ACN 614
172 842)**

Third Respondent: **D & S ALI PROPERTIES PTY LTD (ACN 614 851 937)**

Fourth Respondent: **DANIEL FAROOK ALI**

AFFIDAVIT

ANTHONY MICHAEL CASTLEY of Level 21, 307 Queen Street, Brisbane, Queensland,
registered liquidator and registered trustee, states on oath:

1. I am the receiver appointed to the property of the respondents as referred to in the orders made by this Honourable Court herein on 14 November 2017 ("Court Order").

Court orders

2. Under paragraphs 6(f) and 7(f) of the Court Order as varied by subsequent orders made herein on 21 November and 6 December 2017, I am to provide a report to the Court on matters referred to in paragraphs 6(a) to (e) and 7(a) to (e) of the Court Order.

Page 1

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Filed on behalf of the receiver
Form 46, Version 1
Uniform Civil Procedure Rules 1999
Rule 431

326861

RBG LAWYERS

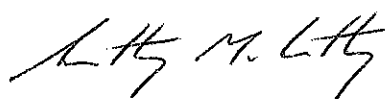
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Introduction

3. As will become apparent from this affidavit, the tasks required under paragraphs 6(a) to (e) and 7(a) to (e) of the Court Order and reporting on those tasks will require more time to complete than the current deadline of 29 January 2018. In this affidavit, I provide an interim report on the following:
 - (a) Tasks undertaken so far including steps taken to identify, collect and secure Property (as defined in the Court Order) of the respondents (paragraphs 6(a) and 7(a) of the Court Order);
 - (b) Any progress made so far in ascertaining the amount of Investor Funds (as defined in the Court Order) received by the respondents (paragraphs 6(b) and 7(b) of the Court Order);
 - (c) Any progress made so far in ascertaining details of dealings made of Investor Funds (paragraphs 6(c) and 7(c) of the Court Order);
 - (d) the Property that has been identified (paragraphs 6(d) and 7(d) of the Court Order);
 - (e) Any recovery that had been made of Investor Funds (paragraphs 6(e) and 7(e) of the Court Order);
4. However, given the interim nature of this report, I provide these and other details under following categories:
 - (a) Outline of tasks undertaken so far – this section of the report includes steps taken to identify, collect and secure Property, ascertaining details of funds that can be collected from bank accounts or other sources;
 - (b) What has been found so far - this section sets out details of bank accounts and trading platform accounts showing all funds that have been recovered or which may still be recovered, details of assets recovered or believed to exist and may be recoverable;
 - (c) Review of transactions – this section sets out observations on specific transactions that I have been able to identify and investigate;

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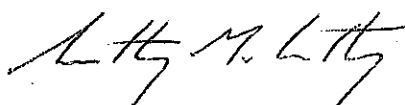
- (d) Moneys owed to Investors;
- (e) Costs including remuneration incurred or to be claimed;
- (f) An indication of the further tasks to be performed and an estimate of how long I believe it will take to complete those further tasks.

Outline of tasks undertaken so far

5. The following is a summary of the tasks that have been undertaken so far by me and by my staff under my supervision:

- (a) Preparation & lodgement with ASIC of required statutory forms;
- (b) Liaison with ASIC officers in relation to the appointment, subsequent hearings & orders made by the Court;
- (c) Perusal of court documents filed in the proceedings by ASIC including the affidavit of Anne Gubbins;
- (d) Attending the premises of the respondents which was unattended;
- (e) Communications with the fourth respondent, Mr Ali;
- (f) Liaising (correspondence and telephone conversations) with solicitors for the respondents;
- (g) Numerous requests to Bankwest to obtain copies of bank statements;
- (h) Preparation of and forwarding to directors of companies a package of documents relevant to the appointment;
- (i) Issuing circular notifications to major banks requesting to freeze accounts;
- (j) Review of banks' responses;
- (k) Initiating placement of insurance cover;
- (l) Correspondence with Trading Platforms for information of trading by respondents;

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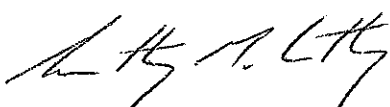


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- (m) Meeting with Craig Clancy, a person engaged by the respondents, in relation to obtaining books, records and computers;
- (n) Receipt of records provided;
- (o) Meeting with Mr Ali and his solicitor;
- (p) Arranging for auctioneers to attend premises to inspect office furniture and equipment;
- (q) Arranging for auctioneers to collect the motor vehicles of the respondents;
- (r) Further liaising with solicitors and Mr Ali concerning the surrender of vehicles;
- (s) Attending to telephone calls from investors and creditors;
- (t) Perusal of correspondence from creditors and investors and replies to same where required;
- (u) Requests to ASIC for copies of bank statements received by it;
- (v) Initial review of Bankwest bank statements;
- (w) Requests to Bankwest and one of the trading platforms to forward balance of accounts;
- (x) Opening receivership bank accounts;
- (y) Receipt of account balances and banking the same to receivership bank accounts;
- (z) Requests to Mr Ali and Mr Clancy for information;
- (aa) Review of Mr Ali's affidavit of 20 December 2017;
- (bb) Numerous discussions with staff in relation to instructions for investigation procedures and administration matters;
- (cc) Supervision of coding of bank statements to enable preparation of accounts to ascertain investors' funds received, the application of those funds and identification of assets;

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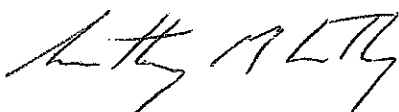
- (dd) Correspondence to solicitors acting for respondents in property transactions and requesting information on those transactions;
- (ee) Undertaking of various searches of property and other registers;
- (ff) Meeting, correspondence and telephone conversations with solicitors appointed to assist me in relation to a number of matters including the winding up application brought by the Commissioner of State Revenue (NSW) against D&S Ali Properties Pty Ltd and dealing with the landlord of the respondents' business premises in relation to the termination of the lease, the lockout of the premises and the entitlement to chattels or other assets that may still be in the premises;
- (gg) Arranging with auctioneer to remove furniture and equipment from premises;
- (hh) Correspondence with third party service providers for information held on external servers – Quick books & Access 360;
- (ii) Preparation & lodgement with ASIC of the section 421A Managing Controllers Reports;
- (jj) Payments to Mr Ali of the Court ordered weekly allowance;
- (kk) Review of specific transactions identified from bank statements and other records;
- (ll) Instructing solicitors to register a caveat on respondent's property situated at Brookwater;
- (mm) Correspondence with mortgagee of Brookwater property to establish level of equity
- (nn) Preparation of this report, including conferring with solicitors for that purpose.

What has been found so far

6. The Property that has been identified so far comprises:

- (a) Bank accounts;
- (b) Trading platform accounts;

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- (c) Interests in real estate;
- (d) Motor vehicles;
- (e) Office furniture and equipment;
- (f) Moneys claimed to be owed from landlord.

Bank accounts

7. Details of bank accounts are:

Bankwest:


Account Name	Account No.	Amount Received (1)	Comments
D&S Ali Properties Pty Ltd	255-015301-0	\$50.00	
Daniel Farook Ali	260-007890-6	\$3,299.69	
DanFX Investment Holdings Pty Ltd	255-014962-3	\$169.53	
DanFX Investment Holdings Pty Ltd	255-014929-1	\$206.08	
DanFX Trade Pty Ltd	255-014930-6	\$24,918.18	\$401.49 to be sent
DanFX Trade Pty Ltd	255-014966-5	\$70.00	
Mr Daniel Farook Ali & Ms Romina Maladrino	255-013587-0	\$1,611.52	
INCFX Trade – Daniel Farook Ali t/as	255-014271-0	\$1,076.88	
INCFX Trade – Daniel Farook Ali t/as	255-013373-9		Replacement cheque for \$19,246.70 to be sent
INCFX Trade – Daniel Farook Ali t/as	255-014270-2	\$4.45	

- (1) “Amount received” in the table above relate to moneys that have been received into the bank account opened by me as receiver.

Westpac:

Account Name	Account No.	Balance	Comment
DanFX Investment Holdings Pty Ltd	034-154 25-1713	\$1,962.55	Account frozen. Balance not transferred to receiver
DanFX Investment Holdings Pty Ltd	034-154 25-1721	\$74,077.85	Security Deposit A/c for Bank Guarantee

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St George bank:

Account Name	Account No.	Balance	Comment
Daniel Farook Ali	0412679785	\$0.00	
Daniel Farook Ali	0449288403	\$23.13	Account frozen. Balance not transferred

Trading platform accounts

8. ASIC informed me of the existence of three trading platform accounts on which foreign currency transactions were conducted in the business of the respondents. The three accounts referenced below) were also referred to in the affidavit of Mr Ali filed herein. I also have observed details that correlate to the transactions noted in the tables below in the bank account statements of the respondents that I have inspected.
9. My examination of the trading account statements revealed that there are no current open transactions (whereby a buy or sell foreign currency transaction has not yet completed so that they may be a further profit or loss to be realised). As a result, I do not expect that there will be any further funds available to go into the trading accounts.
10. Details of trading platform accounts are:

International Capital Markets

Account Name	Account No.	Amount Received (1)	Comments
Daniel Ali	2089113750	\$42,457.66	
Daniel Ali	527636	\$466.72	
Daniel Ali	5009934	\$23,027.53	(2)

- (1) "Amount received" in the table above relate to moneys that have been received into the bank account opened by me as receiver.
- (2) There were several transactions conducted after the date of my appointment even though the account should have been frozen. The trading platform operator realised its error in not freezing the account when first advised and so has provided the sum of \$23,027.53, being the amount that would have been in the account if it had been frozen at the time of my appointment.

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Halifax Investment Services

Account Name	Account No.	Balance	Comment
Daniel Farook Ali	6291282	\$4.44	Account Frozen. Balance not transferred

IronFX

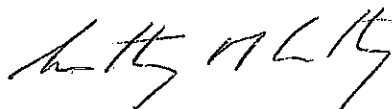
Account Name	Account No.	Balance	Comment
Daniel Farook Ali	11026800	\$76.93	Account Frozen. Balance not transferred. Appears to have stopped being used in December 2015 and not used since that time.

Real estate

11. Details of real estate interests that have been ascertained are as follows:

- (a) According to a search of Titles Office records, D&S Ali Properties Pty Ltd is the registered owner of a vacant parcel of land situated at 9 Monterey Circuit, Brookwater (lot 316 on Survey Plan 275506, title reference 51054464). The purchase price paid in November 2016 was \$612,000. In addition to the purchase price, stamp duty paid was \$20,565. Transfer fees were \$1,627. According to an historical title search, there was no mortgage on the title after it was purchased.
- (b) A current search of the title to the Brookwater property records that a mortgage was registered in favour of Noble Hub Pty Ltd in August 2017. From the records I have obtained, I have established that a loan was obtained for \$237,855 in August 2017 and according to the mortgage manager the amount now due and payable as secured by the mortgage is \$277,177.12.
- (c) I have not obtained a detailed valuation of the property but Realestate.com.au estimates the value range for the land is \$440,000 to \$549,999.
- (d) My solicitors have lodged a caveat on the property registering the receiver's interest.

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- (e) I have not found any other interests in real estate owned in the names of any of the respondents. However, I have identified two real estate transactions in relation to the proposed acquisition of properties which are discussed later in this report.

Motor vehicles

12. Searches of the Department of Transport identified four motor vehicles registered in the following names:

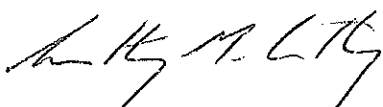
Model	Registered Owner	Estimated Value
2015 BMW 320i	D&S Ali Properties Pty Ltd	\$35,000
2015 BMW X1	INCFX Trade	\$30,000
2015 BMW X3	INCFX Trade	Not Yet Obtained
2015 BMW X5	INCFX Trade	\$45,000

13. In accordance with the Court Order, the 320i, X1 and X5 have been surrendered and are currently stored at Lloyds Auctions at my instruction. The remaining vehicle, the X3, is being used by Mr Ali as agreed. During a review of the available bank statements there were transactions identified which upon further enquiry might reveal there are additional vehicles. Inquiries are continuing.

Office furniture and equipment

14. An inspection of the office furniture and equipment located at DanFX Trade office, Level 19, 50 Cavill Avenue, Surfers Paradise was carried out by a valuer from Lloyds Auctions on 8 December 2017. I am informed by the valuer and verily believe that he has subsequently had reference to the asset and equipment register that was annexed to Mr Ali's affidavit dated 20 December 2017 in checking details of the assets that should be in existence.
15. Arrangements were made for the items to be collected and stored at Lloyds Auctions. However, prior to this happening the landlord terminated the lease (due to default in payment of rent) and prevented access to the office. I am informed by my solicitors and verily believe that the landlord's solicitors have indicated that they will allow the removal of the furniture and equipment provided I undertake to rectify any damage that may be caused during the removal.

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16. The landlord has indicated an interest in acquiring the furniture and equipment and my solicitors have requested that they make an offer for consideration. No offer has yet been received. However, my solicitors informed me on 19 January 2018 that the landlord now wishes to relet the premises and wants all of the respondent's furniture and equipment removed.
17. For commercial reasons, I have not included in this report details of the estimated value of moveable items of equipment or any likely surplus that could be expected if tenant's fixtures were removed and sold (having regard to the expenses of any make good obligations. However, I can indicate that any funds that may be recovered from such an exercise will be substantially less than what the respondents paid for such items.

Moneys claimed to be owed from landlord

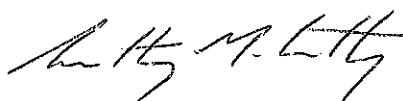
18. An invoice was issued by DanFX Investment Holdings Pty Ltd to the landlord for the agreed contribution for the fit out costs incurred in the amount of \$163,153.19. I assume from that invoice that the respondents assert that such funds are recoverable from the landlord.
19. However, from the leasing proposal document that I have obtained, I note the following provision:

"The Lessee shall receive an incentive equivalent to 28% of the lease term (\$160,286.28), based on the first year's net rental including increases.

The Incentive is to be provided as a capital contribution toward the cost of the lessee's hard fitout (excluding furniture and office equipment etc.) and/or a rental abatement over the term of the lease. The allocation is subject to agreement between the parties and the lessee must nominate an proposed allocation prior to lease execution.

Should the lease be terminated for any reason other than the default of the lessor before the expiry date, then the Lessee must reimburse the Lessor that part of the incentive to be calculated pro-rata, based on the unexpired portion of the lease over the term of the lease. Any incentive taken as a rent rebate may be terminated for serious or persistent breach of lease by the lessee."

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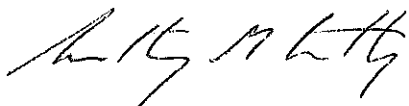


20. The lease commenced on 15 February 2017 for a term of five years and was terminated for breach on 14 December 2017. Therefore, I conclude that the maximum amount of incentive that would be recoverable from the landlord would be 10/60th of \$163,153.19 (assuming that is the actual amount of the agreed incentive) being \$27,192.98.
21. The default claimed by the landlord was arrears and costs totalling \$7,603.37 as at 14 December 2017.
22. The Bank Accounts details noted earlier in this interim report shows that DanFX Investment Holdings Pty Ltd has a security deposit in Westpac account number 034-154 25-1721 of \$74,077.85 to secure a bank guarantee. The lease specifies the amount of the bank guarantee as \$74,077.85. The landlord has indicated that as a result of the termination of the lease it will be calling up the bank guarantee.
23. Currently, it cannot be calculated as to whether any funds will be available from the security deposit after the landlord calls up the bank guarantee. If the bank guarantee is insufficient to cover the lessee's total eventual liability to the landlord under the lease, such as for arrears of rent, make good costs and expenses involved in reletting the premises, then I anticipate that the landlord will try to set off any additional liability against the possible claim for incentive payment as referred to above.


Review of transactions

24. An initial review has been undertaken of the bank statements in relation to tracking the use of the funds provided to the business of the respondents. The following sets out details of transactions I have tracked from the bank accounts discussed earlier in this report. The vast majority of funds that went into those bank accounts appear, from my examination of the accounts, to have come from investors. Even where funds were described in the accounts as having been sourced from some other means, such as director loans, I have not yet been able to verify whether such minor amounts in fact were not originally sourced from investors.
25. In the tables below, the details in the "narration" columns come from the descriptions recorded in the bank statements.

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Land purchase of 9 Monterey Circuit, Brookwater

Date	Narration	Amount	Account Number
19/10/16	Brookwater Realty	\$60,200.00	255-013373-9
24/11/16	McNamara Trust a/c	\$400,000.00	255-014962-3
28/11/16	McNamara Trust a/c	\$173,923.00	255-013373-9
28/11/16	Land	(\$9,000.00)	255-014962-3
	Total	\$625,123.00	

26. The above table shows that a total of \$625,123.00 was used in relation to the purchase of the Brookwater property and that those funds came from two bank accounts of the business. Details of the purchase price, stamp duty and registration fees for the property are set out earlier in this report.
27. The following observations of the accounts that I have inspected lead me to conclude that the funds for the purchase of this property came from investors:
- (a) The initial \$60,200.00 which went to Brookwater Realty came from the bank account 255-013373-9, which at the time had a balance of approximately \$1.2 million, which comprised mainly investors' funds;
 - (b) An amount of \$300,000.00 was transferred from account 255-013373-9 to 255-014962-3. The latter account balance at that time had been \$109,101.92, which was in credit only because of funds of \$200,000 coming from an investor Pebble Design on Veary. An amount of \$400,000 was then paid to McNamara Trust Account.
 - (c) The sum of \$173,923.00 was paid from the account 255-013373-9 which comprised investor funds.

Deposit on 243 Heath Road, Leppington

Date	Narration	Amount	Account Number
31/1/17	Heath Road	\$10,625.00	255-013373-9
20/3/17	243 Heath Rd	\$50,000.00	255-013373-9
23/3/17	243 Heath Rd	\$364,375.00	255-013373-9
	Total	\$425,000.00	

28. As mentioned above, the bank account 255-013373-9 comprised predominantly investor funds.
29. My inquiries of Vaikom Law, the company acting as trustee of the D&S Ali Properties Trust, signed a contract on 24 February 2017 for the purchase of the property for

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\$4,250,000. The law firm also informed me and I verily believe that the vendor terminated the contract on 20 October 2017 as a result of the company defaulting under the contract, and that the deposit of \$425,000.00 has now been paid to the vendor.

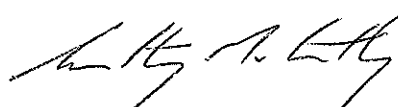
30. I note from information provided by the respondents that the deposit of \$425,000.00 was recorded as an asset of the relevant respondent but that is clearly no longer the case.
31. I have also ascertained that stamp duty due on the contract was not paid to the Office of State Revenue in New South Wales. As a result of the unpaid assessment, the Commissioner of State Revenue commenced winding up proceedings against D & S Ali Properties Pty Ltd which is listed for 6 February 2018. However, I maintain that if the contract has been terminated then the stamp duty should no longer be payable.

Deposit on 51-53 Portobello Drive, Mermaid Waters

Date	Narration	Amount	Account Number
27/7/17	Portobello deposit	\$40,000.00	255-013373-9
16/8/17	Portobello purchase	\$50,000.00	255-013373-9
28/8/17	Portobello Deposit	\$76,000.00	255-013373-9
	Total	\$166,000.00	

32. Just prior to 28 August 2017, the balance of account 255-013373-9 was only \$529.59. On that date, an amount of \$145,000.00 is noted as being received from "D&S Ali Loan". Those funds appear to have come from the loan that was obtained and secured against the Brookwater property as referred to in paragraph 11(b) above. I traced an amount of \$225,000.00 as coming into the bank account of D & S Ali Properties Pty Ltd, from which the amount of \$145,000.00 was transferred on the same day to account 255-013373-9.
33. From the limited information available, I understand that the contract for the purchase of this property is due to settle on 29 January 2018. I have contacted the solicitors acting for the purchaser. In response to my queries, the solicitors did not provide any information except to advise that the purchaser of the property is not one of the respondents to these proceedings. At this stage I am not aware whether or not the deposit will be forfeited if the purchaser is unable to complete the contract. Based on this information, my preliminary view is that money from the respondents' accounts, comprising funds received from investors, has been used to pay the deposit on a contract where the intended purchaser is not one of the respondents.

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Apparent personal expenditure

34. The bank accounts also contain details of purchases or payments that appear to be personal in nature, as I cannot see any connection that there could be to the business of the respondents. Details of these are as follows:

Purchase of Rolex

Date	Narration	Amount	Account Number
31/10/16	Rolex Dubai Business Gift	\$6,749.08	255-014962-3

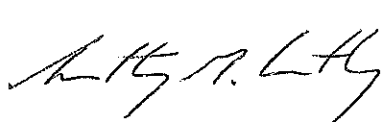
Other personal items


Date	Narration	Amount	Account Number
22/3/16	Apple Store - Carindale	\$5,219.10	255-013373-9
22/3/16	Harvey Norman - Oxley	\$4,296.00	255-013373-9
4/5/16	Facet 58	\$18,990.00	255-013373-9
8/3/17	Louis Vuitton - Sydney	\$4,000.00	255-014270-2
20/3/17	David Jones Ltd - Sydney	\$1,299.00	255-014270-2
22/3/17	Louis Vuitton - Chadstone	\$2,040.00	255-014270-2
7/4/17	Gucci Aust - Sydney	\$465.00	255-014270-2
1/5/17	Rebel - Bankstown	\$624.94	255-014270-2
2/5/17	Rebel - Bankstown	\$318.95	255-014270-2
3/5/17	North Shore Special - Greenwich	\$4,421.00	255-014270-2
17/5/17	ASICS Oceania - Sydney	\$910.00	255-014270-2
19/5/17	Louis Vuitton - Sydney	\$1,110.00	255-014270-2
19/5/17	Apple Store - Sydney	\$4,114.00	255-013373-9
22/5/17	Louis Vuitton - Sydney	\$5,345.00	255-014270-2
24/5/17	Louis Vuitton - Broadbeach	\$5,690.00	255-013373-9
9/8/17	Ranik Pty Ltd - Redbank Plains	\$4,300.00	255-013373-9
25/10/17	Brisbane Muslim SC - Durack	\$3,052.50	255-013373-9
25/10/17	Steve Crypto	\$6,000.00	255-013373-9
	Total	\$72,195.49	

Purchase of motor vehicles

Date	Narration	Amount	Account Number
18/3/16	Car Pay Off	\$25,000.00	255-013373-9
21/3/16	Car Paid Off	\$6,362.18	255-013373-9
10/5/16	Westside BMW - Darra (2)	\$15,000.00	255-013373-9
11/5/16	BMW X3 (1) (2)	\$60,588.00	255-013373-9
16/5/16	BMW Payment (4)	\$146,009.26	255-013373-9
19/5/16	Westside BMW	\$178.20	255-013373-9
19/10/16	BMW Westside (3)	\$58,385.00	255-013373-9
13/12/16	Rising Sun Cars	\$20,880.00	255-013373-9
18/4/17	Canterbury BMW (5)	\$5,000.00	260-007890-6
28/4/17	Canterbury BMW (5)	\$120,000.00	255-013373-9
	Total	\$457,402.64	

(1) I believe this narration should have read X5.

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- (2) The contract price of the BMW X5, as noted in the copy of the contract that I have inspected, was \$87,888.00. I have not established from where the balance of the contract sum was paid.
- (3) I have inspected a contract for the purchase of a BMW 320i for the sum of \$58,385.00.
- (4) I have not yet seen any contract notes or other evidence in relation to the purchase of BMW X1 and X3 (being referred to in Ms Gubbins' affidavit filed herein).
- (5) I have no information to identify what these payments relate to.

Loan to Perfumes Dubai

Date	Narration	Amount	Account Number
26/7/16	Perfumes Dubai	\$20,000.00	255-013373-9
22/8/16	Perfumes Dubai	\$30,000.00	255-013373-9
16/2/17	Directors Loan to Perfumes Dubai	\$30,000.00	255-013373-9
16/2/17	Loan to Perfumes Dubai	\$5,000.00	255-013373-9
	Total	\$85,000.00	

Salary drawings

35. From examining the bank statements referred to above, I have observed that Mr Ali was drawing sporadic salary payments of around \$5,000.00 from time to time up to about May 2016, then regular payments of \$5,770.00 from about late May 2016 and then regular \$8,000.00 payments from September 2016. There are also other salary drawings deposited to Mr Ali's bank account in addition to these more regular payments. I have not been provided with any documents evidencing any agreed salary arrangement. However, I note that these salary payments are in addition to the various items of personal expenditure described above.

Conclusions

36. The conclusions that I have drawn from the above details are that –
- (a) as the vast majority of funds in the bank accounts have come from investors, and
 - (b) I have not seen any documentation to substantiate any substantial level of remuneration that could be payable to Mr Ali in addition to the salary drawings that went into Mr Ali's bank account, and
 - (c) Particulars of various amounts that are set out in the above tables do not appear to bear any relevance to the business of the respondents,

Signed:



Taken by:



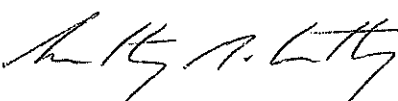

- (d) Moneys that have been spent as detailed in the above tables appear to be funds from investors that have been spent for purposes unrelated to the business and apparently for the personal benefit of Mr Ali.

Moneys owed to investors

37. I have been provided with a draft spreadsheet from the files provided by Mr Clancy on behalf of the respondents. While I believe that spreadsheet is incomplete in terms of recording accurately how much may still be owed to each investor, it appears from the respondents' own records that a total amount of \$12,305,663 is owed to investors.
38. I have examined the bank statements to try to establish how much has been collected from investors and how much has been paid out to investors. From that exercise, I have ascertained the following:
- (a) A total amount of \$14,432,441 has been deposited to the accounts which appear to have come from named investors or from sources I cannot identify from the narrations in the bank accounts but which I could not exclude as having come from investors;
 - (b) A total amount of \$2,104,106.41 appears to be recorded in the narrations in the bank statements as having been in the nature of capital returns to investors;
 - (c) A total amount of \$3,298,024.18 appears to be recorded in the narrations in the bank statements as having been in the nature of profits paid to investors.
39. From the analysis described in this affidavit, there appears to me to be insufficient funds or assets of the respondents to pay investors in full.

Receiver's remuneration to date

40. I refer to my written consent to act as receiver filed herein which attached a table of the charge out rates applied in my business of providing insolvency advisory and business recovery services. So far, there are no orders in place for the payment of my remuneration.
41. I have accrued details of remuneration which I and my staff have tied to allocate across work relevant to the four respondents. Such allocation is to an extent arbitrary, since

Signed:  Taken by: 

many items of attendances by myself and staff relate to one or more or all of the respondents. Therefore, I submit that any order for the charging and payment of receiver's remuneration, costs and expenses should permit the payment thereof from any property collected, regardless of the specific respondent.

42. Details of accrued remuneration and disbursements as at 25 January 2018 are as follows:

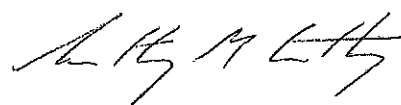
<i>Respondent</i>	<i>Remuneration</i>	<i>Disbursements</i>	<i>Total</i>
DanFX Trade Pty Ltd	86,937.50	1,723.12	88,660.62
DanFX Investment Holdings Pty Ltd	8,994.50	36.30	9,030.80
D&S Ali Properties Pty Ltd	13,069.00	18.15	13,087.15
Daniel Farook Ali	\$7,598.50	0.00	7,598.50

The above figures are exclusive of GST.

Tasks to be done

43. As mentioned earlier in this report, the above is only an interim report, as more work is required to be undertaken to complete the work required under the Court Order.
44. One of the key tasks still to be done is finalising the input of the data from the bank statements to enable limited financial accounts to be prepared. This will allow for the examination and tracing of the funds received from investors and how those funds were used.
45. As a result of the initial review of the bank statements there are a number of queries which will need to be raised with Mr Ali. There will also be further queries arising from the inputting of the bank statement data and it is my intention to compile a list to put to Mr Ali for clarification and answers. It will also assist in reaching final conclusions if a detailed response can be obtained from Mr Ali to the matters set out in this interim report. From the clarification of the enquiries and the receipt of additional information a final report to the Court can then be compiled.
46. From progress that has been made so far in the inputting of data, I estimate that it will take me and my staff another four weeks to complete these tasks.

Signed:



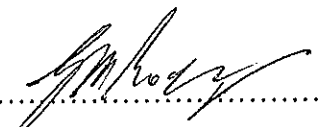
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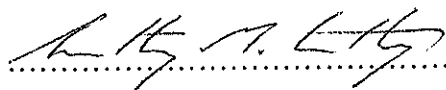


47. Another important task that I believe is required in this matter is to try to confirm the amount invested by each investor, how much has been returned to each investor and how much is still owed to each investor. However, currently that task cannot be carried out because:
- (a) Member account statements (i.e. statements generated in the business that appears to be intended to record a member's current balance of investment and transactions carried out with respect thereto) are incomplete – I do not appear to have statements for every investor;
 - (b) Narrations in the bank accounts for payments of returns are not always identified by reference to named investors so those returns cannot be correlated to specific investor accounts;
 - (c) The reference numbers for investors shown in the bank statements in some instances are plainly incorrect do not correlate to the reference numbers shown in the records of the respondents for those investors, and in several instances, there are no reference numbers used in the bank statement narrations;
 - (d) The draft spreadsheet provided by Mr Clancy on behalf of the respondents refers to returns being made or to be made but those returns not have been paid in each instance.
48. I submit that a more suitable approach to complete that task would be to call upon investors to provide documents similar to that required when submitting a proof of debt which can then be examined and cross-referenced to the records of the respondent.
49. All the facts and circumstances above deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my affidavit.

SWORN by **Anthony Michael Castley** on
29 January 2018

At Brisbane in the presence of:

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Solicitor

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Deponent